COVER SHEET

C	S	2	0	0	8	1	1	5	3	0

S.E.C. Registration Number

NICKEL ASIA CORPORATION

(Company's Full Name)

28th Floor, NAC Tower, 32nd
St. Bonifacio Global City
Taguig City

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

Atty. Barbara Anne C. Migallos
Atty. Daneia Isabelle F. Palad

Contact Person

8896-9357 to 59

Telephone Number of the Contact Person

1	2		3	1

Fiscal Year

SEC Form 20- IS
Definitive Information Statement

FORM TYPE

Every First Friday of June

Annual Meeting

N/A

Secondary license Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

n/a

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

NICKEL ASIA CORPORATION
Notice of Annual General Meeting of Stockholders

TO OUR STOCKHOLDERS:

Please be informed that the **Annual General Meeting of the stockholders** of **NICKEL ASIA CORPORATION** (the "Company") will be held online on **Monday, 9 June 2025** at **10:00 A.M.** and will be presided at the Company's principal office address at the 28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila (the "2025 AGM" or the "Meeting"). The order of business thereat will be as follows:

1. Call to Order
2. Proof of required notice of the meeting
3. Certification of quorum
4. Reading and approval of the Minutes of the 7 June 2024 annual general meeting of stockholders
5. Presentation of Annual Report and Audited Financial Statements for the year ended December 31, 2024 and action thereon
6. Ratification and approval of the acts of the Board of Directors and Executive Officers during the year 2024
7. Appointment of independent auditors
8. Election of directors, including independent directors
9. Other matters
10. Adjournment

A brief statement of the rationale and explanation for each Agenda item which requires shareholders' approval is contained in Annex "A" of this Notice. The Definitive Information Statement accompanying this Notice contains more detail regarding the rationale and explanation for each of such Agenda items.

Stockholders of record at the close of business on 13 March 2025 are entitled to notice of, and to vote at, this year's Meeting. Shareholder may only participate via remote communication.

To register, certificated stockholders who will attend the Meeting should send a scanned copy of one (1) valid government identification card (ID) to nikl-asm2025@nickelasia.com. Indirect shareholders should send scanned copies of their broker's certification and one (1) valid ID to nikl-asm2025@nickelasia.com. Deadline for registration is on 28 May 2025.

The Company is not soliciting proxies. Should you be unable to attend the meeting, you can nevertheless be represented and vote at the AGM by submitting a proxy by email to nikl-asm2025@nickelasia.com, or by sending a physical copy to the Office of the Corporate Secretary at the Company's principal address at 18th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila. The deadline for submission of proxies is on 28 May 2025.

Inquiries and/or comments limited to the items in the Agenda of the Meeting may be sent to nikl-asm2025@nickelasia.com on or before 28 May 2025. Inquiries and/or comments received after the deadline, or those unrelated to the items in the Agenda of the Meeting shall be referred to the Corporation's proper officer for the appropriate response.

BARBARA ANNE C. MIGALLOS
Corporate Secretary

The Rationale and Explanation for each Agenda item requiring shareholders' approval is attached to this Notice.

The Definitive Information Statement, Management Report and SEC Form 17-A with 2024 Audited Financial Statements, accompany this Notice.

ANNEX "A"

EXPLANATION AND RATIONALE
For each item on the Agenda of the 2025 Annual General Meeting of Stockholders of Nickel Asia Corporation requiring the vote of stockholders

AGENDA

1. **Call to Order**
   The Chairman will formally open the 2025 Annual General Meeting of Stockholders. The Directors and Officers of the Company will be introduced.

2. **Proof of required notice of the meeting**
   The Corporate Secretary will certify that copies of this Notice and the Information Statement with its accompanying documents with its accompanying documents have been duly provided in accordance with SEC Rules, within the required periods, to stockholders of record as of 13 March 2025.

3. **Certification of quorum**
   The Corporate Secretary will attest whether a quorum is present for the meeting.

4. **Reading and approval of the Minutes of the 7 June 2024 annual general meeting of stockholders, and action thereon**
   Shareholders may examine the Minutes of the 7 June 2024 annual general meeting of stockholders, in accordance with Sec. 73 of the Revised Corporation Code. The Minutes are also available on the Company's website.

   Resolution to be adopted:
   Shareholders will vote for the adoption of a resolution approving the Minutes of the 7 June 2024 annual general meeting of stockholders.

5. **Presentation of annual report and audited financial statements for the year ended December 31, 2024 and action thereon**
   The annual report and the financial statements of the Company, audited by the Company's external auditors, Sycip Gorres Velayo & Company, will be presented. The report will include the Audited Financial Statements, a copy of which accompanies this Notice and the Information Statement. Copies of the Information Statement and the Audited Financial Statements for 2024 are likewise made available on the Company's website (www.nickelasia.com).

   OPEN FORUM. After the report, inquiries submitted by stockholders on or before May 28, 2025 via email as stated in the Notice will be answered by the appropriate officer. Due to time considerations, questions not addressed at the meeting will be responded to via email.

   Resolution to be adopted:
   Shareholders will vote for the adoption of a resolution approving the annual report and the audited financial statements for the year ended December 31, 2024.

6. **Ratification and approval of the acts of the Board of Directors and Executive Officers during the year 2024**
   Actions by the Board and by the officers are contained in the Information Statement (please see pages 33 to 36 of the Information Statement) or are referred to in the Management Report.

Resolution to be adopted:
The ratification and approval of the acts of the Board of Directors and Officers.

7. **Appointment of independent auditors**
The Audit and Risk Committee screened the nominees for independent external auditor and endorsed the appointment of Sycip Gorres Velayo and Company ("SGV") as the Company's independent external auditors for the year 2025.

Resolution to be adopted:
Shareholders will vote on a resolution for the appointment of SGV as independent external auditor of the Company for 2025.

8. **Election of directors, including independent directors**
The Final List of Candidates for election as directors, as prepared by the Nominations Committee in accordance with the Company's By-Laws, the Revised Manual on Corporate Governance, the Securities Regulation Code and its Implementing Rules and Regulations and SEC guidelines for the election of independent directors, is contained in the Information Statement (please see page 13). The Final List will be presented to the shareholders, and the election of directors will be held.

The Voting Procedure is stated in the Information Statement (please see pages 37 to 38).

9. **Other matters**
Matters that are relevant to and appropriate for the annual general shareholders' meeting may be taken up. No resolution, other than the resolutions explained in the Notice and the Information Statement, will be submitted for voting by the shareholders.

10. **Adjournment**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [**X**] Definitive Information Statement

2. Name of Registrant as specified in its charter: **NICKEL ASIA CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **CS200811530**

5. BIR Tax Identification Code: **007-085-191-000**

6. **28th Floor, NAC Tower, 32nd Street, Bonifacio Global City,**
   Taguig City, Metro Manila **1634**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **+63 2 8798 7622**

8. Date, time and place of the meeting of security holders:

   Date : **June 9, 2025**
   Time : **10 A.M.**
   Place : **To be conducted by remote communication.**
   The meeting will be presided at the 28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **9 May 2025**

10. In case of Proxy Solicitations: **NOT APPLICABLE**

    Name of Person Filing the Statement/Solicitator:
    Address and Telephone Number:

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Common Stock Issued	**13,958,322,808**
Preferred Stock Issued	**720,000,000**
Long-term Debt	**Php 2,432.5 million (as of December 31, 2024)**

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes x No ____

    If so, disclose the name of Exchange: **The Philippine Stock Exchange, Inc.**

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

The Annual General Meeting (the "2025 AGM" or the "Meeting") of the Stockholders of Nickel Asia Corporation, a corporation organized and existing under the laws of the Philippines with principal office address at the 28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila (the "Company") will be held on **Monday, June 9, 2025** at **10 A.M.** and will be presided at the Company's principal office address provided above. Stockholders may attend the meeting and participate by remote communication only.

The Agenda of the 2025 AGM, as indicated in the accompanying Notice of Annual General Meeting of Stockholders, is as follows:

1. Call to Order
2. Proof of required notice of the meeting
3. Certification of quorum
4. Reading and approval of the Minutes of the 7 June 2024 annual general meeting of stockholders
5. Presentation of Annual Report and Audited Financial Statements for the year ended December 31, 2024 and action thereon
6. Ratification and approval of the acts of the Board of Directors and Executive Officers during the year 2024
7. Appointment of independent auditors
8. Election of directors, including independent directors
9. Other matters
10. Adjournment

Voting procedures are contained in Item 19 (pages 37 to 38) of this Information Statement and will be stated at the start of the 2025 AGM. Cumulative voting is allowed; please refer to Item 4 (pages 3 to 4) for an explanation of cumulative voting.

The Management Report, and the Securities Exchange Commission ("SEC") Form 17-A with the Audited Financial Statements for the year ended December 31, 2024, are attached to this Information Statement. Said reports are also uploaded to the Company's website. Upon written request of a shareholder, the Company shall furnish such shareholder with a printed copy of the said reports, as filed with the SEC, free of charge. The contact details for obtaining such copies are on page 39 of this Information Statement. This Information Statement, Proxy Form, and attachments shall be available to security holders on or before May 8, 2025.

Further information and explanation regarding specific agenda items**,** where appropriate, are contained in various sections of this Information Statement. This Information Statement constitutes notice of the resolutions to be adopted at the Meeting.

WE ARE NOT SOLICITING PROXIES. SHAREHOLDERS MAY APPOINT PROXIES IF THEY ARE UNABLE TO ATTEND THE MEETING SO THAT THEIR VOTE MAY BE COUNTED.

Item 2. Dissenters' Right of Appraisal

Title X, Section 80 of the Revised Corporation Code of the Philippines grants in favor of the stockholder the right to dissent and demand payment of the fair value of his shares in certain instances, to wit:

(1) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(2) in case of the sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;

(3) in case of merger or consolidation; or

(4) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

None of the proposed corporate actions to be discussed at the forthcoming Stockholders' Meeting qualifies as an instance for the exercise of the appraisal right by any stockholder.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Apart from election to office, none of the incumbent Directors and Executive Officers of the Company, or any associate of the foregoing have any substantial interest, direct or indirect, by security holding or otherwise, in any matter to be acted upon in the Meeting.

The Company has not received any information from any Director that he/she intends to oppose any matter to be acted upon in the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of March 31, 2025, the Company has 13,985,547,094 issued common shares and 13,931,125,094 outstanding common shares. Out of the issued common shares, 54,422,000 are treasury shares. The 720,000,000 issued and outstanding preferred shares are 100% owned by Filipinos.

Out of the 14,651,125,094 outstanding voting shares of the Company as of March 31, 2025, 9,705,087,727 shares (66.24%) are owned by Filipinos, while 4,946,037,367 shares (33.76%) are owned by non-Filipinos.

Cumulative voting may be adopted in the election of directors as allowed by the Revised Corporation Code of the Philippines. On this basis, each registered stockholder as of March 13, 2025, may vote the number of shares registered in his name for each of the nine (9) directors to be elected; or he may multiply the number of shares registered in his name by nine (9), the number of the Company's directors as provided in its Articles of Incorporation, and cast the total of such votes for one (1) director. A stockholder may also distribute his votes among some or all of the nine (9) directors to be elected.

Voting Procedures are stated in pages 37 to 38 of this Information Statement.

All stockholders of record as of the close of business on March 13, 2025 are entitled to notice of, and to vote at, the 2025 AGM. A stockholder entitled to vote at the meeting shall have the right to vote by sending an online form via email, or by proxy.

Security ownership of certain record and beneficial owners (more than 5% of voting securities) as of March 31, 2025:

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
Common Stock	Sumitomo Metal Mining Philippine Holdings Corp.[1] 24F Pacific Star Building, Makati Avenue, Makati City	Sumitomo Metal Mining Co., Ltd. (SMM) *See Note 2*	Filipino	3,614,397,887	25.94%
Common Stock	Mantra Resources Corporation[2] 30th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig	Mantra Resources Corporation	Filipino	3,555,081,802	25.52%
Common Stock	PCD Nominee Corporation (Filipino)	*Various stockholders* *See Notes 1 and 4*	Filipino	2,358,102,621	16.93%
Common Stock	Asiasec Equities Inc.[3] 8/F Chatham House, 116 Valero cor. V.A. Rufino Sts. Saledo Village, Makati City	Ni Capital Corporation *See Note 3*	Filipino	1,830,296,491	13.14%

[1] Sumitomo Metal Mining Philippine Holdings Corp. is a stockholder of the Company. Mr. Shiro Imai, an incumbent Director of the Company, likewise serves as a Director of Sumitomo Metal Mining Philippine Holdings Corp.
[2] Mantra Resources Corporation is a stockholder of the Company. Ms. Maria Patricia Z. Riingen and Mr. Martin Antonio G. Zamora, incumbent Directors of the Company, likewise serve as members of the Board of Directors of Mantra Resources Corporation.
[3] Asiasec Equities Inc. is a stockholder of the Company.

Common Stock	PCD Nominee Corporation (Non-Filipino) *See Notes 1 and 4*	Various stockholders *See Notes 1 and 4*	Foreign	1,330,984,534	9.55%
Common Stock	Nonillion Holding Corporation[4] 3/F Corporate Business Centre, 151 Paseo de Roxas Makati City	Nonillion Holding Corporation	Filipino	1,174,000,000	8.43%
Preferred Stock	Nickel Asia Holdings, Inc.[5] 28th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City	Nickel Asia Holdings, Inc.	Filipino	720,000,000	100%

(1) PCD Nominee Corporation ("PCD"), the nominee of the Philippine Depository & Trust Corporation, is the registered owner of the shares in the books of the Company's transfer agent. The beneficial owners of such shares are PCD's participants who hold the shares on their own behalf, or in behalf of their clients.

PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

The shares under PCD includes the 2,781,740 indirect shares beneficially owned by Ni Capital Corporation constituting 0.02%.

(2) Sumitomo Metal Mining Philippine Holdings Corp. is 100%-owned by Sumitomo Metal Mining Co., Ltd., a Japanese company.

(3) Ni Capital Corporation is the beneficial owner of the shares of the Company held by Asiasec Equities, Inc.

(4) Except as stated above, the Company has no knowledge of any person or any group who, directly or indirectly, is the beneficial owner of more than 5% of the Company's outstanding shares or who has a voting power, voting trust or any similar agreement with respect to shares comprising more than 5% of the Company's outstanding common stock.

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[4] Nonillion Holding Corporation is a stockholder of the Company. Mr. Leonides Juan Mariano C. Virata, an incumbent Director of the Company, likewise serves as a Director of Nonillion Holding Corporation.

[5] Nickel Asia Holdings, Inc. is a stockholder of the Company. Ms. Maria Patricia Z. Riingen, Mr. Harvey T. Ang, Mr. Martin Antonio G. Zamora, Mr. Leonides Juan Mariano C. Virata, Mr. Shiro Imai, and Mr. Yusuke Niwa, incumbent Directors of the Company, likewise serve as members of the Board of Directors of Nickel Asia Holdings, Inc.

Proxies of the foregoing record owners for the Annual General Stockholders' Meeting on June 9, 2025 have not yet been submitted. The deadline set by the Board of Directors for submission of proxies is on May 28, 2025.

(a) Security Ownership of the Directors and Management as of March 31, 2025:

Name of Beneficial Owner	Citizenship	Title of Class	Amount and Nature of Beneficial Ownership		Total direct & indirect shares	% to Total Outstanding Shares
			Direct	Indirect		
Jose Isidro N. Camacho	Filipino	Common	1,000	0	1,000	0
Maria Patricia Z. Riingen	Filipino	Common	1,000	910,800	911,800	0.01
Martin Antonio G. Zamora	Filipino	Common	540	5,515,671	5,516,211	0.04
Harvey T. Ang	Filipino	Common	2,000,000	10,625,640	12,625,640	0.09
James J.K Hung	Taiwanese	Common	1,000	0	1,000	0
Shiro Imai	Japanese	Common	2,023	0	2,023	0
Yusuke Niwa	Japanese	Common	2,023	0	2,023	0
Leonides Juan Mariano C. Virata	Filipino	Common	100	0	100	0
Florencia G. Tarriela	Filipino	Common	1	16,799	16,800	0
Jose Bayani D. Baylon	Filipino	Common	0	100,200	100,200	0
Rolando R. Cruz	Filipino	Common	614,952	1,285,962	1,900,914	0.01
Koichi Ishihara	Japanese	Common	0	0	0	0
Georgina Carolina Y. Martinez	Filipino	Common	0	84,000	84,000	0
Ma. Angela G. Villamor	Filipino	Common	0	1,047,554	1,047,554	0.01
Romeo T. Tanalgo	Filipino	Common	0	730,435	730,435	0.01
Jeffrey B. Escoto	Filipino	Common	0	499,999	499,999	0
Marnelle A. Jalandoon	Filipino	Common	0	0	0	0
Ryan Rene C. Jornada	Filipino	Common	0	101,500	101,500	0
Iryan Jean U. Padillo	Filipino	Common	0	4,500	4,500	0
Patrick S. Garcia	Filipino	Common	0	612,419	612,419	0
Christopher C. Fernandez	Filipino	Common	0	0	0	0
Rodrigo G. Gazmin, Jr.	Filipino	Common	0	0	0	0
Bimbo T. Almonte	Filipino	Common	0	0	0	0

Remedios C. Camo	Filipino	Common	0	16,000	16,000	0
Ma. Fatima C. Mijares	Filipino	Common	0	0	0	0
Reynaldo M. Dela Rosa	Filipino	Common	0	0	0	0
Christine Joanne C. Navarro	Filipino	Common	0	0	0	0
Teody A. Pascual	Filipino	Common	0	40,000	40,000	0
Jessie A. Payuyo	Filipino	Common	0	121,600	121,600	0
Kristine Grace C. Victoria	Filipino	Common	0	0	0	0
Charito R. Villena-Co	Filipino	Common	0	0	0	0
Jessie N. Pagaran	Filipino	Common	0	0	0	0
Andre Mikael L. Dy	Filipino	Common	0	0	0	0
Edwin P. Nerva	Filipino	Common	0	50,000	50,000	0
Reynaldo D. G. Mata II	Filipino	Common	0	0	0	0
Fernando P. Cruz	Filipino	Common	0	4,000	4,000	0
Christian Jae R. Gascon	Filipino	Common	0	0	0	0
Edwin R. Casiano	Filipino	Common	0	0	0	0
Irene R. Ramos-Salvacion	Filipino	Common	0	0	0	0
Cynthia E. Rosero	Filipino	Common	0	2,642,972	2,642,972	0.02
Philipp D. Ines	Filipino	Common	0	100,000	100,000	0
Melchor C. Mananes	Filipino	Common	0	20,000	20,000	0
Barbara Anne C. Migallos	Filipino	Common	0	0	0	0
Total			**2,622,639**	**24,530,051**	**27,152,690**	**19%**

(b) The Corporation has no stockholder of record holding more than 5% of the Corporation's common stock under a voting trust agreement.

(c) There are no arrangements which may result in a change in control of the Corporation.

Item 5. Directors and Executive Officers

(a) List of Directors and Executive Officers of Issuer

The names of the incumbent directors of the Company as of March 31, 2025, their respective ages, citizenship, and period of service are as follows:

Name	Age	Citizenship	Position	Date First Elected	Date Last Elected	No. of Years served as Director
Jose Isidro N. Camacho	69	Philippine National	Non-Executive Director, Chairman of the Board of Directors	June 7, 2024	June 7, 2024	10 months
Martin Antonio G. Zamora	52	Philippine National	Executive Director, President and Chief Executive Officer (CEO)	June 16, 2010	June 7, 2024	14 years and 10 months
Maria Patricia Z. Riingen	59	Philippine National	Non-Executive Director, Vice Chairman of the Board of Directors	May 20, 2019	June 7, 2024	5 years and 11 months
Harvey T. Ang	52	Philippine National	Non-Executive Director	June 3, 2022	June 7, 2024	2 years and 10 months
Shiro Imai	51	Japanese National	Non-Executive Director	June 28, 2022	June 7, 2024	2 years and 10 months
Yusuke Niwa	58	Japanese National	Non-Executive Director	August 5, 2021	June 7, 2024	3 years and 8 months
Leonides Juan Mariano C. Virata	44	Philippine National	Non-Executive Director	June 28, 2022	June 7, 2024	2 years and 10 months
James J.K. Hung	77	Taiwanese National	Independent Director	June 7, 2024	June 7, 2024	10 months
Florencia G. Tarriela	78	Philippine National	Independent Director	August 4, 2022	June 7, 2024	1 year and 7 months

1) JOSE ISIDRO N. CAMACHO is the Chairman of the Company. He is the Chairman of the Finance Committee and Corporate Governance Committee of the Board. He is currently the Chairman of SunLife of Canada (Philippines), and Chairman of the University of Arts Singapore. He is a Senior Adviser to TPG Capital (Singapore), Neurocredit (Singapore), Paper Excellence Group, and SICPA (Switzerland); a Founding Member of Asia Peace and Reconciliation Council (Thailand), and an Independent Director of Sun Life Grepa Financial Inc., Citadel Pacific Limited, Trans Diversified Group Inc. and STPI. He is also the Chairman of Bangko ng Kabuhayan and Diniwid Beach Corp. and Co-Chairman of Jin Chan Invest (Singapore).

Mr. Camacho was formerly Managing Director and Vice Chairman for Credit Suisse Asia Pacific. He joined Credit Suisse in March 2005 after a distinguished career in government and international banking. He was appointed Secretary of Finance for the Philippines in 2001, a position he held until November 2003. As Secretary of Finance, he led the country's economic team and supervised the fiscal and financial sectors. Prior to that, he served as Secretary of Energy for the Philippines where he was credited with the successful passage of the country's power sector reform legislation. He was also Chairman of Land Bank of the Philippines, Philippine Deposit Insurance Corporation, Trade Development and Investment Corporation

(PhilExim), Home Guaranty Corporation, National Power Corporation (NPC), Power Sector Asset and Liability Management Corporation (PSALM), National Transmission Corporation (Transco), Privatization Council, Capital Market Development Council, and National Credit Council. Prior to joining the government, Mr. Camacho was a Managing Director and Chief Country Officer for the Philippines at Deutsche Bank, AG in Manila. Before Deutsche Bank, he worked for Bankers Trust Company for over 20 years in New York, Japan, Hong Kong, Philippines and Singapore. His last position at Bankers Trust was Head of Investment Banking for Southeast Asia and CEO for Singapore. Mr. Camacho was previously a board member of the National Gallery Singapore (2013- June 2021), the National Heritage Board of Singapore (2007-2013) and Sun Life Malaysia Takaful Bhd (2013-2019) and Sun Life Malaysia Assurance Bhd (2013-2022). He was also formerly a member of the International Advisory Panel of the Asian Infrastructure Investment Bank (2016-2024), the Securities Industry Council of Singapore (2010-2017), the Securities Commission of Malaysia's International Advisory Group (2008-2010) and the ASEAN Capital Markets Forum's Group of Experts (2008-2012), and the Chief Executive Officer of Credit Suisse Singapore (2007-2016).

Mr. Camacho obtained his Bachelor's degree in Mathematics (cum laude) from De La Salle University in 1975. He received his MBA with concentration in Finance from Harvard University in 1979. In 2017, He was awarded an Honorary Degree of Doctor of Business Administration from Thailand's Eastern Asia University and was a recipient of Singapore's 2021 Public Service Medal (Pingat Bakti Masyarakat).

Listed companies of which Mr. Camacho is presently a director:

Philippines

1. Nickel Asia Corporation

2) MARIA PATRICIA Z. RIINGEN, Vice Chair of the Company, was first elected as a Director of the Company on May 20, 2019. She is a member of the Corporate Governance Committee of the Board, the Chairman of CDTN Services Company Inc. (CDTN), Cagdianao Mining Corporation (CMC), Dinapigue Mining Corporation (DMC), La Costa Shipping and Lighterage Corporation (LCSLC), Nickel Asia Holdings, Inc. (NAHI), Samar Nickel Mining Resources Corporation (SNMRC), Greenlight Renewables Holdings, Inc. (GRHI), Casilagan Solar Power Corporation (CSPC), San Antonio Solar Power Corp. (SASPC), Sta. Maria Solar Power Corporation (SMSPC), SanJuan Solar Power Corporation (SSPC), and Tuy Solar and Wind Power Corp. (TSWPC). She is the Director and Vice Chairman of Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), and Hinatuan Mining Corporation (HMC). She is likewise a Director of Cordillera Exploration Co., Inc. (CEXCI), Newminco Pacific Mining Corporation (Newminco), Emerging Power, Inc. (EPI), Jobin-SQM Inc. (JSI), Biliran Holdings Inc. (BHI), Mindoro Geothermal Power Corporation (MGPC), Northern Palawan Power Generation Corporation (NPPGC), Emerging Energy Resources 1, Inc. (EER 1), Emerging Energy Resources 2, Inc. (EER 2), Emerging Energy Resources 3, Inc. (EER 3), and Emerging Energy Saver Corporation (EESC). She is also a Trustee of NAC Foundation Inc. (NACFI).

She is the President of Manta and Manta Foundation, Inc. and a Director of Mantra. She is currently Chairperson of the Young Presidents' Organization (YPO) Gold Philippines Chapter. Prior thereto, she held various positions with the Western Union Company and was the Senior Vice President and Regional Head for Asia Pacific. Her other previous roles were as Executive Director and a member of the BOD at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble.

She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines.

Ms. Riingen obtained her Bachelor of Science in Business Administration, major in Marketing, Magna Cum Laude, from the University of the Philippines.

Listed companies of which Ms. Riingen is presently a director:

Philippines:

1. Nickel Asia Corporation

3) MARTIN ANTONIO G. ZAMORA is the President and CEO of the Company. He is the President of all the mining subsidiaries of the Company and the Chairman of EPI and its subsidiaries. He is the Chairman of the Sustainability Committee and Nominations Committee, and a member of the Finance Committee and Board Risk Oversight Committee of the Board. He is the Chairman of NACFI and RTN Foundation Inc. (RTNFI). Before joining NAC in 2007, Mr. Zamora was the Philippine Country Manager and a Director of UPC Renewables, a global developer, owner and operator of wind farms and solar facilities. Prior to that, he worked for 10 years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV & Co.

He received his Bachelor of Science in Management from Ateneo de Manila University, his Master of Business Administration from London Business School, and his Master in Organizational Psychology from INSEAD.

Listed companies of which Mr. Zamora is presently a director:

Philippines:

1. Nickel Asia Corporation

4) HARVEY T. ANG has served on the Company's Board since his election on June 3, 2022, and is a member of its Finance Committee. He is also a director of EPI, CDTN, CMC, DMC, HMC, NAHI, SNMRC, and LCSLC, andis President of Yeeloofa Development Corporation.

Previously, Mr. Ang was Business Development Manager at Exchange Properties Resources Corporation and Export Director at Solid Mills, Inc. His extensive experience spans the real estate, textile, logistics, retail, and marketing industries.

He holds a Bachelor of Science in Management from Ateneo de Manila University.

Listed Companies of which Mr. Ang is presently a director:

Philippines:

1. Nickel Asia Corporation

5) SHIRO IMAI is the Chairman and President of Sumitomo Metal Mining Philippine Holdings Corp. (SMMPHC), Coral Bay Nickel Corporation (CBNC), and Taganito HPAL Nickel Corporation (THNC). He has been with SMM since 1995. Prior to his assignment in the Philippines, he was the Manager of the Copper and Precious Raw Materials Department from June 2016 until September 2019 and served as Chief Representative of SMM's London Office from July 2014 to May 2016. He was also part of Nickel Sales and Raw Materials Department of the Non-Ferrous Metals Division from November 2009, the Sales and Marketing Section of the Advanced Materials Division from February 2001 until October 2009, and the Sales and Marketing Section of the Electronics Division from April 1995 to January 2001.

Mr. Imai obtained his Bachelor's degree of Faculty of Economics from Tohoku University in Miyagi, Japan.

Listed companies of which Mr. Imai is presently a director:

Philippines:

1. Nickel Asia Corporation

6) YUSUKE NIWA was first elected as a Director on August 5, 2021. He is the General Manager of the Nickel Sales and Raw Materials Department and the Executive Officer/Senior Deputy General Manager of Non-Ferrous Metals Division of SMM. He has more than 30 years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile. Mr. Niwa is also an incumbent director of the Company's affiliates, THNC, CBNC and NAHI.

He obtained his Bachelor of Science degree in Political Science and Economics from Waseda University in Tokyo, Japan.

Listed companies of which Mr. Niwa is presently a director:

Philippines:

1. Nickel Asia Corporation

7) LEONIDES JUAN MARIANO C. VIRATA was first elected as Director effective June 30, 2022. He is a member of the Sustainability Committee of the Board. Mr. Virata is the CEO of Cavitex Holdings Inc. and the Managing Director of MTV Investment Properties. Prior thereto, he was with Platinum Securities HK from 2006 to 2010.

He received his Bachelor of Arts, Major in Philosophy of Religions from University of Pennsylvania.

Listed companies of which Mr. Virata is presently a director:

Philippines:

1. Nickel Asia Corporation

8) FLORENCIA G. TARRIELA was first elected as Independent Director on August 4, 2022. She is the Lead Independent Director, Chairman of the Audit Committee, and a member of the Board Risk Oversight, Related Party Transactions, and Corporate Governance Committees of the Board. Ms. Tarriela is a Board Advisor of the Philippine National Bank (PNB), an Independent Director of the LT Group, Inc., and a Director of Gozon Development

Corporation and Tulay sa Pag-unlad Inc., a microfinance NGO. She is also a director of the Philippine Bible Society and FINEX Foundation in the charge of the Environment Committee, a fellow of the Institute of Corporate Directors, a GoNegosyo mentor and a member of the Filipina CEO Circle and Women Business Council Philippines. She previously served as Board Chair and Independent Director of PNB for 15 years and Undersecretary for the Department of Finance. She was the first Filipina Vice President in Citibank N.A., President of the Bankers Institute of the Philippines, Director of the Bankers Association of the Philippines, and of the Philippine Bible Society. She has co-authored and compiled several books on ethics, mentorship, and gardening, among others, and continues to be a regular columnist for Manila Bulletin and Business World. Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in Economics, from the University of the Philippines and Master's degree in Economics from the University of California, Los Angeles.

Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in Economics, from the University of the Philippines and Master's degree in Economics from the University of California, Los Angeles.

Listed companies of which Ms. Tarriela is presently a director:

Philippines:

1. Nickel Asia Corporation (Independent)
2. LT Group, Inc. (Independent)

9) JAMES J.K. HUNG was first elected as Independent Director on June 7, 2024. He is the Chairman of Board Risk Oversight Committee and a member of Audit Committee, Related Party Transactions Committee, Nominations Committee, and Sustainability Committee of the Board. He is the Chairman of Asia Securities Global Group (Hong Kong) since 1993 and Chairman of ASG Inspiration Laboratory (Singapore) Pte, Ltd. He served as Chairman of Asia Securities Inc. (Taiwan), Independent Director of Security Bank Corporation, director of Franklin Templeton Investment Fund (Luxembourg), Director of Franklin Sealand Fund Management Co. Ltd. (Shanghai, China), and Director of Vietnam Fund Limited (Guernsey).

He obtained his Master in Business Administration, major in Finance, from Babson College in Massachusetts, USA.

Listed Companies of which Mr. Hung is presently a director:

Philippines:

1. Nickel Asia Corporation (Independent)

None of the foregoing directors has resigned or declined to stand for re-election to the board of directors since the 2024 Annual General Meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices. No director has furnished the Company with a letter describing such disagreement and requesting that the matter be disclosed.

Process and Criteria for Selection of Nominees for Directors

The Board of Directors set April 4, 2025 as the deadline for the submission of nominations for election to the Board of Directors.

The Nominations Committee composed of Messrs. Martin Antonio G. Zamora, James J.K. Hung, and Shiro Imai, screened the nominees for election to the Board of Directors in accordance with the Company's Revised Manual on Corporate Governance. The Committee assessed the candidates' background, educational qualifications, work experience, expertise and stature as would enable them to effectively participate in the deliberations of the Board.

In the case of the independent directors, the Committee reviewed their business relationships and activities to ensure that they have all the qualifications and none of the disqualifications for independent directors as set forth in the Company's Revised Manual of Corporate Governance, the Securities Regulation Code ("SRC"), and the SRC Implementing Rules and Regulations.

Nominees for Election at Annual Stockholders' Meeting on June 9, 2025.

The Nominations Committee met on April 15, 2025 and screened the nominees to determine whether they have all of the qualifications and none of the disqualifications for election to the Company's Board of Directors. The Final List of Candidates for election to the Board of Directors are as follows:

1. Maria Patricia Z. Riingen
2. Martin Antonio G. Zamora
3. Harvey T. Ang
4. Jose Isidro N. Camacho
5. Shiro Imai
6. Yusuke Niwa
7. Leonides Juan Mariano C. Virata
8. James J.K. Hung (Independent Director)
9. Florencia G. Tarriela (Independent Director)

The nominees are all incumbent Directors.

The Company complied with the guidelines on the nomination and election of independent directors prescribed in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. Mr. James J.K. Hung was nominated by Mr. Martin Antonio G. Zamora and Ms. Florencia G. Tarriela was nominated by Ms. Maria Patricia Z. Riingen. Both nominees have accepted their nominations in writing. There are no relationships between the foregoing nominees for independent director and the persons who nominated them.

The following table sets forth information regarding the Company's Executive Officers:

Name	Age	Citizenship	Position as of March 31, 2025
Jose Bayani D. Baylon	62	Philippine National	Senior Vice President - Sustainability, Risk Management and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer
Koichi Ishihara	51	Japanese National	Senior Vice President – Chief Commercial Officer

Georgina Carolina Y. Martinez	58	Philippine National	Senior Vice President - Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary
Romeo T. Tanalgo	63	Philippine National	Senior Vice President - Chief Security and Aviation Officer
Maria Angela G. Villamor	59	Philippine National	Senior Vice President - Finance; Chief Financial Officer; Treasurer
Rolando R. Cruz	64	Philippine National	Vice President – Mining Business
Andre Mikael L. Dy	42	Philippine National	Vice President – Treasury Investor Relations and Sales
Jeffrey B. Escoto	49	Philippine National	Vice President - Supply Chain Management and Technical Services
Christopher C. Fernandez	61	Philippine National	Vice President – Technology and Transformation
Patrick S. Garcia	50	Philippine National	Vice President – Internal Audit; Chief Audit Executive
Ryan Rene C. Jornada	46	Philippine National	Vice President - Corporate and Regulatory Affairs and Community Relations
Maria Fatima C. Mijares	57	Philippine National	Vice President – Human Resources
Irene R. Ramos-Salvacion	48	Philippine National	Vice President - Compliance and Corporate Governance; Data Protection Officer
Cynthia E. Rosero	56	Philippine National	Vice President - Mining Center of Excellence and Strategic Planning
Bimbo T. Almonte	43	Philippine National	Assistant Vice President - Health
Edwin R. Casiano	52	Philippine National	Assistant Vice President - Mining Business
Remedios M. Collado-Camo	39	Philippine National	Assistant Vice President - Safety, and Environment
Fernando P. Cruz	58	Philippine National	Assistant Vice President - Mining Comptroller
Reynaldo M. Dela Rosa	52	Philippine National	Assistant Vice President - Community Relations
Christian Jae R. Gascon	37	Philippine National	Assistant Vice President - Mining Business
Rodrigo G. Gazmin, Jr.	64	Philippine National	Assistant Vice President - Material Management
Philipp D. Ines	58	Philippine National	Assistant Vice President - Mining Business
Marnelle A. Jalandoon	53	Philippine National	Assistant Vice President - Development Operations
Melchor C. Mananes	39	Philippine National	Assistant Vice President - Financial Planning and Analysis
Reynold DG. Mata II	45	Philippine National	Assistant Vice President -Business Development and Strategic Projects
Christine Joanne C. Navarro	44	Philippine National	Assistant Vice President - Legal
Edwin P. Nerva	49	Philippine National	Assistant Vice President - Sustainability

Iryan Jean U. Padillo	43	Philippine National	Assistant Vice President - Business Comptroller
Jessie N. Pagaran	61	Philippine National	Assistant Vice President - Employee, Labor, and Industrial Relations
Teody A. Pascual	60	Philippine National	Assistant Vice President - Service Management
Jessie A. Payuyo	49	Philippine National	Assistant Vice President - Mining Comptroller
Kristine Grace C. Victoria	37	Philippine National	Assistant Vice President - Geology
Charito R. Villena-Co	47	Philippine National	Assistant Vice President - Tax Compliance and Advisory
Barbara Anne C. Migallos	69	Philippine National	Corporate Secretary

Information on the business and working experience of the foregoing Executive Officers is set out below:

JOSE BAYANI D. BAYLON is the Senior Vice President - Sustainability, Risk Management, and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer of the Company. He is the President of RTNFI and NACFI. He is also a Director of CDTN, CMC, DMC, RTN, LCSLC, SNMRC, EPI, JSI, MGPC, BHI, NPPGC, EER 1, EER 2, EER 3, and EESC. Mr. Baylon has over 3 decades of experience in the field of corporate communications and public affairs. Before joining NAC, he was Vice President and Director for Public Affairs and Communications of The Coca-Cola Export Corporation for 14 years, and prior to that, was executive assistant and speechwriter to Mr. Enrique Zobel at E. Zobel Inc. for 9 years. He was a public affairs commentator at Radio Station DWWW 774 KhZ from 2001 to 2011 and has been contributing opinion pieces to the newspaper Malaya Business Insight since 2001. Mr. Baylon obtained his Bachelor of Arts in Political Science from the University of the Philippines.

KOICHI ISHIHARA is the Senior Vice President - Chief Commercial Officer. He was the Vice President, Officer-in-Charge (OIC), Chief Commercial Officer - Mining Business of the Company from January 1, 2023 until December 31, 2023. He was the Vice President - Mine Services Center from March 10, 2022 until December 31, 2022. He was also the Vice President, Head of the Sales Sector and the Supply Chain and Management Sector from January 1, 2021 until March 9, 2022. Prior to joining NAC in 2011, he was a Manager and Philippine Representative of PAMCO, handling nickel and stainless market analysis and update in Asian countries. He has also supported establishing a Hydro Metallurgical Processing Plant. Mr. Ishihara received his Bachelor in English Language from Kanda University of International Studies, Japan.

GEORGINA CAROLINA Y. MARTINEZ is the Senior Vice President - Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary of the Company. She is in charge of the compliance function and is responsible for the Company's corporate support services namely, legal, human resources, technology and transformation, and facilities and administration concerns. She is a member of the Board of EPI. Atty. Martinez is also the Corporate Secretary of CDTN, CMC, DMC, HMC, RTN, TMC, LCSLC, SNMRC, NAHI, EPI and the following subsidiaries of EPI namely, JSI, MGPC, NPPGC, BHI, EER 1, EER 2, EER 3, EESC, GRHI and its subsidiaries. She is the Corporate Secretary of NACFI and RTNFI and is the Assistant Corporate Secretary of CEXCI and Newminco. Prior to joining the Company, Atty. Martinez was the Senior Vice

President for Legal, Human Resources, and Administration of EPI. She obtained her Juris Doctor from Ateneo de Manila University and is a member of the Philippine Bar. Atty. Martinez has over 30 years of experience in the field of commercial and corporate law.

ROMEO T. TANALGO is the Senior Vice President - Chief Security and Aviation Officer. He is a Trustee of NACFI. He was the Vice President - Internal Security, and Chief Security Adviser until December 31, 2023. He was the consultant of the Company for security matters from May 1, 2019 until his appointment as Vice President on August 6, 2019. He was the Chief of the Armed Forces of the Philippines, North Luzon Command from March 10, 2016 until his retirement on September 4, 2017. Prior thereto, he was appointed as Vice Chief of Staff at Armed Forces of the Philippines on October 20, 2015. He also served as Commandant, Philippine Marine Corps from April 2013 to December 2015. Gen. Tanalgo is a member of the Philippine Military Academy "Matikas" Class of 1983 and obtained his Master in Development Management from the Asian Institute of Management and his Master in Maritime Studies from the University of Wollonong in Australia.

MARIA ANGELA G. VILLAMOR is the Senior Vice President, Treasurer, and Chief Financial Officer of the Company. She is the Director and Treasurer of CMC, DMC, HMC, RTNFI, CDTN, SNMRC, LCSLC, NAHI, EPI, JSI, MGPC, NPPGC, BHI, EER 1, EER 2, EER 3, and EESC. She is the Trustee and Treasurer of NACFI and RTNFI. She oversees the preparation and management of the Group's operating budgets and is responsible for financial reporting activities. She was the Vice President for Group Comptrollership from May 1 to December 31, 2020 and the Vice President for Internal Audit and the Chief Audit Executive from 2011 to April 30, 2020. Prior to joining NAC in 2011, she was a Senior Director in the Assurance Division of SGV & Co. She also worked as Senior Manager in KPMG UAE. Ms. Villamor obtained her Bachelor of Science in Commerce from the University of San Carlos. She completed the Management Development Program of the Asian Institute of Management.

ROLANDO R. CRUZ is the Vice President - Mining Business of the Company. He is the Senior Vice President - Special Projects of CEXCI. Prior thereto, he was the Vice President - Nickel Mining Business of the Company and was the Senior Vice President - Chief Operating Officer of TMC and CMC from January 1, 2023 to August 7, 2024. He was also the Vice President - Corporate Planning and Revenue Assurance from March 2022 to December 2022, Vice President - Strategic Development and Growth from June 2021 to February 2022, and was the Vice President - Project Development and Research of the Company from 2017 to 2021. Mr. Cruz is a licensed mining engineer in the Philippines with over 40 years of professional experience in both mining operations and project development in gold, copper, chromite, concrete aggregates, nickel, and oil sands deposits using the contour mining and underground bulk mining methods. He has held various positions with firms such as Albian Sands Energy, Inc. (Canada), Berong Nickel Corporation, Concrete Aggregates Corporation, Philex Mining Corporation, and Benguet Corporation. Mr. Cruz obtained his Bachelor of Science in Mining Engineering and Master of Science in Geotechnical Engineering from the Mapua Institute of Technology. He also earned a Post-Graduate Certificate in Strategic Business Economics from the University of Asia and the Pacific. Mr. Cruz placed second in the 1982 Licensure Examinations for Mining Engineers. He is an Accredited Competent Person under the Philippine Mineral Reporting Code (PMRC), a member of the PMRC Committee, and is also one of the two Philippine representatives to the Committee for Mineral Reserves International Reporting Standards.

ANDRE MIKAEL L. DY is the Vice President - Treasury, Investor Relations, and Sales of the Company. He has over 15 years of experience in finance and banking roles, having held various roles in equity sales, banking, venture capital fund management, financial advisory, treasury and investor relations. He was Associate Director Salesperson of CLSA Philippines since 2017 and was recognized as Philippines' Best Salesperson for Asiamoney/Euromoney for 2019 to 2021 and for Institutional Investor magazine's 2021 broker polls. He was instrumental in the distribution of up to US$1.4 billion for various Initial Public Offerings while he was with CLSA. He was instrumental in ensuring the success for the first energy transition mechanism transaction in the Philippines to help accelerate the retirement of coal plants in the Philippines. Prior to joining CLSA, he worked for Citibank N.A. as a product manager for various bank products after graduating from Citi's Management Associate Program.

JEFFREY B. ESCOTO is the Vice President for Supply Chain Management and Technical Services and concurrently as CDTN's Chief Operating Officer and Head of Operations for NAC Diesel Power Plant. Prior thereto, he was Assistant Vice President for Technical Services Sector from September 1, 2019 up to March 15, 2023. Also, he was the Technical Services Division Manager of HMC from 2013 to 2019 and was the Technical Services Group Manager of CMC from 2009 to 2013. He also served as Site Manager of Maxima Machineries, Inc. (Komatsu Equipment Exclusive Distributor) on various mining project sites managing an on-site branch support team in Filminera's Masbate Gold Project from 2008 to 2009, Oceana Gold's Didipio Gold Copper Mining Project in 2008 and in Rapu Rapu Polymetallic Mine Project of Lafayette Mining in Albay from 2005 to 2008. Engr. Escoto obtained his Bachelor's Degree in Mechanical Engineering from the University of Nueva Caceres in Naga City.

CHRISTOPHER C. FERNANDEZ is the Vice President - Technology and Transformation of the Company. He was the Vice President - Process and Technology Innovation. He is a seasoned technology professional with more than 20 years of accumulated executive, managerial and hands-on experience in delivering strategic thought leadership, technology-enabled solutions and transformation to businesses, including Information Technology governance and security, infrastructure, systems, and service management. Before joining the Company, Mr. Fernandez served as Information Technology Head for Makati Medical Center, Armed Forces Police Mutual Benefit Association Inc., G4S Holdings, Inc. Headstrong Philippines, Inc., United Coconut Planters Bank, and Puyat Steel/Sports and Recreation. He obtained his Bachelor of Science in Electronics and Communications Engineering from the University of the East.

PATRICK S. GARCIA is the Vice President - Internal Audit and Chief Audit Executive of the Company. He was the Assistant Vice President - Internal Audit and the Chief Audit Executive of the Company from May 1, 2020 until December 31, 2022. He is responsible for reviewing the Company's organizational and operational controls, risk management policies, and governance. He was previously the Assistant Vice President - Finance of CMC, DMC, and SNMRC. Mr. Garcia joined the Company in March 2007 as Finance Manager and was promoted to Assistant Vice President - Finance in March 2009. Mr. Garcia obtained his Bachelor of Science in Accountancy from the University of Santo Tomas and is a Certified Public Accountant.

RYAN RENE C. JORNADA is the Vice President – Corporate and Regulatory Affairs and Community Relations of the Company. He is also a Director of EPI, and a Director of Nihao, representing NAC to the Board of Nihao. His previous roles in the Company include Head of Public Affairs, Head of Government Relations and Head of Regulatory and Claims Management. Mr. Jornada also served as Assistant Corporate Secretary and Corporate Secretary of the operating companies of NAC. Mr. Jornada is a lawyer by profession. Before joining NAC in 2011, Mr. Jornada was an associate lawyer at Belo Gozon Elma Parel Asuncion and Lucila Law Offices and an Election Assistant of the Commission on Elections. He took up his law degree from the University of Santo Tomas Faculty of Civil Law and his Bachelor's degree in Political Science from the University of the Philippines in Diliman.

MARIA FATIMA C. MIJARES, Vice President - Human Resources, is a seasoned human resource (HR) professional with over 25 years of experience in HR management, including organizational development, learning and development, leadership development and succession planning, performance and rewards management, and talent acquisition. She was the Senior Director and Chief Human Resource Officer of Ayala Foundation from 2016 until she joined the Company in 2021. She held various positions in the HR departments of SM Retail, Inc., SM Mart, Inc. Genpact Development, Bank of the Philippine Islands, Ayala Land, Inc., Colgate-Palmolive Philippines, Avon Cosmetics, and Mercury Group of Companies. She obtained her Bachelor's degree in Psychology from the University of Santo Tomas and completed the Leadership Excellence Acceleration Program of Harvard University.

IRENE R. RAMOS-SALVACION is the Vice President - Compliance and Corporate Governance and the Data Protection Officer of the Company. She is the Assistant Corporate Secretary and the Data Protection Officer of CDTN, CMC, DMC, HMC, RTN, TMC, LCSLC, SNMRC, NAHI, NACFI, and RTNFI. She is likewise the Data Protection Officer of CEXCI and Newminco. She has over 20 years of experience as a practicing lawyer and, prior to joining the Company, held various roles as country, regional, and global lead legal counsel handling compliance, corporate governance, contract negotiation, cross-border transactions, data privacy, cybersecurity, labor, and litigation in multinational companies operating in the Philippines and the Asia Pacific. She is a member of the Philippine Bar and obtained her Juris Doctor and Bachelor of Science in Economics, Magna Cum Laude, from the University of the Philippines, Diliman.

CYNTHIA E. ROSERO, Vice President - Mining Center of Excellence and Strategic Projects of the Company. She has over 30 years of experience in the mining industry. She was with RTN for almost 30 years where she started as a Junior Mining Engineer and rose from the ranks until she was appointed as Resident Mine Manager in 2019. She is the Philippines' First Woman Resident Mine Manager in the mining industry and was hailed as the "Most Empowered Woman in Mining" by the MGB - MIMAROPA Region in 2019. She obtained her Bachelor of Science in Mining Engineering from the Cebu Institute of Technology. She also has a Diploma in Metallurgical Engineering Technology (Major in Quality Control) from Mindanao State University - Iligan Institute of Technology.

BIMBO T. ALMONTE is the Assistant Vice President - Health. He was the Assistant Vice President - Occupational Health Sector until December 31, 2023. He served as the Occupational Health Physician, Internal Medicine Specialist and Medical Director of RTNFI Hospital and Occupational Health Physician of RTN, CBNC and affiliated contractors before assuming his current position. He began his career in RTNFI in 2002 as a Medical Technologist Reliever. He is a licensed Medical Technologist and Physician. He obtained his Bachelor of Medical Technology from Far Eastern University - Dr. Nicanor Reyes Memorial Foundation and Doctor of Medicine from Our Lady of Fatima University. He received his specialization in Internal Medicine from St. Luke's Medical Center Global City and Master in Management in Hospital Administration from Philippine Christian University.

EDWIN R. CASIANO is the Assistant Vice President - Mining Business of the Company. He is also the Resident Mine Manager of DMC. Prior thereto, he served as Mine Operations Manager of HMC for 4 years, and Mine Production Manager for 2 years. He started his career with TMC as a Junior Mining Engineer in 1998. Mr. Casiano obtained his Bachelor of Science in Mining Engineering from Adamson University.

REMEDIOS M. COLLADO-CAMO is the Assistant Vice President - Safety and Environment. She was the Assistant Vice President - Safety, Health, and Environment until December 31 2023. She previously served the Company as OIC - Industrial Safety Sector Head prior to her promotion. She served RTN in various capacities, including MESH Division Manager, Safety Manager, and IMS Project-in-Charge. Prior thereto, she was employed as a Safety and Health Department Head of Carrascal Nickel Corporation. She is a licensed Mining Engineer. She earned her Bachelor of Science in Mining Engineering from University of the Philippines - Diliman.

FERNANDO P. CRUZ is the Assistant Vice President - Mining Comptroller of HMC, TMC, and DMC. He has over 30 years of professional experience in accounting and finance. He began his career as an Accounting Clerk in RTN and eventually became an Accounting Manager. A Certified Public Accountant, Mr. Cruz obtained his Bachelor of Science in Accountancy from St. Joseph College, Maasin, Southern Leyte.

REYNALDO M. DELA ROSA is the Assistant Vice President - Community Relations of the Company. He is the Executive Director of RTNFI. Prior thereto, he was the Senior Development Communications Specialist/Information, Education and Communication Officer of TMC from March 2010 to July 2012. Mr. Dela Rosa obtained his Bachelor of Arts Major in Philosophy Minor in Social Science from Saint Vincent Ferrer Seminary and his Master of Arts in Public Administration in Palawan State University. He also specialized in Community Relations, Information, Education, and Communication Program and Community Development and is a licensed Career Service Professional.

CHRISTIAN JAE R. GASCON is the Assistant Vice President - Mining Business of the Company. He was the OIC, Resident Mine Manager of CMC since March 10, 2022 and was CMC's Mine Operations Manager before that. He started his career as Cadet Engineer of HMC in 2010. Mr. Gascon obtained his Bachelor of Science in Mining Engineering degree from the University of the Philippines Diliman. He is also a licensed Environmental Planner.

RODRIGO G. GAZMIN, JR. is the Assistant Vice President - Material Management of the Company. He was the Assistant Vice President, the Head of the Purchasing and Supply Chain Management Sector of the Company from January 1, 2021 to March 9, 2022. Prior thereto, he was the Senior Purchasing Manager from July 1, 2011 to December 31, 2020 and was the Purchasing Manager from May 1, 2010 to June 30, 2011. He was a Purchasing Supervisor of RTN from 2003 until 2008, the year he joined the Company. Mr. Gazmin obtained his Bachelor of Science, major in Mechanical Engineering, from Lyceum of the Philippines - Manila and has attended the Management Development Program in Asian Institute of Management in 2015.

PHILIPP D. INES is the Assistant Vice President - Mining Business of the Company. He is the Vice President and Resident Mine Manager of HMC - Manicani. Mr. Ines has over 31 years of experience in the mining industry. He is a Consultant of PAMCO since 2019. Prior to that, he was with the Company's subsidiary, RTN, for 27 years where he started as a Junior Mining Engineer and became its Resident Mine Manager. During his term as Resident Mine

Manager, RTN won 2 Presidential Awards at the PMIEA-ANSEC (2015 and 2018) and also won the ASEAN Mineral Awards in 2017. RTN was also able to obtain ISO 14001, ISO, 45001, and ISO 19001 certifications under his leadership. Mr. Ines obtained his Bachelor of Science in Mining Engineering degree from Mapua Institute of Technology.

MARNELLE A. JALANDOON is the Assistant Vice President - Development Operations of the Company. He was the Assistant Vice President - Business Applications Division of the Company until December 31, 2023. Prior to joining NAC in 2008, Mr. Jalandoon was the Technical Operations Director of Concentrix Technologies, Inc, driving both the Technical Department and the Application Development Teams. He has held various IT positions with Grand International Airways, First Internet Alliance, WebScape, I-Next Internet and PSINET Philippines, garnering more than 20 years' experience in IT Infrastructure and Communications. Mr. Jalandoon obtained his Bachelor of Science in Computer Science degree from the Philippine Christian University.

MELCHOR C. MANANES is the Assistant Vice President - Financial Planning and Analysis of the Company. He was the Senior Manager for Financial Planning and Analysis of the Company until December 31, 2023. Prior thereto, he was a Finance Manager of the Company's subsidiary, CMC, since October 2012. He was also an accounting officer in various SM companies and was an audit associate of SGV & Co. Mr. Mananes is a Certificate Public Accountant. He obtained his Master of Business Administration from the Ateneo Graduate School of Business.

REYNOLD DG. MATA II is the Assistant Vice President - Business Development and Strategic Projects of the Company. He was the Assistant Vice President - Legal and Business Development, and Chief Compliance Officer of EPI from March 10, 2022 to December 31, 2022. He is a lawyer and a Certified Public Accountant with over 25 years of professional experience in the fields of taxation, litigation, corporate, financial audit, budgeting, and in the power, logistics, and mining industries. He is also a Reservist in the Armed Forces of the Philippines, Reserve Command, Judge Advocate General Services, with the rank of Captain. A member of the Philippine Bar, Mr. Mata obtained his Bachelor of Laws degree from San Beda University and his Bachelor of Science in Accountancy from the same university.

CHRISTINE JOANNE C. NAVARRO is the Assistant Vice President - Legal of the Company. She was the Group Manager for General Legal Services of the Company from 2018 to March 10, 2022. Prior to joining the Company, she worked as legal counsel of MediaQuest Holdings, Inc. and TV5 Network Inc. She obtained her Bachelor of Arts in European Studies from the Ateneo De Manila University and Bachelor of Laws from University of the Philippines - College of Law. She is also a member of the Integrated Bar of the Philippines.

EDWIN P. NERVA is the Assistant Vice President - Sustainability of the Company. He was the Senior Manager of the Sustainability Sector from November 2021 to December 2022, and Senior Manager of Community Relations from August 2018 to October 2021. He is a seasoned management and community development professional with expertise in sustainability planning, execution and monitoring covering ESG. He has over 10 years of experience as Executive Director of non-profit organization and foundation, managing diverse initiatives, including hospital operations, formal and alternative education, housing, and comprehensive community development programs. He has more than 20 years of experience collaborating with international and local networks of civil society organizations and coalitions. Mr. Nerva obtained his Bachelor of Science in Agriculture, Major in

Horticulture degree from the University of the Philippines, Los Baños. He completed his Diploma in Community Development from St. Francis Xavier University, Nova Scotia, Canada and Diploma in Urban and Regional Planning from University of the Philippines Diliman. He is currently completing his requirements for the degree of Master of Science in Environmental Science from University of the Philippines Los Baños.

IRYAN JEAN U. PADILLO is the Assistant Vice President - Business Comptroller of the Company. She is responsible for the Company's financial reporting and direct supervision of accounting and financial functions. Ms. Padillo is a Certified Public Accountant. Prior to joining the Group in May 2012 as Senior Finance Manager, she was an Associate Director in the Assurance Group and worked as part of the Finance Group of SGV & Co. She obtained her Bachelor of Science in Accountancy from the University of the East.

JESSIE N. PAGARAN is the Assistant Vice President - Employee, Labor and Industrial Relations Division of the Company. He was the Employee Relations Group Manager of the Company from July 1, 2019 until his promotion. He was also HR Manager of CMC from October 2017 to June 2019 and served as Consultant on Permitting and Government Relations, Community Relations, and Labor Relations for several corporations from 2009 to 2017; and served in various capacities in Associated Labor Unions - Trade Union Congress of the Philippines from 1991 to 2015. Mr. Pagaran obtained his Bachelor of Science in Commerce, Major in Accounting from San Beda College and his Bachelor of Laws from Manuel L. Quezon University.

TEODY A. PASCUAL is the Assistant Vice President - Service Management of the Company. He was the Purchasing Manager of the Company prior to his promotion. He has over 11 years of experience in the field of purchasing as a manager overseeing the purchasing of materials and services to support various operating companies of the Group. Before joining the Company, he was employed as a Production Head of Batong Angono Aggregates Corporation. He is a licensed Electronics and Communications Engineer. He obtained his Bachelor of Science in Electronics and Communications Engineering from University of Santo Tomas.

JESSIE A. PAYUYO Assistant Vice President - Mining Comptroller of CMC. He was a Senior Finance Manager of the Company until his promotion. Prior to joining the Group in 2021, he was the Finance Controller of Yara Fertilizer Inc. He has over 20 years' experience in the fields of audit, corporate accounting and controllership. He is a licensed Certified Public Accountant. Mr. Payuyo earned his Bachelor of Science in Accountancy from Central Luzon State University.

KRISTINE GRACE C. VICTORIA is the Assistant Vice President - Geology of the Company. She was the Assistant Vice President - Geology and Quality Assurance of the Company until December 31, 2023. She also served as a Resource Geologist in HMC. Prior thereto, she was employed as the Exploration Geologist of FSMRC/Consolidated Mines Inc. She placed eighth in Geology Licensure Examination and is an Accredited Competent Person for Exploration and Mineral Reporting of Nickel Laterite Deposits with over 15 years of experience in the mineral industry. She is currently serving as the Vice - Head of the Geological Society of the PMRC Committee Secretariat. She obtained her Bachelor of Science in Geology, Cum Laude, from University of the Philippines and Management Development Program from Asian Institute of Management.

CHARITO R. VILLENA-CO is Assistant Vice President - Tax Compliance and Advisory Services and has been a tax management professional for over a decade. Prior to joining the Company, she was Assistant Vice President and Group Tax Head for SM Markets from November 2017 to May 2022. She was also former Country Tax and PEZA Head of Accenture Inc. (Philippines), Head of Tax of Philex Mining Corporation and a Tax Management Executive of PLDT, Inc. She obtained her Bachelor of Science in Business Administration and Accountancy, Cum Laude, and Juris Doctor from the University of the Philippines.

BARBARA ANNE C. MIGALLOS is the Corporate Secretary of the Company and its subsidiary CEXCI. She is the Managing Partner of Migallos and Luna Law Offices and she was a Senior Partner of Roco Kapunan Migallos and Luna from 1986 to 2006. A practicing lawyer since 1980, Ms. Migallos focuses principally on corporate law, mergers and acquisitions, and securities law. She is a Director and Corporate Secretary of Philex Mining and a Director of Mabuhay Vinyl Corporation, both publicly listed companies. She is also Corporate Secretary of PXP Energy Corporation and of Alliance Select Foods International, Inc. both listed companies. She is a Director of Philippine Resins Industries, Inc. and other corporations, and Corporate Secretary of Eastern Telecommunications Philippines, Inc. Ms. Migallos is a professional lecturer at the DLSU College of Law and chairs the Mercantile Law Department.

No director or senior officer of the Company is or has been in the past two years, a former employee or partner of the current external auditor.

Also, the Company discloses the transactions of its directors and officers as required by applicable laws and regulations.

(b) Significant Employees

No single person is expected to make a significant contribution 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.

(c) Family Relationships

Aside from Mr. Martin Antonio G. Zamora and Ms. Maria Patricia Z. Riingen being siblings, Mr. Harvey T. Ang being the third civil degree relative by affinity of Mr. Martin Antonio G. Zamora, and Mr. Ryan Rene C. Jornada being a fourth civil degree relative by affinity of Mr. Martin Antonio G. Zamora and Ms. Patricia Z. Riingen, none of the Company's Executive Officers are related to each other or to its directors and substantial shareholders.

(d) Involvement in Certain Legal Proceedings

None of the directors, nominees for election as a director, executive officers or control persons of the Company have been involved in any legal proceeding during the past five (5) years, including without limitation being the subject of any:

a. bankruptcy 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 two (2) years prior to that time;

b. conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

c. 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 his involvement in any type of business, securities commodities or banking activities; and

d. order or judgment of a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization finding him/her to have violated a securities or commodities law or regulation,

(e) ***Certain Relationships and Related Transactions***

The Company's significant related party transactions, which are under terms that are no less favorable than those arranged with third parties, and account balances are listed below:

Nickel Ore Sale Agreements with Pacific Metals Co. Ltd. (PAMCO)
The Group supplies saprolite ore to PAMCO. PAMCO is a stockholder of the Company, RTN and TMC. All sales made to PAMCO are transacted at prevailing market prices which are benchmarked to China prices on the basis of a negotiated price per WMT of ore. PAMCO shall pay the Group 80% to 90% of the provisional invoice amount upon receipt of the required documents and pay the final payment of each shipment after the final dry weight and applicable assay have been determined

Nickel Ore Sale Agreement with PAMCO and Sojitz Corporation (Sojitz)
RTN supplies saprolite ore to PAMCO, wherein PAMCO appointed Sojitz as agent under a sale agreement. RTN and PAMCO shall jointly assess whether the commercial production of ore at the mine is still possible. Unless commercial production becomes impossible due to the exhaustion of ore reserves in the mine, RTN, PAMCO and Sojitz shall renew the agreement with a 5 year term. Currently, the agreement is valid until December 31, 2026. PAMCO owns 36% and Sojitz owns 4% of the outstanding capital stock of RTN.

TMC also entered into an agreement with PAMCO covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on LME. Effective April 2014, ore sales to PAMCO are benchmarked to China prices on the basis of a negotiated price per WMT of ore. The agreement with PAMCO is valid until December 31, 2026.

Nickel Ore Supply Agreement with CBNC
RTN entered into an agreement with CBNC to supply all the limonite ore requirements for the Coral Bay HPAL facility until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. RTN has also entered into an agreement with CBNC to supply limestone. CBNC is the owner of the Coral Bay HPAL facility.

CMC and DMC also entered into separate agreements with CBNC covering the sale of its ore products with a fixed tonnage at specific nickel grade and iron content.

Nickel Ore Supply Agreement with THNC

TMC entered into an agreement with THNC covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on LME.

Service Agreements with CBNC
CDTN entered into various service agreements with CBNC to provide ancillary services, such as materials handling, to the Coral Bay HPAL facility.

Materials Handling Agreement with THNC
On October 7, 2013, TMC and THNC executed an agreement wherein TMC will render services related to the handling, hauling and transport of cargo for THNC. THNC shall compensate TMC based on the prices stipulated in the agreement which are determined on the basis of the weight of the cargo. Payment is collected within 15 days from receipt of TMC's billing.

Power Supply Agreements with Shell Energy Philippines Inc. (SEPI)
Jobin-SQM Inc. (JSI)
On June 24, 2021, JSI entered into a PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 16MW from the total energy deliveries of the plant on a take and pay basis, for a period of 3 years starting June 26, 2021. The PSA was amended twice, on August 12, 2021 and on October 20, 2021, to reflect additional short-term contracted capacity.

In October 2022, JSI entered into another PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 25MW, starting December 26, 2023 from Sta. Rita Solar Power Project. An additional pro-rata share of 40MW is to be sold and delivered starting on the issuance of ERC's COC for the 100MW Subic New PV Power Project. This agreement is valid for a period of
2.5 years.

San Isidro Solar Power Corp. (SISPC)
On January 2, 2024, SISPC entered a PSA with SEPI. Under the terms of the agreement, SISPC is committed to sell and deliver 100% of SISPC's capacity for Phase 1 of the SISPP which is nominally 120MW direct current subject for update by SISPC in accordance with the capacity certification of NGCP and /or ERC. The agreement is for 15 years, and the delivery start date is February 28, 2025.

Memorandum of Understanding with SMM
On September 14, 2009, the Company and TMC entered into a MOU with SMM. Pursuant to the terms thereof, the Company and SMM will move ahead on a joint venture basis to build a nickel- cobalt processing plant (the Project) using the HPAL technology to be located within the TMC's mine in Surigao del Norte, while TMC will supply low-grade nickel ore to the plant over the life of the Project.

The agreement also sets forth the respective rights and obligations of the Company, SMM and Mitsui, including their responsibilities in respect of financing the project investment undertaken by THNC.

Also, under the agreement, the Company, SMM and Mitsui agreed to grant loans to THNC or guarantee the repayment of THNC's obligations in accordance with the financial requirements of THNC and in proportion to their shareholding ratio in THNC of 10%, 75% and 15%, respectively.

The agreement shall terminate upon the dissolution of THNC.

THNC Stockholder's Agreement
On September 15, 2010, NAC, SMM and Mitsui executed a Stockholders Agreement, pursuant to which the parties formed a joint venture company, THNC, to build and operate a plant in Barangay Taganito, Claver, Surigao del Norte for the purpose of producing and selling nickel-cobalt mixed sulfide to be used in the production of electrolytic nickel and electrolytic cobalt.

Pursuant to the Stockholders Agreement, SMM granted THNC a non-exclusive license of technology owned by SMM to produce the products and has undertaken to provide technical assistance to THNC. The Company has undertaken to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the use of the land and infrastructure necessary to produce the products while Mitsui shall assist THNC in procuring materials and equipment necessary for the mine's operations. The Stockholders Agreement shall terminate upon the dissolution of THNC.

The Company, along with the other stockholders of THNC, also agreed to make loans to THNC or guarantee the repayment of THNC's loan obligations in accordance with the financial requirements of THNC, in proportion to their shareholding ratio in THNC.

In a separate agreement dated December 9, 2011, SMM agreed to assume the Company's obligation to make loans to or guarantee the repayment of THNC's loan obligations. The Company, in consideration for this agreement, pays SMM an annual guarantee fee of 0.6%, of THNC's outstanding loan obligations.

Throughput Agreement with THNC
On October 4, 2010, TMC and THNC executed a Throughput Agreement wherein TMC will construct the pier facilities within the Taganito Special Economic Zone (TSEZ) pursuant to its role as Developer. The TSEZ is located within the Surigao Mineral Reservation, an area declared for mineral development pursuant to Proclamation 391, under the supervision of the DENR that issued an "Order to Use Offshore Area" dated September 20, 2010 to TMC for the use of such portion of the Surigao Mineral Reservation for the construction of the pier facilities. In relation to this, THNC entered into a Registration Agreement with the PEZA to construct and operate a mineral processing plant within the TSEZ as an Ecozone Export Enterprise.

Under the agreement, TMC will make available the pier facilities and provide certain services to THNC in consideration for usage fees and service fees to be paid by the latter starting April 2011 until 2031, unless terminated earlier. The usage fee amounted to $1.3 million is payable in semi-annual period on or before October 10 and April 10.

THNC also agrees to pay service fee that will be agreed upon by both parties, which shall be billed monthly.

Memorandum of Understanding with SEPI
On February 23, 2022, EPI and SEPI signed a MOU to create a strategic partnership for the purpose of developing a flatform for onshore power projects and the resulting power supply business in the Philippines and to set forth certain basic terms of the understanding reached to date and to serve as a basis for further discussions and negotiations with respect to the project.

Through the above MOU, GRHI was incorporated and registered with the SEC on August 18, 2022. GRHI is 60% owned by EPI and 40% owned by Shell.

Memorandum of Understanding
On September 14, 2009, the Company and TMC entered into a MOU with SMM. Pursuant to the terms thereof, the Company and SMM will move ahead on a joint venture basis to build a nickel- cobalt processing plant (the Project) using the HPAL technology to be located within the TMC's mine in Surigao del Norte, while TMC will supply low-grade nickel ore to the plant over the life of the Project. The cost of the Project is US$1,590.0 million, over a 3-year construction period, which started in the last quarter of 2010. The plant's estimated annual capacity is 51,000 dry metric tons of mixed nickel-cobalt sulfide over an estimated 30-year project life. The MOU provides that the equity share of the Company and SMM shall be between 20%-25% and 75%-80%, respectively.

Subsequently, the Company, SMM and Mitsui entered into the THNC Stockholders' Agreement on September 15, 2010, which contract provides that the Project will be undertaken by THNC, a company that will be jointly owned by the Company, SMM and Mitsui with equity interest of 22.5%, 62.5% and 15.0%, respectively. Pursuant to the THNC Stockholders' Agreement, SMM granted THNC a non- exclusive license of technology owned by SMM to produce the products and agreed to provide technical assistance to THNC. The Company undertook to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the use of the land and infrastructure necessary to produce the products. Mitsui for its part agreed assist THNC in procuring materials and equipment necessary for the plant's operations.

Pursuant to the sale of 12.5% equity interest of the Company in THNC to SMM in October 2016, the shareholding ratio of the Company and SMM is at 10% and 75%, respectively.

The THNC Stockholders' Agreement also sets forth the respective rights and obligations of the Company, SMM and Mitsui, including their responsibilities in respect of financing the project investment undertaken by THNC.

Also, under the THNC Stockholders' Agreement, the Company, SMM and Mitsui agreed to grant loans to THNC or guarantee the repayment of THNC's obligations in accordance with the financial requirements of THNC and in proportion to their shareholding ratio in THNC.

The THNC Agreement shall terminate upon the dissolution of THNC.

Loan Guarantee/Substitution Agreement
Under a loan guarantee/substitution agreement between the Company and SMM, the latter agreed to substitute for the Company to make loans or guarantee the repayment of THNC's obligation pursuant to the Stockholders Agreement dated September 15, 2010.

In consideration of the loans and guarantee made by SMM, the Company shall pay to SMM an annual fee equal to 0.6% of the relevant outstanding amount, which is payable every February 21, March 21, August 21, and September 21 of each year.

In case of default, such loan guarantee/substitution agreements will be terminated, and the Company shall provide loans to THNC or guarantee the repayment of THNC's loans payable. Failure to provide such loans or guarantee shall be considered a default under the THNC Stockholders' Agreement.

Loan Agreements

THNC
On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former an unsecured loan facility amounting to a total of US$35.0 million at a prevailing 180-day British Banker Association LIBOR plus 2% spread, to exclusively finance the construction of the pier facilities within the TSEZ. In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to Term Secured Overnight Financing Rate plus an adjustment of 0.43%.

The interest on the loan is payable semi-annually, on October 10 and April 10. The total principal is payable in semi-annual installments of US$0.9 million starting on October 10, 2011 up to April 10, 2031.

TBEA International Engineering Co., Ltd. (TBEA)
In accordance with the Agreement on Shareholders Advances on June 17, 2020, TBEA granted JSI an unsecured term loan facility of a total cumulative principal amount of US$2.2 million to be used for the Phase 3A - 30MW solar project.

On September 23, 2021, NAC, JSI, EPI and TBEA executed the Supplemental Agreement on Shareholder Advances to agree on the shareholder advances for JSI's development of Phase 3B - 38MW. Under the terms of the Supplemental Agreement, TBEA grants JSI a loan facility amounting to US$2.9 million.

The interest on the loan is 5% per annum and the principal loan is payable on June 17, 2025, the maturity date of the loan.

On October 27, 2023, the BOD of JSI approved the conversion of the outstanding loans into equity of JSI.

Lease Agreements

THNC
On October 31, 2013, TMC and THNC executed a lease agreement wherein TMC will lease the land within the TSEZ to THNC. The TSEZ leased area of approximately 675 hectares is located at Barangays Taganito and Hayanggabon, Claver, Surigao del Norte. The duration of the lease agreement shall be for a period of 20 years starting January 1, 2013. The rental rate shall be annually agreed upon by both parties.

Manta Equities, Inc.
The lease agreement is effective for a period of 5 years starting May 15, 2013, and is renewable subject to negotiation of the terms and conditions and mutual agreement of both parties. The existing lease agreements with Manta are valid until May 14, 2028 and June 30, 2028, and are subject to 5% annual escalation beginning on the second year of the lease.

Memorandum of Agreement with SMM
The Company and SMM entered a MOA to formalize the agreements reached on December 26, 2024 which include:

a. The Company, through RTN and/or other subsidiaries of the Company, shall continue to comply with the obligations set forth in the Stockholder's Agreement by and among SMM, Mitsui, Nissho Iwai Corporation (subsequently merged into Sojitz) and RTN dated July 1, 2002, amended on January 26, 2007 and April 1, 2013, on the establishment and operation of CBNC.

b. All existing contracts between the Company, RTN or any subsidiaries of the Company, and CBNC, including, but not limited to, Infrastructure Agreements, Lease Agreements, and Ore Supply Agreements, shall remain valid and enforceable in their terms even after the sale of CBNC shares.
c. Before April 1, 2025, RTN shall enter into an Addendum to the Ore Supply Agreement with CBNC, covering the period April 1, 2025 to March 31, 2028 based on ore price of US$12 per WMT, including oversized ore; provided, that the LME price is US$13 per pound or less.
d. To handle or resolve matters that are mutually beneficial to them, or that promote cooperation in the conduct of their respective businesses including, but not limited to, decommissioning and removal of CBNC equipment, stable supply of limestone, and future plan of joint projects among others.

The terms of the MOA shall take effect only after the execution of the SPA and it will remain valid unless amended or terminated upon mutual agreement of the parties.

Notes 14, 32 and 38 of the Notes to Consolidated Financial Statements of the Exhibits in Part IV is incorporated hereto by reference.

Directors Disclosures on Self-Dealing and Related Party Transactions

No transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers and employees of the Corporation are required to promptly disclose any business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of the management.

Item 6. Compensation of Directors and Executive Officers

Compensation of Directors

Each Director is entitled to a director's fee for each meeting attended. In addition, the directors who serve in the committees of the BOD are each entitled to a fee for each committee meeting attended. The table below shows the net compensation of the Company's Directors for each meeting:

Type	Board/ Stock-holders' Meeting	Audit Committee Meeting	Board Risk Oversight	Related Party	Sustainability Committee	Corporate Governance/ Nominations	Stock Option
Executive Director	₱25,000	-	₱15,000	-	₱25,000	₱15,000 to 25,000	Yes
Non-executive Director	100,000 to 350,000	25,000	-	50,000	50,000	25,000 to 200,000	Yes, Except for the Non-Filipino Directors

Independent Director	150,000	50,000 to 100,000	50,000 to 100,000	50,000	50,000	50,000	Yes

Currently, there are no arrangements for additional compensation of directors.

The total compensation of each of the Directors on a per diem basis for 2024, is as follows:

Name	Total Compensation (per diem) for 2024 (P)
Jose Isidro N. Camacho	1,600,000.00
Maria Patricia Z. Riingen	605,555.55
Martin Antonio G. Zamora	243,888.88
Harvey T. Ang	333,333.33
James J.K Hung	1,150,000.00
Shiro Imai	588,888.88
Yusuke Niwa	-
Leonides Juan Mariano C. Virata	380,555.55
Florencia G. Tarriela	1,650,000.00
Total	6,552,222.19

Executive Compensation

The following table identifies the Chief Executive Officer ("CEO") and four most highly compensated executive officers (the "named executive officers") and summarizes their aggregate compensation in 2023 and 2024 and their estimated compensation for 2025:

NAMED EXECUTIVE OFFICERS			
Year	Total Officers' Salary	Bonus	Total
2025[6] (estimated)	₱50,917	₱27,538	₱78,455
2024[7]	48,711	35,597	84,308
2023[8]	305,095	49,260	354,355
ALL OTHER DIRECTORS & OFFICERS AS A GROUP			
Year	Salary	Bonus	Total

[6] *The named executive officers for the year 2025 are: Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - \ Compliance and Corporate Support Services), Jose Bayani D. Baylon (Senior Vice President - Sustainability, Risk Management and Corporate Affairs), Koichi Ishihara (Senior Vice President - Chief Commercial Officer) and Maria Angela G. Villamor (Senior Vice President - Finance).*

[7] *The named executive officers for the year 2024 are: Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - Compliance and Corporate Support Services), Jose Bayani D. Baylon (Senior Vice President - Sustainability, Risk Management and Corporate Affairs), Koichi Ishihara (Senior Vice President - Chief Commercial Officer) and Rolando R. Cruz (Vice President - Nickel Mining Business).*

[8] *The named executive officers for the year 2023 are: Gerard H. Brimo (Chairman), Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - Compliance and Corporate Support Services), Rolando R. Cruz (Vice President - Nickel Mining Business) and Rommel L. Cruz (Vice President - Special Projects)*

2025 (estimated)	₱107,468	₱43,469	₱150,937
2024	115,115	54,227	168,342
2023	237,893	96,870	334,763

Employment Contracts

There are no special employment contracts between the Company and its named executive officers.

Item 7. Independent Public Accountants

The appointment, approval or ratification of the Company's independent public accountant will be submitted to the shareholders for approval at the Annual Stockholders' Meeting on June 9, 2025.

The Audit and Risk Committee has recommended, and the Board of Directors has approved, the reappointment of the accounting firm of SGV & Co. SGV & Co. has been the Company's independent auditor since its incorporation in July 2008.

The Company's certifying partner, Eleanore A. Layug, signed the Company's Audited Financial Statements for 2024, a copy of which is attached to this Information Statement. The Certifying partner of the Company's independent external auditor is rotated at least once every five (5) years, with a two (2) year cooling off period as applicable, in accordance with SEC Rule 68, Part 3(b)(iv)(ix).

The Corporation has been advised that the SGV auditors assigned to render audit-related services have no shareholdings in the Company, or a right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, consistent with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

Representatives of SGV & Co. will be present at the scheduled stockholders meeting. They will have the opportunity to make a statement should they desire to do so and will be available to respond to appropriate questions.

External Audit Fees and Services

Audit and Audit-Related Fees

For 2024, 2023, and 2022, SGV & Co. as engaged to express an opinion on the financial statements of the Company and its subsidiaries.

A regular audit was carried out in accordance with Philippine Financial Reporting Standards. The audit fees for these services were Php 20.133 million for 2024, Php 20.674 million for 2023, and Php 18.413 million for 2022.

The non-audit fees were Php 309 thousand for 2024, Php 1.890 million for 2023, and Php 5.58 million for 2022. Fees for audit and non-audit work are subject to approval of the Audit Committee before the start of the engagement.

Tax Fees

There were no tax-related services rendered by the independent auditors other than the review of the income tax returns which formed part of the regular audit engagement.

All Other Fees

Aside from the limited review, transfer pricing study, and tax seminar fees, there were no other professional services rendered by the independent auditors.

Audit Committees' Approval Policies and Procedures

Prior to the commencement of audit work, the independent auditors make a presentation of their audit program and schedule to the Company's Audit Committee, which includes a discussion of anticipated issues. The Group's audited consolidated financial statements for the year are presented by the external auditors to the Audit Committee for their endorsement to the Board and the Board's final approval. Prior to endorsement by the Audit Committee, the independent auditors present a comprehensive report discussing the work carried out, areas of interest and their key findings and observations.

The independent auditors also provide limited review to the Group's quarterly financial reports. This, together with the financial reports, is then presented to the Audit Committee for their endorsement to the Board of Directors for final approval and subsequent filing with the Securities and Exchange Commission.

All of the above were done and complied with in respect of the Company's consolidated audited financial statements for the year ended December 31, 2024.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Ms. Eleanore A. Layug is the current audit partner. There have been no disagreements with the said independent accountants.

Item 8. Compensation Plans

No action shall be taken at this year's Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no authorization or issuance of securities other than for exchange for outstanding securities for the registrant.

Item 10. Modification or Exchange of Securities

No action is to be taken by the Company with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Finance and Other information

Copies of the Management Report, the Audited Financial Statements for the year ended December 31, 2024 are attached hereto.

The Management's Discussion and Analysis of Financial Condition and Results of Operations can also be found in the attached Management Report. The notes to the Consolidated Financial Statements are incorporated hereto by reference.

The Company has not made any changes in and has not had any disagreements with its external auditor on accounting and financial disclosures.

Representatives of the Company's external auditor, SGV, are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No transaction is to be taken by the Company with respect to any transaction involving mergers consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

No transaction is to be taken by the Company with respect to the acquisition or disposition of any Property.

Item 14. Restatement of Accounts

No actions are to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

1. Minutes of the 7 June 2024 Annual General Meeting of Stockholders

The Minutes of the Annual General Stockholder Meeting held on 7 June 2024 will be submitted for shareholder approval at the 2025 AGM.

The Minutes of the Annual Stockholders' Meeting held on 7 June 2024 is available for inspection by stockholders at the principal offices of the Company. Copies of said Minutes are also posted on the Company's website. Copies of said minutes will also be made available upon request at the venue of the next annual stockholders' meeting.

Matters taken up during the 2024 Stockholders' Meeting were the: (i) Reading and approval of the Minutes of the 2 June 2023 annual stockholders' meeting and action thereon; (ii) Presentation of Annual Report and Audited Financial Statements for the year ended December 31, 2023 and action thereon; (iii) Ratification and approval of the acts of the Board of Directors and Executive Officers for the year ended 31 December 2023; (iv) Appointment of independent auditors; and (v) Election of directors, including independent directors.

2. Management Reports

The Company's Management Report which includes the Audited Financial Statements for the year ended December 31, 2024, and the Annual Report, will be submitted to shareholders of the Company for approval, ratification and confirmation, at the 2025 AGM.

A copy of the Management Report is attached to this Information Statement. Upon written request, shareholders shall be provided with a copy of the Company's Annual Report on SEC Form 17-A free of charge (please see page 39).

Item 17. Amendment of Charter

There are no proposed amendment to the Articles of Incorporation or By-Laws of the Corporation that will be submitted to the stockholders for approval.

Item 18. Other Proposed Action

Action is to be taken on the ratification and approval of the acts of the Board of Directors and executive officers for the corporate year 2024. The resolution to be adopted will be the ratification and approval of the acts of the Board of Directors and executive officers for the year 2024.

Meetings of the Board of Directors were held on the following dates:

13 March 2024	Regular Board Meeting
14 May 2024	Regular Board Meeting
7 June 2024	Organizational Board Meeting
7 August 2024	Regular Board Meeting
26 September 2024	Special Board Meeting
13 November 2024	Regular Board Meeting
23 December 2024	Special Board Meeting

At these meetings, principal matters discussed included the presentation of detailed operations and financial reports. Operations reports included market information and metal prices, volume of production and sales, and business development updates. Financial reports included consolidated and per segment figures on revenue, costs and expenses, other income and charges, income or loss before tax, net income or loss, balance sheet and statements of cash flows. In addition to these regular reports, the Board approved the matters set forth below.

March 13, 2024 Special Board Meeting

The Board approved the audited financial and operating results for the year ended 31 December 2023. Net income amounted to Php 5.794 billion, of which Php 3.750 billion is attributable to equity holders. Earnings per share stood at Php 0.58.

The Board approved the declaration of a cash dividend of P0.13 per common share, payable on April 12, 2024 to shareholders of record on March 27, 2024.

The Board likewise approved the authorization of Mr. Ronaldo D. Ibasco, President and CEO of EPI, to negotiate with Rizal Commercial Banking Corporation (RCBC) on the Php

4.5 billion facility intended to fund EPI's equity requirements for both Greenlight and the Special Purpose Vehicles (SPVs), as well as the refinancing of the Php 3.5 billion facility availed in 2023 from Security Bank Corporation (SBC). The final terms of the proposed facility shall be subject to the Board's approval.

At the same meeting, the Board also approved the promotion of General Romeo T. Tanalgo (ret.) to the position of Senior Vice President, Chief Security and Aviation Officer of the Company.

The Board also approved the schedule of the Annual Stockholder's Meeting, which was set on 7 June 2024, as well as the Human Rights Policy and Information Security Policy and related policies.

Further, the Board approved the renewal of management agreements, sales agreements, and strategy agreements between the Company and the operating companies.

May 14, 2024 Regular Board Meeting

The Board approved for EPI to execute bank borrowings from RCBC: Php 3.5 billion short term loan to refinance the SBC loan, and the Php 4.4 billion new term loan for equity financing of EPI and Greenlight projects. The Board also approved the NAC-RCBC Guarantee Agreement of which the total will be subject to EPI guarantee fees to NAC, as well as the Memorandum of Agreement between NAC and EPI regarding NAC's Guarantee Fee.

The Board approved the unaudited financial and operating results for the three-month period ended March 31, 2024 with a net income of Php 385 million, of which Php 202 million is attributable to Equity Holders, compared to Php 1.054 billion in 1Q 2022. Earnings per share stood at Php 0.01.

The Board also approved the renewal of the Security Bank Omnibus Lines, which were given in May 2023, of NAC (Php 5 billion), RTN (Php 1 billion), TMC (Php 1 billion), CMC (Php 750 million), HMC (Php 500 million), and DMC (Php 100 million) for one more year.

The Board also approved the conduct of the 2024 AGM by remote communication.

The Board likewise approved the following matters: (1) the designation of authorized representatives for the Diesel Power Plant transactions; and (2) the donation of the Company vehicle assigned to the Chairman, which was acquired in 2017 and is now fully depreciated in the Company's books.

June 7, 2024 Organizational Board Meeting

The Board appointed the officers of the Company, the Lead Independent Director, the members of the different Board Committees, and the Board Advisors of NAC

The Board also approved to update the Company's authorized signatories on transactions with both local and foreign banks.

August 7, 2024 Regular Board Meeting

The Board approved the extension of shareholder advances to EPI in the total amount of Php 3.06 billion. The Board then required EPI to submit a comprehensive financing plan within 90 days to enable the Board to decide how to treat the Php 3.06 billion advances, i.e. as debt or equity.

The Board approved the unaudited financial and operating results for the six-month period ended June 30, 2024 with a net income of Php 1.739 billion, of which Php 1.119 billion is attributable to Equity Holders, compared to Php 1.7 billion in 1H2023. Earnings per share stood at Php 0.08.

The Board also approved to authorize the hedging of the Company's US Dollar receivables up to 50%, which was previously set at 30%.

At the meeting, the Board also approved the proposal for changes to the membership composition of the Corporate Governance and Sustainability Committees, as well as the change in the assignment and designation of Engr. Rolando R. Cruz from Vice President-Nickel Mining Business to Vice President-Mining Business.

September 26, 2024 Special Board Meeting

The Board authorized the Company to negotiate a Limited Sponsorship Support Undertaking (LSSU) in connection with NPPGC's project financing loan from RCBC. The LSSU shall be triggered in the event that: (1) NPPGC fails to obtain the SBMA Consent by the agreed Long Stop Date, and (2) NPPGC defaults on any of its payment obligations under the Omnibus Loan and Security Agreement (OLSA). It was further discussed that EPI, NPPGC, and the Company have agreed to execute an agreement that would allow the Company to recover any amount it may be required to pay under the LSSU.

Following the approval at the previous Board meeting for the Company to provide short-term advances in the total amount of Php 3.06 billion to EPI, the Board authorized the release of Php 173 million from said advances to EPI to cover the urgent funding requirements of the Subic Cawag Solar Project of its subsidiary, NPPGC. From the remaining balance of the advances, the Board also authorized the Company to make a deposit for future subscription (DFFS) in the amount of Php 1.552 billion in favor of EPI, subject to the submission to the Board of a fairness opinion issued by an independent third party to enable the Company to determine the specific terms of its subscription to additional EPI shares. The treatment of the remaining balance of the advances, net of the DFFS, shall be determined by the Board upon EPI's submission of its proposed comprehensive capital structure.

Additionally, the Board approved the updating of the Company's authorized representatives for the NAC Diesel Power Plant (DPP) in connection with its transactions with the Department of Energy, Energy Regulatory Commission, Wholesale Electricity Spot Market, local government units, and other relevant government agencies.

The Board likewise approved the execution of a Fuel Supply and Equipment Loan Agreement with Phoenix Petroleum Philippines, Inc. for the Company's fuel requirements, and designated Mr. Zamora as the Company's authorized signatory thereto.

Finally, the Board designated proxies to represent the Company at the Annual Meeting of Stockholders of EPI and the Special Meeting of Stockholders of JSI.

November 13, 2024 Regular Board Meeting

The Board approved the unaudited financial and operating results for the nine-month period ended September 30, 2024 with a net income of Php 3.686 billion, of which Php 2.5 billion is attributable to Equity Holders. This translates into earnings per share of Php 0.18.

The Board likewise reconfirmed and affirmed the approvals for equity restructuring of EPI and JSI.

Additionally, the Board approved and adopted the following request of EPI:

1. Approval of the 2025 Budget;

2. The conversion of the Php 3.06 billion advances into equity, was approved but subject to the condition that an acceptable IRR must first be presented to the Board; and

3. The request for additional equity infusion by NAC into EPI in 2025 of Php 3.334 billion, approved the amount of only Php 758 million (for the first quarter), and deferred action on the balance. This approval is also subject to the presentation of an acceptable IRR consistent with the 15% return used for other investments.

Moreover, the Board approved the 2025 NAC Group Budget. The Board also approved the creation of the Finance Committee, adoption of its Charter, and appointment of its members.

December 13, 2024 Special Board Meeting

The Board was briefed on the proposed terms for the sale by the Company of its entire shareholdings in CBNC to SMM. The proposed divestment was prompted by the Company's equity losses from its investment in CBNC. Following the presentation, the Board approved the sale to SMM of the Company's entire shareholdings in CBNC, consisting of 91,796,875 common shares. The purchase price shall be determined based on an independent valuation report to be prepared by an external party appointed by the Company. The Board likewise designated Mr. Zamora as the duly authorized representative of the Company for the transaction.

The Board further approved the execution of a Sponsor Support Undertaking with EPI in favor of NPPGC, RCBC and RCBC Trust, in connection with the Omnibus Loan and Security Agreement, covering an aggregate principal amount of up to Php 5.175 billion. Under the agreement, NPPGC shall serve as borrower, EPI as sponsor and security grantor, RCBC as original lender, and CPC Capital Corporation as arranger. The loan is intended to finance the development, operation, and maintenance by NPPGC of a ground-mounted solar power plant and transmission lines with a capacity of up to 145 MWp, located in Barangay Cawag, Redondo Peninsula, Subic Bay Freeport, Zambales.

Additionally, the Board approved the designation of an authorized signatory for the sale, transfer, and disposition, through bidding, of the Company's motor vehicles that are no longer used or required in its mining business. The Board also authorized the execution of a Memorandum of Agreement for Internship with the University of the Philippines, through its College of Engineering. Finally, the Board approved the engagement of WTW Insurance and Reinsurance Brokers Philippines, Inc. as consultant for the purpose of conducting a review of the Company's healthcare plan.

Item 19. Voting Procedures

Under the Company's policy for the effective participation by shareholders in shareholders' meetings of the Company and the exercise of shareholders' right to vote:

1. To vote, a stockholder must first register online. Certificated stockholders should send a scanned copy of one (1) valid government identification card (ID) to nikl-asm2025@nickelasia.com. Indirect shareholders should send scanned copies of their broker's certification and one (1) valid ID to nikl-asm2025@nickelasia.com. Deadline for registration is on May 28, 2025. Once the Company successfully verifies the stockholder's status, the Company will reply to each stockholder with an online ballot for voting purposes.

2. Only items reflected on the Agenda and the Information Statement will be voted upon. No resolution that is not in the Agenda will be voted on.

3. Votes may be casted online by sending the filled up online ballot form to nikl-asm2025@nickelasia.com.

4. If a shareholder is unable to attend the meeting, he/she may still be represented at the meeting by submitting proxies either online, or by sending a physical copy to the Office of the Corporate Secretary at the Company's principal address at 28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila. The deadline for submission of proxies is on May 28, 2025.

5. Cumulative voting may be adopted in the election of directors as allowed by the Revised Corporation Code of the Philippines. On this basis, each registered stockholder as of March 13, 2025 may vote the number of shares registered in his name for each of the nine (9) directors to be elected; or he may multiply the number of shares registered in his name by nine (9), the number of the Company's directors as provided in its Articles of Incorporation, and cast the total of such votes for one (1) director. A stockholder may also distribute his votes among some or all of the nine (9) directors to be elected.

6. Validation of online ballots and proxies shall be undertaken by a special committee designated by the Board for the validation of proxies. For the 2025 AGM, SGV, the Company's independent external auditor shall work with the special committee, in reviewing the tabulation proxies.

7. Voting results for each item on the agenda shall be announced during the meeting and shall be made publicly available immediately.

8. Inquiries and/or comments limited to the items in the Agenda of the Meeting may be sent to nikl-asm2025@nickelasia.com on or before May 28, 2025. Inquiries and/or comments received after the deadline, or those unrelated to the items in the Agenda of the Meeting shall be referred to the Corporation's proper officer for the appropriate response.

Stockholders as of March 13, 2025 may vote at the Annual General Stockholders' Meeting on June 9, 2025. Stockholders have the right to vote in person or by proxy.

In the election of directors, cumulative voting may be adopted. On this basis, each stockholder as of March 13, 2025 may vote the number of shares registered in his name for each of the nine (9) directors to be elected, or he may multiply the number of shares registered in his name by nine (9) and cast the total of such votes for one (1) director, or he may distribute his votes among some or all of the nine (9) directors to be elected. The nine (9) nominees with the greatest number of votes will be elected directors.

PART II.

(PLEASE SEE SEPARATE PROXY FORM)

PART III.

SIGNATURE PAGE

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 is signed in the City of Makati on May 8, 2025.

By:

BARBARA ANNE C. MIGALLOS
Corporate Secretary

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A, AND 2025 FIRST QUARTER REPORT SEC FORM 17-Q, AS FILED WITH THE SEC FREE OF CHARGE. ANY WRITTEN REQUEST SHALL BE ADDRESSED TO:

ATTY. BARBARA ANNE C. MIGALLOS
Corporate Secretary

NICKEL ASIA CORPORATION
28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila

NIKL 2025 AGM Definitive Information Statement/kjs36

PROXY

The undersigned stockholder of **NICKEL ASIA CORPORATION** (the "Company") hereby appoints ________________________________ or in his absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote all shares registered in his/her name as proxy of the undersigned stockholder, at the **Annual General Meeting of Stockholders** of the Company to be held online on **Monday, 9 June 2025, at 10:00 A.M**. and presided at the Company's principal office address and at 28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, and any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of minutes of the annual stockholders' meeting held on 7 June 2024
   ☐ Yes ☐ No ☐ Abstain

2. Approval of annual reports and Audited Financial Statements for the year ending 31 December 2024
   ☐ Yes ☐ No ☐ Abstain

3. Ratification and approval of the acts of the Board of Directors and Executive Officers
   ☐ Yes ☐ No ☐ Abstain

4. Appointment of Sycip, Gorres, Velayo & Co. as independent auditors
   ☐ Yes ☐ No ☐ Abstain

5. Election of Directors
   ☐ Vote for all nominees listed below:

Martin Antonio G. Zamora	Shiro Imai
Maria Patricia Z. Riingen	Yusuke Niwa
Harvey T. Ang	Florencia G. Tarriela (Independent)
Jose Isidro N. Camacho	James J.K. Hung (Independent)
Leonides Juan Mariano C. Virata	

   ☐ Withhold authority for all nominees listed above

   ☐ Withhold authority to vote for the nominees listed below:

   ________________________________ ________________________________
   ________________________________ ________________________________

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

________________________________ ________________________________
Date Printed Name of Stockholder

____
Signature of Stockholder/ Authorized Signatory

This proxy should be received by the Corporate Secretary on or before **28 May 2025**, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "for" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy. Proxies executed by brokers must be accompanied by a certification under oath stating that the broker has obtained the written consent of the account holder.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person. This proxy shall be valid for five (5) years from the date hereof unless otherwise indicated in the box herein provided. ☐

No director or executive officer, nominee for election as director, or associate of such director, executive officer of nominee of the Company, at any time since the beginning of the last fiscal year, has any substantial interest, direct or indirect by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

REPORT ACCOMPANYING THE INFORMATION STATEMENT

MANAGEMENT REPORT

I. Financial Statements

The audited consolidated financial statements of the Company and its subsidiaries (the Group) for the year ended 31 December 2024 in compliance with SRC Rule 68, as amended, is attached to the Information Statement and is incorporated by reference.

II. Information on Independent Accountants and other Related Matters

The Company's consolidated financial statements for the year ended 31 December 2024 have been audited by SyCip Gorres Velayo & Co. (SGV & Co.), a member practice of Ernst & Young Global Limited, independent auditors, as stated in their reports appearing herein.

Ms. Eleanore A. Layug is the Company's current audit partner. We have not had any disagreements on accounting and financial disclosures with our current external auditors for the same periods or any subsequent interim period.

There were no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

The following table sets out the aggregate fees incurred for the years 2024 and 2023 for professional services rendered by SGV & Co.:

	2024	2023
	(In Thousands)	
Audit and Audit-Related Services	₱20,133	₱20,674
Non-Audit Services	309	1,890
Total	₱20,442	₱22,564

Non-audit services fees pertain to fees paid to SGV & Co. for the transfer pricing study and seminar fees.

III. Management's Discussion and Analysis of Financial Position and Results of Operations

Full Fiscal Years

The following discussion and analysis are based on the audited consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023, and 2022, prepared in conformity with Philippine Financial Reporting Standards Accounting Standards and accompanying Notes to the Consolidated Financial Statements and should be read in conjunction with the audited consolidated financial statements.

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

Summary Financial Information

The Consolidated Financial Statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023, and 2022 are hereto attached.

The following tables set forth the summary financial information for the three (3) years ended December 31, 2024, 2023 and 2022 and as at December 31, 2024, 2023, and 2022:

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Horizontal Analysis			
	2024	2023	2022	Increase (Decrease)		Increase (Decrease)	
	(In Thousand Pesos)			2024 vs 2023	%	2023 vs 2022	%
Revenues	₱22,325,428	₱24,700,467	₱28,003,150	(₱2,375,039)	-10%	(₱3,302,683)	-12%
Costs	(9,822,152)	(10,030,801)	(9,237,117)	(208,649)	-2%	793,684	9%
Operating expenses	(5,701,094)	(5,708,770)	(6,126,572)	(7,676)	0%	(417,802)	-7%
Finance income	695,893	524,065	188,622	171,828	33%	335,443	178%
Finance expenses	(482,786)	(446,701)	(306,783)	36,085	8%	139,918	46%
Equity in net income (loss) of associates	(897,927)	(1,037,821)	942,143	(139,894)	-13%	(1,979,964)	-210%
Other income (charges) - net	(1,556,511)	21,492	841,806	(1,578,003)	-7,342%	(820,314)	-97%
Provision for income tax - net	(1,638,389)	(2,227,996)	(3,429,136)	(589,607)	-26%	(1,201,140)	-35%
Net income	₱2,922,462	₱5,793,935	₱10,876,113	(₱2,871,473)	-50%	(₱5,082,178)	-47%
Net income attributable to:							
Equity holders of the Parent	₱1,521,458	₱3,749,656	₱7,931,150	(₱2,228,198)	-59%	(₱4,181,494)	-53%
Non-controlling interests	1,401,004	2,044,279	2,944,963	(643,275)	-31%	(900,684)	-31%
	₱2,922,462	₱5,793,935	₱10,876,113	(₱2,871,473)	-50%	(₱5,082,178)	-47%

Summary of Consolidated Statements of Financial Position

				Horizontal Analysis			
	2024	2023	2022	Increase (Decrease)		Increase (Decrease)	
	(In Thousand Pesos)			2024 vs 2023	%	2023 vs 2022	%
Current assets	₱23,835,707	₱23,488,558	₱20,955,174	₱347,149	1%	₱2,533,384	12%
Noncurrent assets	37,815,094	34,438,251	28,803,868	3,376,843	10%	5,634,383	20%
Total assets	₱61,650,801	₱57,926,809	₱49,759,042	₱3,723,992	6%	₱8,167,767	16%
Current liabilities	₱12,752,199	₱9,990,199	₱4,772,920	₱2,762,000	28%	₱5,217,279	109%
Noncurrent liabilities	4,485,380	4,831,624	4,455,303	(346,244)	-7%	376,321	8%
Non-controlling interests	7,786,697	6,846,207	4,842,184	940,490	14%	2,004,023	41%
Equity attributable to equity holders of the Parent	36,626,525	36,258,779	35,688,635	367,746	1%	570,144	2%
Total liabilities and equity	₱61,650,801	₱57,926,809	₱49,759,042	₱3,723,992	6%	₱8,167,767	16%

	For the Years Ended December 31		
	2024	2023	2022
	(In Thousand Pesos)		
Net cash flows from (used in):			
Operating activities	₱7,477,286	₱8,967,349	₱12,876,402
Investing activities	(8,322,817)	(6,168,808)	(3,898,505)
Financing activities	(1,943,022)	1,867,561	(8,824,192)
Net increase (decrease) in cash and cash equivalents	(2,788,553)	4,666,102	153,705
Cash and cash equivalents, beginning	15,482,465	10,809,026	10,826,806
Effect of exchange rate changes in cash and cash equivalents	241,360	7,337	(171,485)
Cash and cash equivalents, end	₱12,935,272	₱15,482,465	₱10,809,026

RESULTS OF OPERATIONS

Calendar year ended December 31, 2024 compared with calendar year ended December 31, 2023

Revenues

In 2024, the Group reported total revenues of ₱22,325.4 million, representing a decrease of ₱2,375.0 million or 10% compared to ₱24,700.5 million in 2023. This decline was primarily driven by lower nickel ore prices, as a result of an oversupply in the nickel market.

Sale of Ore

The Group's operating mines sold a total of 17.0 million wet metric ton (WMT) of nickel ore in 2024, reflecting a modest increase of 3% from 16.5 million WMT in the previous year.

Breaking down the ore sales, the Group exported 9.6 million WMT of saprolite and limonite ore in 2024, achieving an average price of $27.34 per WMT, down from $30.59 per WMT for

8.9 million WMT in 2023. Additionally, the Group delivered 7.4 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants in 2024, with prices linked to the London Metal Exchange (LME). The average price realized was $7.65 per pound of payable nickel in 2024 compared to $9.89 per pound of payable nickel for 7.6 million WMT in 2023. When expressed in US$ per WMT, the average prices for these deliveries were $10.50 and $14.66 in 2024 and 2023, respectively.

On a per mine basis, the Group's Taganito mine was the largest contributor, accounting for 50% of total ore sales in 2024, with combined shipments and deliveries totaling 8.6 million WMT (4.1 million WMT of saprolite and/or limonite ore exports and 4.5 million WMT of limonite ore deliveries to the Taganito HPAL plant). This was an increase from 8.2 million WMT in 2023 (3.7 million WMT of saprolite ore exports and 4.5 million WMT of limonite ore deliveries to the Taganito HPAL plant).

The Rio Tuba mine contributed 25% of total ore sales in 2024, comprising 4.2 million WMT (1.8 million WMT of saprolite ore exports and 2.4 million WMT of limonite ore deliveries to the Coral Bay HPAL plant), which was almost the same in 2023 at 1.6 million WMT ore exports and 2.6 million WMT deliveries to the Coral Bay HPAL plant or a total of 4.2 million WMT.

The Hinatuan, Cagdianao, and Dinapigue mines exported 1.7 million WMT, 1.5 million WMT, and 0.5 million WMT of saprolite and limonite ore, respectively, in 2024, compared to 1.6 million WMT, 1.7 million WMT, and 0.3 million WMT, respectively, in 2023. The Cagdianao and Dinapigue mines also delivered 0.5 million WMT of limonite ore to the Coral Bay processing plant in both years.

The realized Peso/US$ exchange rate for ore sales was ₱57.36 in 2024, up 3% from ₱55.78 in 2023.

Sale of Limestone
Rio Tuba's revenue from the sale of limestone increased to ₱194.7 million in 2024, up from ₱175.0 million in 2023. This growth is attributable to an 11% rise in limestone deliveries to Coral Bay Nickel Corporation (CBNC).

Services and Others
Services revenue consists mainly of payments for the hauling, manpower and other ancillary services that CDTN Services Company Inc. (CDTN) provides to CBNC and other third parties and Taganito Mining Corporation (TMC) to Taganito HPAL Nickel Corporation (THNC), and usage fee charged by TMC to THNC for the use of its pier facility. The Group's revenue from services and others fell by 46%, to ₱1,229.3 million from ₱2,265.1 million. This decline primarily resulted from reduced equipment rental income associated with the completion of CBNC's Tailings Storage Facility (TSF)-3 project in December 2023.

Sale of Power
Revenue from power sales experienced substantial growth, reaching ₱1,342.1 million, a 52% increase from ₱881.5 million in 2023. Although the year-on-year average effective price decreased by 2% from Php5.40/kilowatt hour (kWh) to Php5.30/kWh, generation volume from the Group's solar and diesel power plants more than doubled, increasing by 109%, or 119.0 million kWh, due to a significant increase in overall capacity.

<u>Costs</u>
The Group's total costs decreased slightly by 2%, or ₱208.6 million, from ₱10,030.8 million to ₱9,822.2 million.

Cost of Sales
The cost of sales increased to ₱8,591.0 million in 2024 from ₱7,964.5 million in 2023, driven by a 3% rise in sales volume. Factors influencing cost movements included: 1) longer hauling distances particularly in Taganito and Rio Tuba; 2) a 13% increase in fuel consumption (partially offset by a 2% decline in fuel prices); and 3) higher volume handled by third-party contractors.

Cost of Services
Cost related to services dropped by 59%, from ₱1,550.8 million to ₱628.2 million, following the completion of CBNC's TSF-3 project, resulting in a 44% reduction in the volume of materials handled.

Cost of Power Generation
Cost in power generation rose by 17%, from ₱515.5 million in 2023 to ₱603.0 million in 2024, as a direct consequence of the 109% increase in generation volume.

<u>Operating Expenses</u>
The Group's operating expenses remained relatively stable, amounting to ₱5,701.1 million in 2024, slightly decreasing from ₱5,708.8 million in 2023, reflecting a decrease of ₱7.7 million.

Shipping and Loading Costs
Shipping and loading costs increased by 4%, largely due to an 8% increase in ore export volumes. Contributing factors included the: 1) completion of the causeway construction in Dinapigue and the depreciation of the 2 Landing Craft Transports (LCT) acquired for Dinapigue in July 2023; 2) a prolonged loading season due to adverse weather; and 3) direct loading activities in Rio Tuba caused by stock unavailability at the pier.

Excise Taxes and Royalties
Excise taxes and royalties decreased by 9%, from ₱1,873.8 million to ₱1,707.3 million, predominantly due to a 3% decline in revenues from nickel ore and limestone sales attributed to lower nickel ore prices.

General and Administrative
General and administrative expenses increased by 5%, rising from ₱1,542.8 million to ₱1,618.2 million. This increase was primarily driven by the: 1) increased personnel costs due to annual merit raises, the hiring of new employees and retirement or severance payments; 2) additional contributions to the NAC Foundation Inc. for health and community programs; and 3) increase in outsourced services particularly software program developers.

Marketing
Marketing expenses, which includes commission and is based on a certain percentage of revenue, decreased by 9% in 2024, reflecting a 5% decline in Cagdianao Mining Corporation's (CMC) revenue from ore sales and adjustment in marketing fee rate, which dropped from 3.5% to 2.5% beginning January 2024.

<u>Finance Income</u>
Finance income surged by 33% to P695.9 million from ₱524.1 million, primarily due to improved net yields from time deposit placements averaging 4.46% in 2024 as against 4.10% in 2023.

<u>Finance Expenses</u>
Finance expenses rose by 8%, reaching ₱482.8 million, up from ₱446.7 million. This increase was attributed to the new loans from Industrial and Commercial Bank of China (ICBC), Security Bank Corporation (SBC) and Rizal Commercial Banking Corporation (RCBC), as well as a rise in the average foreign exchange rate from P55.63/US$1 to P57.28/US$1.

Equity in Net Loss of Associates,
The Parent Company reported a reduced loss from its equity interests in the two HPAL plants, with a combined loss of ₱897.9 million in 2024 compared to ₱1,037.8 million in 2023, or a 13% improvement. The net losses were driven by lower metal prices for nickel and cobalt year-on-year.

Other Income (Charges) - Net
In 2024, the Group has net other charges of ₱1,556.5 million, a contract to net other income of ₱21.5 million in 2023. The primary drivers were an impairment loss of ₱1,912.3 million on Mindoro Geothermal Power Corporation's (MGPC) geothermal exploration and evaluation assets and a total of ₱202.6 million in input Value Added Tax impairments and write-offs. This loss was partially offset by net foreign exchange gains from the Group's US$ denominated net financial assets amounting to ₱411.3 million, a significant recovery from a loss of ₱79.4 million in 2023.

Provision for Income Tax - Net
The Group's net provision for income tax decreased by 26%, even as net income fell by 50%. The smaller reduction can be attributed to higher nondeductible expenses stemming from increased provisions for impairment losses.

Net Income
As a result of the foregoing, the Group reported a consolidated net income of ₱2,922.5 million in 2024, down from ₱5,793.9 million in 2023. After accounting for non-controlling interests, the attributable net income stood at ₱1,521.5 million in 2024, which was 59% lower than ₱3,749.7 million in 2023.

Calendar year ended December 31, 2023 compared with calendar year ended December 31, 2022

Revenues
The Group's total revenues in 2023 was ₱24,700.5 million, lower by ₱3,302.7 million or 12% compared to ₱28,003.1 million in 2022 because of lower nickel ore prices caused by the growth in Indonesian nickel production.

Sale of Ore
The Group's operating mines sold a combined 16.5 million WMT of nickel ore in 2023, or 3% higher than last year's 15.9 million WMT.

Breaking down the ore sales, the Group exported 8.9 million WMT of saprolite and limonite ore to customers at the average price of $30.59 per WMT in 2023 from 8.1 million WMT at $39.39 per WMT in 2022. Likewise, the Group delivered 7.6 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants, the prices of which are linked to the LME, and realized an average price of $9.89 per pound of payable nickel in 2023. This compares to 7.8 million WMT at $11.64 per pound of payable nickel in 2022. Expressed in US$ per WMT, the average price for the deliveries to the 2 HPAL plants were $14.66 and $18.72 in 2023 and 2022, respectively.

On a per mine basis, the Group's Taganito mine accounted for 50% of the total WMT of ore sold in 2023. The mine shipped 3.7 million WMT of saprolite ore and delivered 4.5 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 8.2 million WMT. The comparable figures for 2022 were 3.2 million WMT of saprolite ore and 4.7 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 7.9 million WMT.

The Rio Tuba mine accounted for 25% of the total ore sold in 2023, consisting of 1.7 million WMT of saprolite ore and 2.5 million WMT of limonite ore delivered to the Coral Bay HPAL plant or a total of 4.2 million WMT. The comparable figures for 2022 were 1.5 million WMT and 2.7 million WMT or a total of 4.2 million WMT.

The Group's Hinatuan, Cagdianao, and Dinapigue mines exported saprolite and limonite ore of 1.6 million WMT, 1.7 million WMT, and 0.3 million WMT, respectively, in 2023, and 1.4 million WMT, 1.8 million WMT, and 0.2 million WMT, respectively, in 2022. Aside from the limonite ore deliveries from the Rio Tuba mine, the Group's Cagdianao and Dinapigue mines also delivered limonite ore to the Coral Bay processing plant for a total of 0.5 million WMT and 0.4 million WMT in 2023 and 2022, respectively.

The realized Peso/US$ exchange rate for ore sales was ₱55.78 in 2023, a 2% increase from ₱54.90 in 2022.

Sale of Limestone
Rio Tuba's revenue from sale of limestone went down to ₱175.0 million in 2023 from 215.60 million in 2022 because of the 17% decrease in volume delivered to customers.

Services and Others
Services revenue largely consists of payments made in consideration for hauling, manpower and other ancillary services that CDTN provides to CBNC and other third parties and TMC to THNC, and usage fee charged by TMC to THNC for the use of its pier facility. The Group's revenue from services and others improved by 52% to ₱2,265.1 million from ₱1,490.7 million mainly because of the increase in the volume of materials handled, particularly for CBNC's TSF-3 Project.

Sale of Power
Revenue from the sale of power in 2023 amounted to ₱881.5 million, or 14% higher than last year's ₱773.4 million. Despite the 8% decrease in the year-on-year average effective price, from Php5.55/kWh to Php5.09/kWh, the generation volume of the Group's solar and diesel power plant was higher by 27%, or by 32 megawatt (MW), owing to higher demand, compared to the year prior. A portion of the energy generated was attributable to the completion and energization of Phase 3B, which contributed 38MW starting in the third quarter of 2022.

<u>Costs</u>
The Group's costs went up by 9% or ₱793.7 million, from ₱9,237.1 million to ₱10,030.8 million.

Cost of Sales
The 3% increase in sales volume led to the slight increase in cost of sales from ₱7,931.0 million in 2022 to ₱7,964.5 million in 2023. The movements in the cost of sales were driven by 1) higher fuel consumption by 11%, however, this was partially offset by an average 10% decline in fuel prices; 2) compared to last year, when the mines were still recovering from the impact of typhoon Odette, wherein the Surigao mines experienced almost a month without power due to damaged powerlines caused by typhoon Odette, the Group is operating normally during 2023; and 3) aside from the slight increase in the contractor's rate, the contracted tonnage was also higher in 2023.

Cost of Services
Cost of services rose by 72% to ₱1,550.8 million from ₱902.2 million following the increase in payments made to subcontractors for CBNC's TSF-3 project. Aside from this, the volume of materials handled in 2023 was higher by 26% than last year.

Cost of Power Generation
Cost of power generation went up by 28% to ₱515.5 million in 2023 from ₱403.9 million in 2022 because of higher generation volume, which increased by 27% compared in the year prior, following the completion and energization of Phase 3B in June 2022, which also led to increase in depreciation by 16%.

Operating Expenses
The Group's operating expenses amounted to ₱5,708.8 million in 2023 compared to ₱6,126.6 million in 2022, a decrease of ₱417.8 million, or 7%.

Shipping and Loading Costs
Shipping and loading costs were up by 1% since loading started early for some of the mines in 2023 compared to last year, when shipment started late due to inclement weather conditions. Aside from this, the volume of ore export sales increased by 9%.

Excise Taxes and Royalties
Excise taxes and royalties slid by 25% to ₱1,873.8 million from ₱2,486.3 million, mainly on account of the 16% decline in revenue from the sale of nickel ore and limestone as a result of lower nickel ore prices in 2023, and due to the reduction in the royalty rate of CMC to its claim owner, from 8.75% to 2.50%.

General and Administrative
General and administrative expenses increased by 18% from ₱1,306.3 million to ₱1,542.8 million on account of higher taxes due to the settlement of the prior year's deficiency taxes, increase in travel related expenses particularly to/from sites, additional office space rented in line with ongoing renovations and boost in publicity promotions and advertisements. Aside from this, additional expenses were incurred for the risk conference held in Cebu and Manila, for NAC's first sustainability-run event and various employee engagement activities to promote health and wellness.

Marketing
The marketing cost, which includes commission and is based on a certain percentage of revenue, was lower by 31% in 2023. The commission is based on CMC's revenue only, and CMC's revenue from the sale of ore was 27% lower in 2023 compared to last year. Further, shipments subjected to a marketing fee in 2023 were lower by 45% compared to last year.

Finance Income
Finance income significantly improved by 178% to ₱524.1 million from ₱188.6 million because of the improvements in the net yield of time deposit placements, which averages to 4.10% in 2023, compared to an average of 1.45% in 2022.

Finance Expenses
The Group's finance expenses rose by 46%, to ₱446.7 million from ₱306.8 million, following the increase in the domestic borrowing rate, from a range of 5.25% to 7.50% to a range of 6.59% to 8.19% and additional loans obtained from ICBC, SBC and RCBC. Aside from this, a jump in the foreign exchange rate from an average of ₱54.50/US$1 to ₱55.63/US$1 also contributed to the increase.

Equity in Net Loss (Income) of Associates,
The Parent Company registered a loss from its equity interests in the two HPAL plants in the combined amount of ₱1,037.8 million in 2023 against a profit of ₱942.1 million the year prior, or a 210% decrease. The net loss incurred by the HPAL plants was due to lower metal prices for nickel and cobalt year-on-year.

Other Income - Net
The Group's other income - net was at ₱21.5 million in 2023, compared to ₱841.6 million in 2022. The Group recognized net foreign exchange losses from its US$ denominated net financial assets in the amount of ₱79.4 million in 2023, a significant turnaround from foreign exchange gains of ₱1,215.2 million in 2022. However, the decrease in foreign exchange gains was partially offset by the increase in the valuation gains of investments in 2023 by ₱720.2 million. Impairment losses were also recognized in 2023 due to rescissions of operating contracts.

Provision for Income Tax - Net
The Group's net provision for income tax was 35% lower due to lower taxable income base on account of higher deductible expenses from actual exercise of employee stock option shares in 2023.

Net Income
As a result of the foregoing, the Group's consolidated net income was ₱5,793.9 million in 2023 compared to ₱10,876.1 million in 2022. Net of non-controlling interests, our net income was ₱3,749.7 million in 2023, or 53% lower compared to ₱7,931.1 million in 2022.

Calendar year ended December 31, 2022 compared with calendar year ended December 31, 2021

Revenues
The Group's total revenues in 2022 was ₱28,003.1 million, higher by ₱599.0 million or 2% compared to ₱27,404.1 million in 2021 because of higher nickel ore prices buoyed by high demand, favorable exchange rates and higher revenue from services.

Sale of Ore
The Group sold a total of 15.9 million WMT of nickel ore at the weighted average realized price of $29.17 per WMT in 2022, compared to 17.9 million WMT at $29.13 per WMT in 2021. The drop in sales volume was almost in direct proportion to unrealized workable days caused by unfavorable weather that adversely affected the Group's mining operations during the year.

Breaking down the ore sales, the Group exported 8.1 million WMT of saprolite and limonite ore to customers at the average price of $39.39 per WMT in 2022 from 10.8 million WMT at $40.40 per WMT in 2021. Likewise, The Group delivered 7.8 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants, the prices of which are linked to the LME, and realized an average price of $11.64 per pound of payable nickel in 2022. This compares to 7.1 million WMT at $8.35 per pound of payable nickel in 2021. Expressed in US$ per WMT, the average price for the deliveries to the 2 HPAL plants were $18.72 and $12.03 in 2022 and 2021, respectively.

On a per mine basis, the Group's Taganito mine accounted for 50% of the total WMT of ore sold in 2022. The mine shipped 3.2 million WMT of saprolite ore and delivered 4.7 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 7.9 million WMT. The comparable figures for 2021 were 4.3 million WMT of saprolite ore and 4.0 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 8.3 million WMT.

The Rio Tuba mine accounted for 26% of the total ore sold in 2022, consist of 1.5 million WMT of saprolite ore and 2.7 million WMT of limonite ore delivered to the Coral Bay HPAL plant or a total of 4.2 million WMT. The comparable figures for 2021 were 1.9 million WMT and 2.9 million WMT or a total of 4.8 million WMT.

Shipments from the Group's Hinatuan mine was 1.4 million WMT in 2022 compared to 1.8 million WMT in 2021. On the other hand, the Cagdianao mine shipped 2.1 million WMT in 2022 as against 3.0 million WMT in 2021.

The realized Peso/US$ exchange rate for ore sales was ₱54.90 in 2022, an 11% increase from ₱49.48 in 2021.

Sale of Limestone
Rio Tuba's revenue from sale of limestone went down to ₱215.6 million in 2022 from ₱244.9 million in 2021 because of the 15% decrease in volume delivered to customers.

Sale of Quarry Materials
Starting the last quarter of 2021, TMC discontinued the deliveries of quarry materials to THNC due to Mines and Geosciences Bureau's (MGB) advisory that it will discontinue the issuance of permit to quarry. TMC's last delivery of quarry materials was in October 2021 wherein it delivered 387,677 bank cubic meter and earned ₱151.1 million in revenue.

Services and Others (excluding sale of quarry materials)
The Group's revenue from services and others improved by 131% to ₱1,490.7 million from ₱646.1 million mainly because of the services provided to CBNC's TSF-3 project, which resulted to an increase in the volume of materials handled. Services revenue largely consists of payments made in consideration for hauling, manpower and other ancillary services that Rio Tuba Nickel Mining Corporation (RTN) and CDTN provide to CBNC and TMC to THNC, and usage fee charged by TMC to THNC for the use of its pier facility.

Sale of Power
Revenue from the sale of power amounted to ₱773.4 million in 2022, higher by 52% from ₱507.9 million in 2021. Energy generated by Jobin-SQM Inc. (JSI) in 2022 increased by 56%, attributable mainly to the energization and subsequent commercialization of the additional 38MW capacity installed. The average Philippine Wholesale Electricity Spot Market (WESM) price for 2022 was 36% higher at ₱8.60/kWh compared to 2021 of ₱6.32/kWh. The spikes in global fuel prices in 2022 increased the offer prices of coal and other thermal plants. This factor, coupled with thin supply margin, led to higher WESM prices for the year. On the other hand, Power Supply Agreement (PSA) average price in 2022 was 10% higher at ₱4.31/kWh compared to 2021 at ₱3.92/kWh. On a combined basis, the average selling price for 2022 is ₱5.31/kWh for both WESM and PSA, or 14% above of last year's ₱4.64/kWh.

<u>*Costs*</u>
The Group's costs went up by 11% or ₱942.5 million, from ₱8,294.6 million to ₱9,237.1 million.

Cost of Sales
Despite the 11% drop in sales volume caused by the late start of shipment, particularly in the Surigao mines due to unfavorable weather that adversely affected the Group's mining operations, the Group's cost of sales slightly increased by 4% to ₱7,931.0 million in 2022 from ₱7,611.8 million in 2021. The movement in the cost of sales was significantly driven by the spikes in global fuel prices, which led to an increase in fuel costs by 80% based on the average cost per liter.

Cost of Services
Cost of services rose by 181% to ₱902.2 million from ₱321.6 million following the increase in outside services due to payments made to subcontractors for the TSF-3 project of CBNC.

Cost of Power Generation
Cost of power generation went up by 12% to ₱403.9 million in 2022 from ₱361.1 million in 2021 following the completion of Phase 3A of the solar project in June 2021 and Phase 3B in

June 2022, which increased depreciation by 18%, and on account of higher energy generated and delivered/sold in 2022.

Operating Expenses

The Group's operating expenses amounted to ₱6,126.6 million in 2022 compared to ₱6,316.5 million in 2021, a decrease of ₱190.0 million, or 3%.

Shipping and Loading Costs

Shipping and loading costs went down by 4% because of the 25% decline in the volume of ore export sales. Compared to last year, shipments for this year started late due to inclement weather conditions, particularly in the Surigao mines. Relative to this, LCT rental, stevedoring, wharfage, and ship loading personnel costs were lower in 2022.

Excise Taxes and Royalties

The Group's excise taxes and royalties slid by 8% to ₱2,486.3 million from ₱2,705.9 million because of the decrease in royalties paid to a claim owner of CMC. CMC's revenue, which was the basis for the royalty payments, was lower by 25% in 2022 compared to last year.

General and Administrative

General and administrative expenses increased by 14% from ₱1,145.9 million to ₱1,306.3 million on account of the initial contribution made to NAC Foundation Inc. and higher taxes due to several inward remittances received and documentary stamp tax, registration, and filings fees for the incorporation of Greenlight Renewables Holdings, Inc. (GRHI). Legal fees and other service fees were also incurred in 2022 in relation to the project green metal. Moreover, due to the ease of pandemic restrictions, business costs are starting to normalize.

Marketing

The marketing cost, which includes commission and is based on a certain percentage of revenue, was lower by 18% in 2022. The commission is based on CMC's revenue only, which was 25% lower compared to last year.

Finance Income

The Group's finance income climbed by 16%, to ₱188.6 million from ₱162.1 million, following the increase in the net yield of time deposit placements from an average of 0.55% in 2021 to an average of 2.21% in 2022 for peso placements and 0.15% in 2021 to 2.14% in 2022 for US$ placements. Aside from this, the average principal placements were higher in 2022.

Finance Expenses

The Group's finance expenses rose by 26%, to ₱306.8 million from ₱244.1 million, driven by the increase in the London Inter-Bank Offered Rate from an average of 0.21% to 1.75% and because of the significant jump in the average foreign exchange rate from ₱50.28/US$1 to ₱54.50/US$1. Likewise, the domestic borrowing rate rose from an average of 5.23% to an average of 5.44% and loan principal grew due to additional loans obtained from ICBC, SBC and TBEA International Engineering Co., Ltd. (TBEA).

Equity in Net Income of Associates,

Owing to the higher LME nickel prices, the Group recognized gains from its equity share in investments in the 2 HPAL plants in the combined amount of ₱942.1 million in 2022 compared to ₱557.9 million in 2021.

Other Income - Net

The Group's other income - net went up by 20% in 2022 to ₱841.6 million from ₱701.6 million in 2021 due to the stronger US$ against the peso, from an average of ₱50.28/US$ in 2021 to ₱54.50/US$ in 2022. The Group recognized net foreign exchange gains from its US$ denominated net financial assets in the amount of ₱1,215.2 million in 2022 compared to

₱558.9 million in 2021. However, the increase was partially offset by the losses on mark-to-market valuation of financial assets amounting to ₱493.3 million in 2022, a major turnaround from gains of ₱69.4 million in 2021. Moreover, a gain amounting to ₱46.4 million was also recognized from the partial disposal of interest in a subsidiary leading to a loss of control.

Provision for Income Tax - Net
The Group's net provision for income tax was 3% higher due to higher taxable income base on account of higher revenue in 2022.

Net Income
As a result of the foregoing, the Group's consolidated net income was ₱10,876.1 million in 2022 compared to ₱10,638.2 million in 2021. Net of non-controlling interests, our net income was ₱7,931.1 million in 2022, slightly higher by 2% compared to ₱7,812.6 million in 2021.

FINANCIAL POSITION

Calendar year as at December 31, 2024 and 2023

As of December 31, 2024, the Group's total assets increased by 6%, rising to ₱61,650.8 million from ₱57,926.8 million at the end of 2023.

Current assets at the close of 2024 recorded a modest rise of 1%, amounting to ₱23,835.7 million compared to ₱23,488.6 million as of the end of 2023. The increase is primarily attributed to the reclassification of an investment in CBNC from noncurrent to current under "Asset held for sale".

Noncurrent assets exhibited a significant improvement of 10%, climbing from ₱34,438.3 million to ₱37,815.1 million. This positive trend is largely due to strategic investments in property and equipment for renewable energy initiatives and the expansion of mining operations, particularly involving new mines.

Current liabilities surged by 28%, escalating from ₱9,990.2 million to ₱12,752.2 million. This rise was driven by new short-term loans secured by Emerging Power, Inc. (EPI) from RCBC, specifically intended to finance the San Isidro Solar Power Corp.'s (SISPC) 240MW San Isidro Solar Power Project and Northern Palawan Power Generation Corporation's (NPPGC) 140MW Cawag Solar Power Project.

On the other hand, noncurrent liabilities decreased by 7%, falling to ₱4,485.4 million from ₱4,831.6 million due repayment of long-term debts and a reduction in pension liabilities, supported by additional contributions made to pension funds in 2024.

The Group's equity, net of non-controlling interests, improved by 1% to ₱36,626.5 million as of December 31, 2024. This growth reflects the Group's sustained profitable operations and increase in translation adjustments affecting the balances of the associates.

Calendar year as at December 31, 2023 and 2022

As at December 31, 2023, the Group's total assets increased by 16% to ₱57,926.8 million from ₱49,759.0 million as of the end of 2022.

Current assets as of the end of 2023 was higher by 12% at ₱23,488.6 million compared to ₱20,955.2 million as of the end of 2022 mainly due to collections of receivables, and disposal of offshore investments.

Noncurrent assets improved by 20% from ₱28,803.9 million to ₱34,438.3 million which was attributable mainly to the acquisitions of property and equipment, including the advances and downpayments made to suppliers, intended for the renewable energy projects and in preparation for the mine operations, particularly of the new mines.

Current liabilities were higher by 109%, from ₱4,772.9 million to ₱9,990.2 million, due to additional short-term loans obtained by EPI from SBC and RCBC to finance the construction of JSI's Phase 4A - 72MW solar project and the Cawag project.

Noncurrent liabilities rose by 8% to ₱4,831.6 million from ₱4,455.3 million due to the additional bank loans obtained by JSI, to finance its Phase 3 solar project and to refinance the shareholder's loan used for Phase 3 expansions, and by Dinapigue Mining Corporation (DMC), to finance the construction of its permanent causeway. Further, the long-term lease agreement for the use of office space and parking in the head office was renewed and new long-term lease agreements were signed, which led to the recognition of ₱236.3 million lease liability for the right-of-use. There was also adjustment in the provision for mine rehabilitation and decommissioning which further increased the liability by ₱86.8 million as of end of 2023.

The Group's equity net of non-controlling interests as at December 31, 2023 improved by 2% to ₱36,258.8 million due to the Group's continued profitable operations and the issuance of shares upon exercise of stock options, less the impact of the translation adjustments on the balances of the associates and cash dividends paid.

Calendar year as at December 31, 2022 and 2021

As at December 31, 2022, the Group's total assets reduced by 4% to ₱49,759.0 million from ₱51,700.9 million as of the end of 2021.

Current assets as of the end of 2022 was lower by 13% at ₱20,955.2 million compared to ₱24,011.1 million as of the end of 2021 due to acquisitions of additional shares of CBNC from SMM amounting to ₱1,530.3 million and advances or downpayments made for the acquisitions of property and equipment for the Manicani and Dinapigue mining operations and for JSI's Phase 4A of the solar project and other projects of the renewable energy business units.

Noncurrent assets improved by 4% from ₱27,689.8 million to ₱28,803.9 million which was attributable mainly from the favorable results of operations of the Parent Company's associates in 2022, additional shares or investment in CBNC and the impact of foreign exchange in the balances of associates since the associate's reporting currency is in US$.

Current liabilities significantly declined by 60% to ₱4,772.9 million from ₱11,925.0 million following the loss of control of EPI in Biliran Geothermal Incorporated (BGI) resulting to the derecognition of the liabilities of BGI in the group consolidation.

Noncurrent liabilities rose by 29% to ₱4,455.3 million from ₱3,446.7 million due to the additional loans obtained by JSI from ICBC, SBC and TBEA for the Phase 3 expansions of the solar project.

The Group's equity net of non-controlling interests as at December 31, 2022 improved by 8% to ₱35,688.6 million due to the Group's continued profitable operations net of cash dividends paid and the impact of the translation adjustments on the balances of the associates.

Noncurrent liabilities slightly rose by 2% to ₱3,446.7 million from ₱3,372.2 million following the adjustments made in the capitalized cost of mine rehabilitation and decommissioning.

The Group's equity net of non-controlling interests as at December 31, 2021 improved by 6% to ₱32,939.8 million due to the Group's continued profitable operations net of cash dividends paid.

CASH FLOWS

Calendar years ended December 31, 2024, 2023 and 2022

The Group reported ₱7,477.3 million net cash flows from operating activities, a decreased from ₱8,967.3 million in 2023 and ₱12,876.4 million in 2022. This drop was primarily due to lower collections from the ore sales, reflecting reduced revenue in 2024, compared to previous years, which was impacted by lower nickel ore prices.

For investment activities, the Group allocated substantial resources to capital expenditures in 2024 totaling ₱8,761.2 million. This investment was primarily directed towards for JSI's 72MW solar project (Phase 4A), DMC's permanent causeway, SISPC's 120MW solar project (Phase 1) and re-fleeting of mining equipment. This marks a significant increase compared to ₱6,353.4 million in 2023 and ₱2,485.0 million in 2022. Consequently, cash flows utilized in investing activities amounted to ₱8,322.8 million in 2024, ₱6,168.8 million in 2023, and ₱3,898.5 million in 2022.

To address various capital requirements in 2024, the Parent Company opted to declare and distribute only regular cash dividends, in contrast to 2023 and 2022, during which special cash dividends were also paid. Additionally, the amount of new loans taken in 2024 was notably lower, totaling ₱1,170.7 million compared to ₱5,218.9 million in 2023 and ₱1,367.7 million in 2022.

As at December 31, 2024, 2023 and 2022, cash and cash equivalents stood at ₱12,935.3 million, ₱15,482.5 million, and ₱10,809.0 million, respectively.

TOP FIVE KEY PERFORMANCE INDICATORS

1) ***SALES VOLUME***

   The volume of saprolite ore that the Group sells largely depends on the grade of saprolite ore that it mines. The volume of limonite ore that it sells to customers in China and Indonesia largely depends on the demand for nickel pig-iron (NPI) and carbon steel in China. Pacific Metals Co., Ltd. (PAMCO) purchases high-grade saprolite ore that the Group can extract and ship at any given time. With respect to low-grade saprolite and limonite ore, in periods when the Group can extract more ore than it is able to ship, it generally continues its mining operations and stockpiles such ore for sale when demand improves or when prices rise to more attractive levels. As stated above, the volume of the Group's low-grade saprolite and limonite ore sales to China and Indonesia customers is roughly correlated with the LME nickel price, with volume increasing as nickel prices rise. In addition to sales of nickel ore to PAMCO and customers in China and Indonesia, the Group sells limonite ore from its Rio Tuba, Cagdianao and Dinapigue mines to the Coral Bay HPAL facility, and from Taganito mine to the Taganito HPAL facility, in which the Company holds a 10% equity interest. CBNC purchases an amount of limonite ore from the Group sufficient to meet its ore requirements. The annual capacity of its Coral Bay HPAL facility was originally 10,000 tonnes of contained nickel and was expanded to 20,000 tonnes of contained nickel in the second half of 2009, resulting in a higher volume of limonite ore sales from RTN. In 2010, the Coral Bay HPAL facility was able to attain an annual capacity of 24,000 tonnes as a result of the facility's expansion in 2009 which became fully operational in 2010. The Taganito HPAL facility has an annual capacity of 30,000 tonnes of mixed nickel-cobalt sulfide over an estimated 30-year project life.

Type and Grade of Ore that the Group Mines

The Group realizes higher sales prices for saprolite ore than for limonite ore. Accordingly, the type and grade (which is a factor of nickel content) of the ore that the Group mines affects its revenues from year to year. The quantity of saprolite ore that it mines annually depends on the customer demand and the availability of such ore at its mine sites. The mix between high-and low-grade saprolite ore at the Group's mine sites coupled with its long-term mining plan determines the quantities of each that it extracts on an annual basis. The quantity of limonite ore that it mines on an annual basis depends on the amount of such ore that needs to be removed to extract the saprolite ore, as well as market demand. In 2024 and 2023, the Group sold an aggregate of 17.0 million WMT and 16.5 million WMT, respectively.

2) *TOTAL COST PER VOLUME SOLD*

The total cost per volume of ore sold provides a cost profile for each operating mine and allows the Group to measure and compare operating performance as well as changes in per unit costs from year to year.

The total cost includes cost of sale of ore, shipping and loading costs, excise taxes and royalties, general and administrative expenses and marketing incurred by the Group.

The average total cost per volume sold in 2024 is ₱810 per WMT based on aggregate costs of ₱13,783.7 million and a total sales volume of 17.0 million WMT of ore. This compares to ₱803 per WMT in 2023 based on aggregate costs of ₱13,207.9 million and a total sales volume of 16.5 million WMT of ore.

3) *ATTRIBUTABLE NET INCOME*

Attributable net income represents the portion of consolidated profit for the year, net of income taxes, which is attributable to the Company. This is a relevant and transparent metric of the information contained in the consolidated financial statements. The net income attributable to equity holders of the Company is ₱1,521.5 million in 2024 compared to ₱3,749.7 million in 2023.

4) *NUMBER OF HECTARES OF OPEN AREA PER MILLION WMT SOLD*

The Group adheres to the principles and practices of sustainable development. The Group is committed to complying with and following environmental regulations by implementing best practices in managing environmental impacts of its operations. In 2018, the Department of Environment and Natural Resources (DENR), through the issuance of DAO 2018-19, prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines and provides limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. The DAO also requires that temporary revegetation be immediately implemented on the disturbed areas. All NAC operating companies are well within the norm of the DENR which is 26 hectares per million WMT sold. In 2024 and 2023, the open hectares per million WMT sold was 16.47 and 17.81, respectively.

5) *FREQUENCY RATE*

Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize risks to health arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations. The Group measures its safety effectiveness through the Frequency Rate which is the ratio of lost-time accidents to total man-hours worked for the year. In 2024 and 2023, the Group's frequency rate is nil in both years.

OFF-BALANCE SHEET ARRANGEMENTS
Under the Suretyship Agreement executed by and between the Company and SBC on August 4, 2015, the Company, solidarily with EPI, guarantees and warrants to SBC, its assigns and successors-in-interest, prompt and full payment and performance of EPI's obligations to SBC.

On August 2, 2021, JSI entered into an Omnibus Loan and Security Agreement to document the syndicated loan with 2 banks as lenders, i.e., ICBC and SBC, with the Company forming part of the Share Collateral Security Grantors and Sponsors together with EPI and TBEA.
Other than those mentioned above, the Company has not entered into any off-balance sheet transactions or obligations (including contingent obligations), or other relationships with unconsolidated entities or other persons.

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURES
SISPC entered into contracts with Xinte Energy Co., Ltd. (Xinte) and TBEA Subic Inc. for the San Isidro Solar Power Project Phases 1 and 2. The contract with Xinte covers the design, execution, completion, and remedying defects, while the agreement with TBEA Subic Inc. involves the installation, completion, commissioning, and defect remediation of the project. The contract prices for both agreements will be paid based on specific milestones.

NPPGC also entered into contracts with Xinte and TBEA Subic Inc. for the Cawag Solar Power Project. The agreement with Xinte covers design, execution, completion, and remedying defects, while the contract with TBEA Subic Inc. involves installation, completion, commissioning, and defect remediation. The contract prices for both agreements will be paid in percentages identified by a certain milestone.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES (Material impact on Sales)
On February 13, 2017, Hinatuan Mining Corporation (HMC) a wholly owned subsidiary of the Company and whose tonnage consists of 10% of the Group's total ore sales, received a letter from DENR stating that MPSA in Tagana-an Island, Surigao is being cancelled due to alleged violations of Republic Act No. 7942 or the Philippine Mining Act of 1995 as a result of the audit conducted in July 2016. On February 17, 2017, HMC filed a Notice of Appeal with the Office of the President. It is the Company's position that there are no legal and technical grounds to support the cancellation of HMC's MPSA. The Company and HMC are pursuing all legal remedies to overturn the said order because of due process violations and the absence of any basis that would warrant a suspension of HMC's operations, much less the cancellation of its MPSA.

The construction of the 145MW Cawag solar project is underway and expected to begin operations by year-end 2025.

GRHI, EPI's joint venture with Shell Overseas B.V. (Shell), is progressing on Phase 1 (120MW) of its solar project in Leyte, which is expected to be completed by third quarter of 2025.

Pre-development activities for the 45MW solar project in Botolan, Zambales, are also progressing, with the NTP expected to be issued soon.

Interim Periods

The following discussion and analysis are based on the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024, prepared in conformity with Philippine Accounting Standards 34, *Interim Financial Reporting* and included herein, and should be read in conjunction with those unaudited interim condensed consolidated financial statements.

Summary Financial Information

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

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

Summary Consolidated Statements of Income

	For the Three Months Ended March 31 2025	2024	Increase (Decrease)	Percent Inc (Dec)
	(In Thousand Pesos)			
Revenues	₱2,926,043	₱2,660,829	₱265,214	10%
Costs	(1,765,322)	(1,499,220)	266,102	18%
Operating expenses	(704,574)	(622,815)	81,759	13%
Finance income	135,281	158,244	(22,963)	-15%
Finance expenses	(116,243)	(119,083)	(2,840)	-2%
Equity in net loss of associates	(91,908)	(193,896)	(101,988)	-53%
Other income - net	714,024	173,679	540,345	311%
Provision for income tax	(424,265)	(172,814)	251,451	146%
Net income	₱673,036	₱384,924	₱288,112	75%
Net income attributable to:				
Equity holders of the parent	₱501,032	₱202,376	₱298,656	148%
Non-controlling interests	172,004	182,548	(10,544)	-6%
	₱673,036	₱384,924	₱288,112	75%

Summary Consolidated Statements of Financial Position

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Increase (Decrease)	Percent Inc (Dec)
	(In Thousand Pesos)			
Current assets	₱20,760,961	₱23,835,707	(₱3,074,746)	-13%
Noncurrent assets	38,490,783	37,815,094	675,689	2%
Total assets	₱59,251,744	₱61,650,801	(₱2,399,057)	-4%
Current liabilities	₱10,730,670	₱12,752,199	(₱2,021,529)	-16%
Noncurrent liabilities	5,310,031	4,485,380	824,651	18%
Equity attributable to equity holders of the parent	34,887,532	36,626,525	(1,738,993)	-5%
Non-controlling interests	8,323,511	7,786,697	536,814	7%
Total liabilities and equity	₱59,251,744	₱61,650,801	(₱2,399,057)	-4%

Summary Consolidated Statements of Cash Flows

	For the Three Months Ended March 31 2025	2024	Increase (Decrease)	Percent Inc (Dec)
	(In Thousand Pesos)			
Net cash flows from (used in):				
Operating activities	(₱1,582,856)	(₱428,187)	₱1,154,669	270%
Investing activities	531,169	(1,358,245)	(1,889,414)	-139%
Financing activities	(770,886)	(205,447)	565,439	275%
Net decrease in cash and cash equivalents	(1,822,573)	(1,991,879)	(169,306)	-8%
Cash and cash equivalents, beginning	12,935,272	15,482,465	(2,547,193)	-16%
Cash and cash equivalents, end	₱11,112,699	₱13,490,586	(₱2,377,887)	-18%

RESULTS OF OPERATIONS

Three months ended March 31, 2025 compared with three months ended March 31, 2024

Revenues

	2025	2024
	(In Thousands)	
Sale of ore and limestone	₱2,394,233	₱2,087,830
Sale of power	296,827	249,928
Services	234,983	323,071
	₱2,926,043	₱2,660,829

Revenues during the first quarter of 2025 were ₱2,926.0 million, higher by ₱265.2 million, or 10%, compared to ₱2,660.8 million during the same period last year.

Sale of Ore
Revenues from the sale of ore were up by 16% due to a more favorable ore prices.

The Group's operating mines sold a combined 2.48 million wet metric tons (WMT) of nickel ore during the first quarter of 2025, or 5% lower than last year's 2.61 million WMT. The weighted average nickel ore sales price during the period rose by 18% to $16.40/WMT, compared with $13.84/WMT in the same period last year. The Group realized ₱57.85/US$ from these nickel ore sales, a 3% increase from ₱56.13/US$ year-on-year.

Breaking down the ore sales, the Group exported 0.66 million WMT of saprolite ore at an average price of $36.60/WMT during the first quarter of 2025, compared to 0.61 million WMT of saprolite ore at $25.57/WMT in the same period last year. Similarly, the Group delivered 1.82 million WMT of limonite ore to the Coral Bay and Taganito High-Pressure Acid Leach (HPAL) plants, realizing an average price of $7.05 per pound of payable nickel. This compares to 2.00 million WMT at $7.53 per pound of payable nickel during the first quarter of 2024. Expressed in US$ per WMT, deliveries to the two HPAL plants generated $9.10 and $10.27 in the first quarters of 2025 and 2024, respectively.

On a per mine basis, the Group's Rio Tuba mine exported 0.66 million WMT of saprolite ore and delivered 0.72 million WMT of limonite ore to the Coral Bay processing plant during the first quarter of 2025. This compares to sales of 0.61 million WMT of saprolite ore and 0.72 million WMT of limonite ore to the Coral Bay processing plant during the same period last year.

The Group's Taganito mine delivered 1.10 million WMT of limonite ore to the Taganito processing plant during the first quarter of 2025. Compared to the same period last year, there were 1.27 million WMT of limonite ore delivered to the Taganito processing plant.

Sale of Limestone
Limestone deliveries to Coral Bay Nickel Corporation (CBNC) declined by 37%, resulting in the same percentage decrease in revenue from the sale of limestone during the first quarter of 2025 which amounted to ₱37.0 million, compared to ₱58.7 million during the same period last year.

Sale of Power
Despite a year-on-year decrease in the average effective price from Php4.77/ kilowatts per hour (kWh) to Php4.49/kWh, revenue from the sale of power in the first quarter of 2025 increased by 19%, reaching ₱296.8 million compared to ₱249.9 million last year. This rise was primarily attributed to a 29% increase in generation volume – an additional 13.2 million kWh – resulting from the increase in the overall capacity by the end of February 2024.

Services
Service revenue, which includes payments for hauling, manpower, and ancillary services provided by CDTN Services Company Inc. (CDTN) and Taganito Mining Corporation (TMC) to CBNC, Taganito HPAL Nickel Corporation (THNC), and other third parties, declined by ₱88.1 million to ₱235.0 million in the first quarter of 2025, compared to ₱323.1 million for the same period last year. This decrease was mainly attributed to the completion of additional activities related to CBNC's TSF-3 project at the end of the first half of 2024.

Costs
Costs went up by 18%, or ₱266.1 million, from ₱1,499.2 million to ₱1,765.3 million.

	2025	2024
	(In Thousands)	
Cost of sales	₱1,508,419	₱1,161,685
Power generation	151,491	132,548
Services	105,412	204,987
	₱1,765,322	₱1,499,220

Cost of Sales
The increase in production costs in the current period was due to longer hauling distances, as ore sourcing has shifted from nearby the pier to more distant locations. Additionally, unexpected adverse weather conditions at the Rio Tuba mine from January to February contributed to these higher costs.

Cost of Power Generation
The cost of power generation rose by 14% to ₱151.5 million from ₱132.5 million due to a 29% increase in the generation volume over the same period last year, resulting from significant capacity increase at the end of February 2024.

Cost of Services
Costs associated with services declined by 49%, from ₱205.0 million to ₱105.4 million, following the completion of the additional activities carried out by CDTN for CBNC's TSF-3 project at the end of the first half of 2024.

Operating Expenses

	2025	2024
	(In Thousands)	
General and administrative	₱335,920	₱319,991
Shipping and loading costs	222,068	159,550
Excise taxes and royalties	146,586	143,274
	₱704,574	₱622,815

General and Administrative
General and administrative expenses increased slightly by 5% to ₱335.9 million, up from ₱320.0 million last year, largely due to annual merit increases, retirement or severance payouts, and payments to professionals engaged in land acquisition for Nazareno project.

Shipping and Loading Costs
Shipping and loading costs increased by 39% as a result of hiring additional landing craft transports and tugboats to support loading operations and ensure timely transfer of ore into vessels. Despite these efforts, approximately ₱39.5 million charges were incurred due to loading delays caused by unexpected adverse weather conditions at the site.

Excise Taxes and Royalties
Excise taxes and royalties rose by 2% to ₱146.6 million from ₱143.3 million, primarily driven by increased revenue from nickel ore and limestone sales, influenced by more favorable nickel ore prices in the first quarter of 2025.

Finance Income
Finance income decreased by 15% to ₱135.3 million from ₱158.2 million, attributed to lower short-term cash investment rates, which averaged around 3.91% this quarter, compared to approximately 4.55% during the same period last year.

Finance Expenses
Finance expenses saw a slight decrease of 2% in the first quarter of 2025, primarily due to higher capitalized borrowing costs associated with solar projects in the renewable energy sector.

Equity in Net Loss of Associates
The Parent Company reported a loss from its equity interest in an associate amounting to ₱91.9 million during the current period, marking a significant decrease from the combined loss of ₱193.9 million incurred from the two HPAL plants in the previous year. The improved performance was due to the sale of the investment in CBNC. Meanwhile, the net loss attributable to THNC resulted from the timing of THNC's plant shutdown, which took place in March of this year, compared to April of the previous year.

Other Income - Net
Other income - net stood at ₱714.0 million for the current period, significantly higher than ₱173.7 million during the same period last year. This increase was mainly due to the reclassification of cumulative translation adjustments on investment in an associate of ₱800.5 million previously recorded in other comprehensive income. This was partially offset by a reversal from foreign exchange, moving from a gain of ₱136.2 million in the first quarter of 2024 to a loss of ₱105.9 million in the current period.

Provision for Income Tax
Due to the factors mentioned above, taxable income slightly increased in the current period compared to the same period last year. Additionally, there were reversals of deferred income tax assets. Consequently, the net provision for income tax increased by 146%.

Net Income
As a result of the above factors, the consolidated net income reached ₱673.0 million for the first quarter of 2025, compared to ₱384.9 million during the same period last year. Net of non-controlling interests, the net income attributable to the equity holders of the parent amounted to ₱501.0 million, up from ₱202.4 million in the prior year.

FINANCIAL POSITION

Calendar year as at March 31, 2025 and December 31, 2024

As of March 31, 2025, total assets were ₱59,251.7 million, down from ₱61,650.8 million as of December 31, 2024. Current assets decreased by 13% to ₱20,761.0 million from ₱23,835.7 million, while noncurrent assets increased by 2%, from ₱37,815.1 million to ₱38,490.8 million. The decline in current assets was primarily due to: 1) sale of investment in CBNC (classified as asset held for sale); 2) dividend payments; 3) remittances of taxes; and 4) payments to various suppliers or creditors, while the increase in noncurrent assets was driven by the construction of the 240 megawatts (MW) San Isidro Solar Power Project and Phase 1 – 70MW of Cawag Solar Power Project (CSP Project).

Current liabilities decreased by 16% to ₱10,730.7 million from ₱12,752.2 million due to payments of: 1) interest-bearing loan to Security Bank Corporation (SBC) amounting to ₱1,500.0 million; 2) tax obligations and dividends; and 3) trade payables to various creditors.

Noncurrent liabilities rose by 18% to ₱5,310.0 million from ₱4,485.4 million, reflecting net proceeds from bank loans used to fund the construction of the CSP Project.

The equity net of non-controlling interests fell slightly by 5% to ₱34,887.5 million due to the combined effects of current period earnings, dividend payments, and decrease in cumulative translation adjustments.

CASH FLOWS

Three months ended March 31, 2025 compared with three months ended March 31, 2024

During the first quarter of 2025, net cash used in operating activities totaled ₱1,582.9 million, an increase from ₱428.2 million last year, mainly due to payments made to creditors and tax remittances.

The Group saw a positive cash position in investment activities in the first quarter of the current period because of the proceeds of ₱1,855.0 million from the sale of investment in CBNC. In contrast, the previous year involved significant capital expenditures primarily associated with the construction of the Dinapigue causeway and the re-fleeting of mining equipment, amounting to ₱1,308.1 million.

For financing activities in the first quarter of 2025, the Group paid cash dividends of ₱1,707.4 million, which was partially offset by ₱948.9 million in proceeds from long-term bank loans for the CSP Project. Additionally, equity contributions received by Greenlight Renewables Holdings Inc. (GRHI) amounted to ₱383.9 million, partially counterbalanced by net payments on short-term debts.

As of March 31, 2025 and 2024, cash and cash equivalents amounted to ₱11,112.7 million and ₱13,490.6 million, respectively.

KEY PERFORMANCE INDICATORS

1) ***TOTAL COST PER VOLUME SOLD***

   The total cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance as well as changes in per unit costs from period to period.

   The total cost includes the cost of sale of ore, general and administrative, shipping and loading costs, and excise taxes and royalties incurred by the Group.

   The average cost per volume of nickel ore sold for the first quarter of 2025 was ₱823/WMT based on aggregate costs of ₱2,045.6 million and total sales volume of 2.48 million WMT of ore. This compares to ₱626/WMT during the first quarter of 2024 based on aggregate costs of ₱1,633.9 million and total sales volume of 2.61 million WMT of ore.

2) ***ATTRIBUTABLE NET INCOME***

   Attributable net income represents the portion of consolidated profit or loss for the period, net of income taxes, which is attributable to the Parent Company. This is a relevant and transparent metric of the information contained in the consolidated financial statements. The income attributable to equity holders of the Parent Company for the first quarter of 2025 was ₱501.0 million compared to ₱202.4 million in the same period last year.

3) ***NUMBER OF HECTARES OF OPEN AREA PER MILLION WMT SOLD***

   The Group adheres to the principles and practices of sustainable development. The Group is committed to complying with and following environmental regulations by implementing best practices in managing the environmental impact of its operations. In 2018, the Department of Environment and Natural Resources (DENR), through the issuance of DENR Administrative Order (DAO) No. 2018-20, prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines and provides limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. The DAO also requires that temporary revegetation be immediately implemented in the disturbed areas. During the first quarters of 2025 and 2024, there were around 132 and 98 open hectares per million WMT sold, respectively.

4) ***FREQUENCY RATE***
Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize risks to health arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations. The Group measures our safety effectiveness through the Frequency Rate which is the ratio of lost-time accidents to total million man-hours worked for the period. The Group's frequency rate was nil for both the first quarters of 2025 and 2024.

Off-balance Sheet Arrangements
The Parent Company and Security Bank Corporation (SBC) executed a Suretyship Agreements in relation to the loans obtained by EPI and DMC. Under the Suretyship Agreements, the Parent Company solidarily with EPI and DMC guarantees and warrants to SBC, its assigns and successors-in-interest, prompt and full payment and performance of EPI's obligations to SBC.

On August 2, 2021, JSI entered into an Omnibus Loan and Security Agreement to document the syndicated loan with two (2) banks as lenders, i.e., Industrial and Commercial Bank of China and SBC, with the Parent Company forming part of the Share Collateral Security Grantors and Sponsors together with EPI and TBEA International Engineering Co., Ltd. The principal loan was used to partly refinance the shareholders' loans used for the Phase 3A and 3B expansions. Payment of the loan is secured by chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

Other than those mentioned above, the Parent Company has not entered into any off-balance sheet transactions or obligations (including contingent obligations), or other relationships with unconsolidated entities or other persons.

Known Trends, Events, or Uncertainties
Termination of Mindoro Geothermal Power Corporation's (MGPC) Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013
On May 7, 2024, MGPC received from the DOE a termination letter of GRESC No. 2010-02-013 covering the Montelago Geothermal Power Project (MGP Project). On May 20, 2024, MGPC responded through a Letter of Request for Reconsideration to Reinstate GRESC No. 2010-02-013.

After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRESC No. 2010-02-013 and approved the proposed 5-year Work Program. In relation to this, MGPC has re-evaluated the MGP Project with the assistance of a third-party expert by conducting field examinations and evaluation of previous technical reports and studies. As a result of the re-evaluation done, technical findings indicated that the mass flow rate of each existing well is approximately 18 tons/hour which is below the minimum flow rate required for a typical organic rankine cycle power generation unit which indicates that the MGP Project may not be economically viable due to low mass flow and the power generation potential is very limited. Relative to this, the Group recognized provision for impairment losses on the "Geothermal exploration and evaluation assets".

As at March 31, 2025, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- Material changes in the financial statements of the Group for the periods ended March 31, 2025 and December 31, 2024, except those mentioned in the preceding.
- Known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation that has not been booked, although the Group could be contingently liable for lawsuits and claims arising from the ordinary course of business, which contingencies are not presently determinable.

IV. Brief Description of the General Nature and Scope of the Business of Nickel Asia Corporation and Subsidiaries

A. Corporate Profile

Nickel Asia Corporation (the Company or NAC) was incorporated on July 24, 2008 with the Philippine Securities and Exchange Commission (SEC) and was listed with the Philippine Stock Exchange (PSE) on November 22, 2010.

The Company has the following subsidiaries and affiliates:

<u>Hinatuan Mining Corporation</u>
HMC was incorporated on October 9, 1979. NAC owns 100% of HMC, which owns and operates the Tagana-an mine. HMC's authority to mine the Tagana-an mine is pursuant to MPSA No. 246-2007-XII-SMR approved in 2007, which replaced 3 mining lease contracts that ran for 25 years from 1980. The Tagana-an MPSA area covers 774 hectares and will expire in 2032. HMC has been mining in Tagana-an since 1980. HMC is also the holder of MPSA No. 012-92-VIII covering 1,165 hectares in Manicani Island, Guiuan, Eastern Samar.

<u>Cagdianao Mining Corporation</u>
CMC was incorporated on July 25, 1997. NAC owns 100% of CMC, which operates the Cagdianao mine.

The authority to mine the area of the Cagdianao mine is derived from a Mineral Production Sharing Agreement (MPSA) issued to East Coast Mineral Resources Co., Inc. (East Coast) in 1997. The MPSA No. 078-97-XIII-SMR covers an area of 697 hectares in Valencia, Cagdianao, Province of Dinagat Islands and expires on November 19, 2022. In 1998, CMC signed a Mine Operating Agreement with East Coast which was renewed in 2007 and expired in 2022. The Operating Agreement entitles CMC to mine the MPSA area in return for the payment of royalties to East Coast. The Operating Agreement was amended by the parties and provided for an automatic renewal of such agreement until 2047.

The MPSA of East Coast was renewed on March 2, 2022 for another 25 years from expiration of the first 25-year term on November 19, 2022. CMC was also granted 8 foreshore lease agreements covering the area where the port facility is located, 7 of which will expire in 2037 and 1 will expire in 2036.

CMC started development works at the Cagdianao mine site in 1997 and commenced mining operations in 2001.

Dinapigue Mining Corporation

DMC was incorporated on October 9, 1998, and is primarily engaged in the exploration, exploitation, and mining of metallic and non-metallic minerals, including, but not limited to, nickel, iron, cobalt, chromite, and other associated mineral deposits in Dinapigue, Isabela. DMC, which mines the mineral property within the area subject of MPSA No. 258-2007-II, was acquired by the Company in August 2015. DMC started its commercial operation in 2022.

Samar Nickel Mining Resources Corporation

Samar Nickel Mining Resources Corporation (SNMRC) was incorporated on March 11, 2010, and is primarily engaged in the exploration, mining and exporting of mineral ores. SNMRC has not yet started commercial operations.

CDTN Services Company Inc.

CDTN was incorporated on December 21, 2020 to engage in general engineering construction. It is also engaged in the handling of materials in connection with construction or manufacturing, warehousing, distribution or disposal activities, or other similar activities.

Coral Pearl Developments Limited

Coral Pearl Developments Limited (CPDL) was incorporated on June 18, 2019 in the British Virgin Islands (BVI) under the BVI Business Companies Act 2004 and is primarily engaged in the leasing of aircraft.

La Costa Shipping and Lighterage Corporation

La Costa Shipping and Lighterage Corporation (LCSLC) was incorporated on October 23, 1992, and is primarily engaged in the chartering out of LCT and providing complete marine services. LCSLC was acquired by HMC in April 2010.

Falck Exp Inc.

Falck Exp Inc. (FEI) was incorporated on November 22, 2005, and is primarily engaged in the business of exploring, prospecting and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. FEI is currently undergoing dissolution and waiting for SEC approval.

Cordillera Exploration Co., Inc.

Cordillera Exploration Co., Inc. (CEXCI) was incorporated on October 19, 1994 primarily to engage in the business of large-scale exploration, development and utilization of mineral resources. CEXCI has a number of mining properties at various stages of exploration. It is currently not engaged in any development or commercial production activities.

Newminco Pacific Mining Corporation

Newminco Pacific Mining Corporation (Newminco) was incorporated on October 9, 2006 and is primarily engaged in the exploration, mining, development, utilization, extraction, beneficiation and marketing of minerals and mineral resources. Newminco was acquired by CEXCI in December 2015. It is currently not engaged in any development or commercial production activities.

Taganito Mining Corporation
TMC was incorporated on March 4, 1987, and is primarily engaged in the mining and exporting of nickel saprolite and limonite ore, and exploration activities. The first commercial shipment from the Taganito mine was made in 1989. TMC also provides services to THNC which involves the handling, hauling and transportation of materials required in the processing operations of THNC. TMC's mining authority derives from an MPSA No. 266-2008-XIII-SMR (Amended) executed in 2009, which replaced an Operating Contract entered into with the Government in 1989. The MPSA covers an area of 4,863 hectares located in the Municipality of Claver, Province of Surigao del Norte. The MPSA is valid until 2033.

Rio Tuba Nickel Mining Corporation
RTN was incorporated on July 15, 1969 to develop the nickel ore deposits discovered at the Rio Tuba mine site in 1967. It was granted rights over the Rio Tuba property in 1970 and commenced mining in 1975. RTN made its first commercial shipment in 1977. RTN's mining authority at Rio Tuba derives from an MPSA No. 114-98-IV Amended initially covering an area of 990 hectares for the first 25-year term. The MPSA was then amended on October 28, 2019, to include an area covered by a separate MPSA application, thereby increasing the area to an aggregate of 4,538 hectares. On December 2, 2021, the MPSA renewal application of Rio Tuba was approved by the MGB and a fresh 25-year MPSA term, commencing on October 8, 2021, was granted subject to the issuance by the National Commission for Indigenous Peoples of a Certification Precondition.

Emerging Power, Inc.
EPI was incorporated on October 16, 2007, and is primarily engaged in the renewable energy business. EPI was acquired by the Company by way of loan conversion into equity in July 2015. EPI is the holder of Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013. On February 16, 2016, the Department of Energy (DOE) approved EPI's application to assign its rights and obligations under the GRESC to MGPC under Certificate of Registration No. 2016-02-060.

Mindoro Geothermal Power Corporation
MGPC was incorporated on May 7, 2014, and is primarily engaged in the renewable energy business. MGPC project is estimated to supply 40MW of power over 25 years. MGPC is now the holder of GRESC No. 2010-02-013 upon the approval of application made by EPI to assign its rights and obligation under the GRESC to MGPC, as discussed in the previous paragraph.

On May 7, 2024, MGPC received from the DOE a termination letter of the GRESC covering the Montelago Geothermal Power Project to which MGPC responded through a letter of request for reconsideration to reinstate. MGPC's request for reinstatement was granted by the DOE on July 5, 2024, along with the approval of MGPC's five-year Work Program.

Biliran Holdings Inc.
Biliran Holdings Inc. (BHI) was incorporated on July 31, 2015, and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of infrastructure, power generation, real estate, manufacturing, trading and agribusiness and to pay other evidence of indebtedness or securities of this or any other corporation.

Northern Palawan Power Generation Corporation
NPPGC was registered with the SEC on July 5, 2017 and is primarily engaged in the renewable energy business and in producing and generating electricity, as well as

engaging in agrovoltaic business to utilize viable areas of land, and processing fuels alternative for power generation and processing alternative fuels for power generation.

NPPGC is the developer and owner of the following ground-mounted solar photovoltaic (PV) farm projects: 1) Cawag Solar Power Project located in Subic, Zambales and covered by the Solar Energy Operating Contract (SEOC) No. 2023-10-715; and 2) Nazareno Solar Power Project located in Hermosa, Bataan and covered by the SEOC No. 2023-12-804. The Cawag Solar Power Project is in the development stage while the Nazareno Solar Power Project is in the predevelopment stage.

Emerging Energy Resources 1, Inc.
Emerging Energy Resources 1, Inc. (EER 1) was registered with the SEC on February 12, 2024, and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected.

Emerging Energy Resources 2, Inc.
Emerging Energy Resources 2, Inc. (EER 2) was registered with the SEC on February 12, 2024, is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. EER 2 is the developer and owner of the following ground-mounted solar PV farm projects: 1) Cabcaben Solar Power Project located in Mariveles, Bataan and covered by the SEOC No. 2024-04-851; and 2) Sinawal Solar Power Project located in General Santos City and covered by the SEOC No. 2024-05-866 with the DOE. Both projects are in the pre-development stage.

Emerging Energy Resources 3, Inc.
Emerging Energy Resources 3, Inc. (EER 3) was registered with the SEC on February 12, 2024 and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected.

Emerging Energy Saver Corporation
Emerging Energy Saver Corporation (EESC) was registered with the SEC on February 2, 2024, and is primarily engaged in the energy business and carry on the business of producing, generating and storing electricity and processing fuel alternative for power generation.

Jobin-SQM Inc.
JSI was incorporated on January 6, 2010, and is primarily engaged in power business, including but not limited to power generation, power trading and supply to retail customers and end users. JSI is the holder of Solar Energy Service Contract (SESC) No. 2013-10-039 and Solar Energy Operating Contract (SEOC) No. 2021-01-577 which covers an area in the municipalities of Morong and Hermosa, Bataan. JSI was acquired by EPI in September 2015 and commenced operations in May 2016.

Greenlight Renewables Holdings, Inc.
GRHI was incorporated on August 18, 2022, and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. GRHI is the joint venture company of EPI and Shell.

San Isidro Solar Power Corp.
SISPC, a wholly owned subsidiary of GRHI, was incorporated on February 28, 2022, and is primarily engaged in harnessing solar energy and producing and generating electricity from solar energy and other renewable energy sources. SISPC is the developer and owner

of the San Isidro Solar Power Project, a ground-mounted solar PV farm located in San Isidro, Leyte and covered under a SESC No. 2018-11-491 with the DOE. SISPC was acquired by GRHI on June 30, 2023. SISPC is currently in the development and construction stage.

Casilagan Solar Power Corporation
Casilagan Solar Power Corporation (CSPC), a wholly owned subsidiary of GRHI, was incorporated on May 9, 2023, and is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. CSPC is the developer and owner of the following ground-mounted solar PV farm projects: 1) San Antonio Solar Power Project located in San Antonio, Zambales and covered by SEOC No. 2023-12-789; 2) San Juan Solar Power Project located in Botolan, Zambales and covered by SEOC No. 2023-12-790; 3) Tuy Solar Power Project located in Tuy and Nasugbu, Batangas and covered by SEOC No. 2023-12-795; and 4) Libag Sur Solar Power Project located in Tuguegarao, Cagayan and covered by SEOC No. 2024-07-903. In addition, CSPC is also the developer and owner of Tuy Wind Power Project located in Tuy and Nasugbu, Batangas and covered by Wind Energy Service Contract No. 2024-02-379. All solar and wind power projects under CSPC are in the pre-development stage.

SanJuan Solar Power Corporation
Sanjuan Solar Power Corporation (SSPC), another wholly owned subsidiary of GRHI, was incorporated on July 26, 2023, and is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected.

Sta. Maria Solar Power Corporation
Sta. Maria Solar Power Corporation (SMSPC), also a wholly owned subsidiary of GRHI, was incorporated on July 26, 2023, and is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected.

Tuy Solar and Wind Power Corp.
Tuy Solar and Wind Power Corp. (TSWPC), also a wholly owned subsidiary of GRHI, was incorporated on September 13, 2023, and is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are Tutility scale and grid connected.

San Antonio Solar Power Corp.
San Antonio Solar Power Corp. (SASPC), a wholly owned subsidiary of GRHI, was incorporated on September 14, 2023, and is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected.

Manta Baguio Properties Corp.
Manta Baguio Properties Corp. (MBPC) was registered with the SEC on May 31, 2018 and is primarily engaged in the real estate business, realty development and other allied activities. EPI acquired 60% ownership in MBPC from Manta Equities Inc. in November 2024.

B. Business Overview

NAC and its subsidiaries (the Group) have six operating mines: the Rio Tuba mine in Bataraza, Palawan operated by RTN; the Taganito mine in Claver, Surigao del Norte operated by TMC; the Tagana-an mine in Tagana-an, Surigao del Norte and Manicani mine in Manicani Island, Guiuan, Eastern Samar operated by HMC; the Cagdianao mine in Cagdianao, Dinagat Islands operated by CMC; and the Dinapigue mine in Dinapigue, Isabela operated by DMC. At each of its operating mines, the Group is able to employ a low-cost surface mining method without the need for explosives, chemicals or complex waste handling, to extract two types of nickel ore: limonite and saprolite ore. Apart from the six operating mines, the Group also has other properties in various stages of exploration for nickel ore while continuing to seek opportunities in copper and gold through its subsidiary CEXCI.

The Group produces 2 types of saprolite ore (i.e., high-grade, and mid-grade) and 2 types of limonite ore, which it supplies to various customers. The Group's high-iron limonite ore is sold to Chinese customers and mid-grade saprolite ore is sold to Chinese, Indonesian and Japanese customers, some of which use the material as feed for blast furnaces for production of low-grade NPI. Most of the Group's mid-high grade saprolite ore are sold to the Chinese and Indonesian smelters that use the material as feed for electric furnaces to produce high and medium-grade NPI. And there are a few allocations for the Japanese company PAMCO, which uses the material as feed for its ferronickel smelters. The Group's low-grade limonite ore is utilized as feed for the Coral Bay and Taganito high-pressure acid leach (HPAL) hydrometallurgical nickel processing plants. Coral Bay plant is owned by CBNC, where NAC has a 15.62% equity interest. CBNC became operational in 2005 and currently operates at a capacity of 24,000 tonnes of contained nickel and 2,000 tonnes of contained cobalt per year in the form of a mixed nickel-cobalt sulfide. It has proven to be the world's most efficient facility using the HPAL process.

NAC also has a 10% equity interest in THNC which operates the country's second hydrometallurgical nickel processing plant. THNC's HPAL plant currently operates at a capacity of 30,000 tonnes of contained nickel and 2,500 tonnes of contained cobalt per year in the form of a mixed nickel-cobalt sulfide. The Taganito mine of the Company's subsidiary, TMC, supplies all the limonite ore for the plant.

In November 2010, the Group concluded the purchase of CEXCI from Anglo American Exploration (Philippines), Inc. (Anglo American), with 4 properties in the Central Cordillera of northern Luzon that are prospective for gold and copper. The purchase marks the Company's first step in its vision to become a diversified mineral resource company. In November 2011, Sumitomo Metal Mining Co., Ltd. (SMM) acquired 25% equity in CEXCI with an option to purchase additional shares to increase its total equity to 40%.

In 2015, CEXCI identified a new property in the province of Zambales for exploration and development under Newminco, which is also prospective for gold and copper. In relation to this, SMM put in an additional investment of US$2.8 million to increase its ownership in CEXCI from 25% to 40%. Newminco is the holder of an Exploration Permit (EP) application for areas located in Zambales. In 2019, CEXCI acquired from Marian Mineral Exploration Co., Inc. (Marian) and Olympus Mineral Exploration Co., Inc. (Olympus) the right to apply for the conversion of the Application for Mineral Production Sharing Agreement (APSA) No. 000021-II issued in favor of Marian and Olympus into an EP Application, EP and/or Mineral Agreement, and any mode of mineral agreement that may be applied for in the 6,325 hectare area located in Cordon, Isabela and Diadi, Nueva Vizcaya subject of the APSA. CEXCI applied for the conversion of APSA No. 000021-II into an EP. In January 2020, the MGB Region 2 office approved the conversion of APSA No. 000021-II into an EP in favor of CEXCI.

In August 2015, the Group also concluded the purchase from Nihao Mineral Resources International (Nihao) of 100% equity interest in DMC (formerly, Geogen Corporation), which is the successor-in-interest of Platinum Group Metals Corporation (PGMC), the claim owner of the Isabela Nickel Project in Dinapigue, Isabela. In consideration of the termination of the Operating Agreement between Nihao and DMC dated July 13, 2012 over the Isabela Nickel Project, DMC agreed in August 2015 to issue 10,000,000 non-voting, non-redeemable, non-participating shares at a par value of ₱0.01 which have preference in the declaration and payment of dividends (preferred shares). Dividends on the preferred shares are computed on an annual basis and is equivalent to 20% of mine operating income less income tax and only accumulate if (i) the Isabela Nickel Project is operated and generates income; and (ii) if DMC has sufficient level of unrestricted retained earnings. DMC started its commercial operation in 2022.

In 2018, the Group expanded into power generation with the completion and commencement of operations of a 10MW diesel power plant which sells power to the Surigao del Norte Electric Cooperative, Inc. under a PSA and to Independent Electricity Market Operator of the Philippines, Inc., which are traded through WESM. In 2015, the Group expanded into the renewable power business through equity investments in EPI, whose mission is to engage in power generation exclusively from renewable sources. As of December 31, 2024, EPI and its subsidiaries have 13 renewable energy service contracts signed with the DOE: 2 100MW solar service contracts under JSI, located in the Subic Bay Freeport Zone (SBFZ); 1 geothermal service contract under MGPC in Naujan, Oriental Mindoro; 1 solar service contract under SISPC located in San Isidro, Leyte; 2 solar service contracts under NPPGC with 1 located in Subic, Zambales and 1 located in Hermosa, Bataan; 2 solar service contracts under EER 2 with 1 located in Mariveles, Bataan and 1 located in General Santos City; and 4 solar service contracts under CSPC with 1 located in Nasugbu, Batangas, 1 located in San Antonio, Zambales, 1 located in Botolan, Zambales and 1 located in Tuguegarao, Cagayan. Aside from this, CSPC also has 1 wind service contract located in Nasugbu, Batangas. MGPC, NPPGC and EER 2 are wholly owned subsidiaries of EPI. SISPC and CSPC are wholly owned subsidiaries of GRHI. GRHI is 60%-owned by EPI wherein the Company holds a 91.03% equity interest.

On March 29, 2021, NAC made a direct investment in JSI through a debt-to-equity swap with EPI, pursuant to which NAC acquired 647,386,140 of EPI's shares in JSI as partial repayment by EPI of its indebtedness to NAC. NAC's direct investment in 38% of JSI enabled JSI to comply with the requirement of the Energy Regulatory Commission (ERC) that at least 15% of its total issued and outstanding common shares must be publicly owned. Under existing regulations, the ownership of a publicly listed company such as NAC of at least 25% of a power generation company's common share shall be deemed as compliance with the public ownership requirement of the ERC for such companies.

On July 1, 2022, EPI entered a joint venture with Shell to jointly develop, own, operate, and maintain onshore renewable energy projects in the Philippines. EPI and Shell established an investment company, GRHI, which was incorporated on August 18, 2022. EPI and Shell shall have equity ownership of 60% and 40%, respectively, in GRHI.

In January 2019, JSI received the Certificate of Compliance (COC) from the ERC for Phases 1 and 2 - 32MW of the Solar Project. The COC was issued after the authorization granted by the ERC to JSI to develop and own a dedicated point-to-point limited facility to connect the 100MW Solar Project to the Luzon Grid of the National Grid Corporation of the Philippines (NGCP) via a direct connection at NGCP's Subic Substation in December 2018.

In June 2021, the ERC granted a Provisional Authority to Operate (PAO) for JSI's Phase 3A - 30MW. In June 2022, JSI completed the Phase 3B - 38MW of the Solar Project and it applied for a provisional certificate of approval to connect. The PAO for JSI's Phase 3B - 38MW was granted in November 2022.

On January 4, 2024, ERC issued a consolidated PAO for JSI's 100 MW Sta. Rita Solar Power Plant with 0.048 MWp / 0.038 MWh auxiliary solar photovoltaic (PV) - Battery energy storage system for an additional 0.016 MWdc/0.064 MWh Auxiliary Flywheel Energy Storage System valid until June 15, 2024.

On June 13, 2024, the ERC issued JSI's first extension of PAO, as per the Revised COC Rules, valid from June 13, 2024 until June 12, 2025.

On May 13, 2022, the DENR granted the request of JSI to increase its capacity, from 150MW to 200MW, and area, from 800 hectares to 815 hectares, located at Mt. Sta. Rita, SBFZ.

In relation to this, the construction of Phase 4A - 72MW of the Solar Project started in November 2022, with target testing and commissioning in February 2024. Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.

On February 28, 2024, JSI received the Provisional Certificate of Approval to Connect - Subic New PV Phase 4A (KAP-CAD-RRA-2024-02-482) from NGCP subject to the following conditions: (1) JSI shall resolve the defects in the attached Inspection Report prior to the issuance of the Final Certificate of Approval to Connect; (2) For completion of Grid Compliance Test; and (3) SCADA VRE remote re-testing for the whole power plant capacity is required prior to energization as Generator. The official Grid Compliance Test of the Project was conducted on July 8 to 23, 2024 but was not completed due to unfavorable weather conditions. Additional GCT activities were conducted last September 25 to 28, 2024. NGCP required additional tests with the Static Var Generator (SVG). VRE field test with the SVG was completed last December 20, 2024, while the remote VRE test was completed last January 7, 2025. JSI is awaiting the issuance of the Generating Unit Capability Test Certificate and the Final Certificate of Approval to Connect.

As at December 31, 2024, JSI's Solar Project with total capacity of 100MW are in commercial operations and 72MW is ongoing testing and commissioning.

In the Mindoro project, 2 geothermal wells drilled in 2016 were found to have temperatures in the range of 140-165°C. MGPC considered various options on how to proceed with the development of the project including drilling the northern portion of the geothermal field. The northern portion of MGPC's exclusive service contract area has undergone a more detailed assessment by GeothermEx - a leading American geothermal advisory firm in 2017. They have also confirmed that the existing wells in the southern portion can net out at least 3.5MW of power. EPI has been in discussions with groups familiar with geothermal investments to strategize how to further minimize drilling risk. With a strategic partner, MGPC is preparing a development plan guided in general by the GeothermEx report and other technical analyses.

In 2020, MGPC decided to conduct an assessment of the best technique to flow the 2 geothermal wells. As part of the well testing program submitted by MGPC to DOE, downhole measurements will be conducted to confirm the temperature and the suitability of the wells for flow testing. Thereafter, MGPC will implement the flow test to update the resource assessment and plan the development drilling. In 2021, MGPC entered into a Memorandum of Agreement (MOA) with Symba Renewable Energy EHF (SRE) on the conduct of flow test and resource assessment to demonstrate the commercial viability of the drilled production wells in the Montelago Geothermal Field.

On May 7, 2024, MGPC received from the DOE a termination letter of GRESC No. 2010-02-013 covering the Montelago Geothermal Power Project (MGP Project). On May 20, 2024, MGPC responded through a Letter of Request for Reconsideration to Reinstate GRESC No. 2010-02-013.

On May 22, 2024, DOE commented to provide the Work Program reflecting the future plans and proposed activities, including timeline and technical studies, report, rationale for the change in capacity since it was reflected on MGPC's Declaration of Commerciality that the project is supposedly 10MW. Likewise, on June 4, 2024, MGPC submitted the additional requirement of DOE and subject for evaluation of DOE.

On July 5, 2024, MGPC received a letter granting the Reinstatement of GRESC No. 2010-02-013 covering the MGP Project and thereby approved the proposed 5-Year Work Program.

In relation to the reinstatement of MGPC's GRESC, MGPC has re-evaluated the MGP Project with the assistance of a third-party expert by conducting field examinations and evaluation of previous technical reports and studies. As a result of the re-evaluation done, technical findings indicated that the mass flow rate of each existing well is approximately 18 tons/hour which is below the minimum flow rate required for a typical organic rankine cycle power generation unit which indicates that the MGP Project may not be economically viable due to low mass flow and the power generation potential is very limited. Relative to this, in 2024, the Group recognized provision for impairment losses on the "Geothermal exploration and evaluation assets".

With respect to Biliran geothermal project, where 8 wells have been drilled by EPI's 40% partner, Biliran Geothermal Holdings, Inc., fluid management studies have been completed on 1 particular well, with positive results with respect to acid control. In July 2021, BGI and SRE signed a Project Funding, Build and Transfer Agreement for SRE to (i) finance, design, construct, install and transfer to BGI a geothermal powerplant in phases, using the existing geothermal wells and (ii) finance, design, construct, rehabilitate and upgrade the existing 13.2kV distribution lines of Biliran Electric Cooperative, Inc. for the purpose of evacuating power from the geothermal facility to the grid. BGI has continued to conduct activities for maintenance of the existing wells and secure the necessary permits and licenses related to the project.

In 2017, BGI successfully split its existing GRESC into 2. The previous GRESC almost covered the entire island province of Biliran, but in the new setup it delineates the southern portion as Biliran 1 and the northern portion as Biliran 2. Biliran 1 covers the existing developed infrastructure (i.e., 4 well pads, 8 standard deep wells, roads, etc.) and has a Probability-90 Assessment that confirms a 100MW capacity. Biliran 2 is the yet-to-be-developed area save for surface studies and a Probability-50 Assessment of some 170MW capacity. This delineation allows BGI to focus on the more immediately executable Biliran 1 and gives BGI more time to develop Biliran 2. Biliran 1 continued its facility maintenance while making plans for a phased power generation development.

On February 16, 2024, BGI secured the updated Provisional Certificate of Approval to Connect from Biliran Electric Cooperative (BILECO) and a Clearance to Energize from the NGCP. On June 13 and 14, 2024, BGI conducted the Grid Compliance Testing activities of BGI's geothermal plant and obtained the Final Certificate of Approval to Connect to BILECO on July 15, 2024.

As of December 31, 2024, the initial 2MW turbines have been installed and energization activities are ongoing.

With its foray into the area of renewable energy, the Group is slowly becoming a group more focused on harnessing the potential of its natural resources to benefit the communities where the Group operates and the country in general.

Fundamental to the way the Group does business as a responsible corporate citizen is its commitment to operate in a sustainable manner, protecting the environment, nurturing active communities and ensuring the safety and well-being of everyone involved in its operations. For this, the Group has been consistently recognized by the Government, the industry and by other award-giving bodies.

As an evolving natural resources company, the Group is committed to responsible mining and to the highest standards in everything that it does.

V. The Market Price and Dividends

Market Information

The stock prices for the Company's common equity for the last three (3) years, after the effect of stock dividends, are as follows:

	High	Low
2022		
1st Quarter	₱9.52	₱5.07
2nd Quarter	₱8.42	₱6.10
3rd Quarter	₱6.33	₱5.01
4th Quarter	₱5.84	₱4.76
2023		
1st Quarter	₱7.70	₱6.19
2nd Quarter	₱7.07	₱5.72
3rd Quarter	₱6.35	₱5.01
4th Quarter	₱6.48	₱5.00
2024		
1st Quarter	₱5.20	₱3.88
2nd Quarter	₱4.46	₱3.71
3rd Quarter	₱3.80	₱3.09
4th Quarter	₱4.08	₱2.97
2025		
1st Quarter	₱3.34	₱2.02

The share price of the Company's stocks was at ₱2.56 per share as of May 7, 2025.

Holders

The top 20 stockholders of the Company as of March 31, 2025 are:

STOCKHOLDERS' NAME	NUMBER OF SHARES	% OF OWNERSHIP
Sumitomo Metal Mining Philippine Holdings Corporation	3,614,397,887	25.94%
Mantra Resources Corp.	3,555,081,802	25.52%

STOCKHOLDERS' NAME	NUMBER OF SHARES	% OF OWNERSHIP
PCD Nominee Corporation (Filipino)	2,358,102,621	16.93%
Asiasec Equities Inc.	1,830,296,491	13.14%
PCD Nominee Corporation (Non-Filipino)	1,330,984,534	9.55%
Nonillion Holding Corp.	1,174,000,000	8.43%
Gerard H. Brimo	17,057,784	0.12%
Luis Juan L. Virata	17,000,720	0.12%
William T. Enrile &/or William R. Enrile II &/or Nelly R. Enrile	12,880,000	0.09%
Ricardo Sy Po or Angelita Tan Po or Leonardo Arthur Tan Po	3,781,501	0.03%
William T. Enrile or Nelly R. Enrile or Edwin R. Enrile or William R, Enrile II	3,000,000	0.02%
Ronaldo B. Zamora	2,340,403	0.02%
Megastar Agri-Farming Corporation	2,340,000	0.02%
Harvey T. Ang	2,000,000	0.01%
Koh Teng Ong Chong	1,967,040	0.01%
CHS Capital Holdings Corp.	750,000	0.01%
Eva Policar-Bautista	658,123	0.00%
Rolando R. Cruz	614,952	0.00%
Yee Men Siao or Charlene Sarte Yee or Dixie Jill Sarte Yee	600,000	0.00%
Jose B. Anievas	573,750	0.00%

As of March 31, 2025, the Company has 97 stockholders.

Dividends

The following table shows the dividends declared and paid to common shareholders for the period ended March 31, 2025 and for the years ended December 31, 2024, 2023 and 2022:

Cash Dividends

Year	Date			Dividend Per Share	Amount Declared (in millions)
	Declaration	Record	Payment		
Regular					
2025	February 27, 2025	March 13, 2025	March 26, 2025	₱0.11	₱1,532.4
2024	March 13, 2024	March 27, 2024	April 12, 2024	0.08	1,114.5
2023	March 14, 2023	March 29, 2023	April 12, 2023	0.17	2,317.2
2022	March 10, 2022	March 24, 2022	April 7, 2022	0.17	2,317.2
Special					
2024	March 13, 2024	March 27, 2024	April 12, 2024	₱0.05	₱696.6
2023	November 9, 2023	November 24, 2023	December 7, 2023	0.07	973.3
2022	March 10, 2022	March 24, 2022	April 7, 2022	0.05	681.5
2022	November 10, 2022	November 24, 2022	December 9, 2022	0.23	3,135.10

The Company declares dividends to shareholders of record, which are paid from its unrestricted retained earnings. The Company's dividend policy entitles holders of shares to receive annual cash dividends of up to 30% of the prior year's recurring attributable net income based on the recommendation of its BOD. Such recommendations will take into consideration factors such as dividend income from subsidiaries, debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments and acquisitions, appropriate reserves and working capital, among others. Although the cash dividend policy may be changed by the BOD at any time, the Company's current intention is to pay holders of its shares annual cash dividends at this ratio. Additionally, in the event that new investments, acquisitions or other capital expenditure plans do not materialize, the BOD plans to review the dividend policy and consider increasing the dividend ratio above 30% of the prior year's recurring net income.

The Company's subsidiaries pay dividends subject to the requirements of applicable laws and regulations and availability of unrestricted retained earnings, without any restriction imposed by the terms of contractual agreements. Notwithstanding the foregoing, the declaration and payment of such dividends depends upon the respective subsidiary's results of operations and future projects, earnings, cash flow and financial condition, capital investment requirements and other factors.

Cash dividends are paid to all shareholders at the same time and within 30 calendar days from the declaration date. Stock dividends are also issued to all shareholders at the same time but subject to shareholders' approval.

Related Party Transactions

The discussion on related party transactions of NAC and its subsidiaries and affiliates on pages 86 to 90 of its Annual Report on SEC Form 17-A are incorporated herein by reference.

VI. Compliance with Leading Practices on Corporate Governance

The Company is committed to the principles of sound corporate governance and believes that it is a necessary component of what constitutes sound strategic business investment. The Manual has institutionalized the principles of good corporate governance within the Company and embodies the framework of rules, systems and processes that governs the performance by the Board of Directors ("Board") and Management of their respective duties and responsibilities to the shareholders.

The Company adopted its Manual on Corporate Governance (the "CG Manual") on June 16, 2010 and the amendments thereto on March 25, 2011, so as to incorporate certain mandatory provisions of the Revised Code of Corporate Governance. The amended CG Manual was submitted to the SEC on March 31, 2011. On July 30, 2014, the Company further amended the CG Manual to incorporate the provisions mandated under SEC Memorandum Circular No. 9, series of 2014.

On May 29, 2017, the Company's Board of Directors approved and adopted an updated CG Manual in compliance with SEC Memorandum Circular No. 19, Series of 2016. The updated CG Manual incorporates the Company's Policy on Board Nominations and Election of Directors, Policy and System Governing Related Party Transactions, Internal Audit Charter and Charter of the Board of Directors. Each of the Committees of the Board of Directors, namely, the Audit Committee, the Corporate Governance Committee, the Nominations Committee, the Board Risk Oversight Committee and the Related Party Transactions Committee, have their own charters which form integral parts of the updated CG Manual. Updates thereto are substantially aligned with international corporate governance ("CG") best practices espoused in the ASEAN Corporate Governance Scorecard ("ACGS"), established by the ASEAN Capital Markets Forum ("ACMF") in partnership with the Asian Development Bank ("ADB"). The CG Manual covers the Board's governance responsibilities, communication and information within the Issuer and with the stakeholders, internal control system and risk management framework, cultivating a synergic relationship with shareholders, and duties to stakeholders, among others. The Group's Charter of the Board, different Board Committee Charters and other company policies also undergo regular review and updates as necessary, to ensure these remain aligned with the CG standards and principles adopted by the Issuer.

Also in May 2017, the Board approved and adopted the Code of Business Ethics in furtherance of its commitment to good and effective corporate governance. The Code of Business Ethics applies to Directors, Officers and employees of the Group, who are all expected to maintain high ethical standards of conduct and to comply fully with applicable laws and governmental regulations. It is designed to ensure consistency in how they conduct themselves within the Company, and outside of the Company in their dealings with all stakeholders.

On 6 August 2019, the Board approved and adopted a Revised Policy and System on Related Party Transactions, in compliance with the Philippine SEC's Memorandum Circular No. 10, Series of 2019.

On 4 August 2022, the Board created a Sustainability Committee and approved its charter. The Sustainability Committee shall be composed of three Directors, including the President and at least one independent director. The Sustainability Committee shall be responsible for the identification and assessment of significant economic, environmental, ethical and social impact of the business and operations of the Group and its effects on the Group's long-term objectives to be a responsible and sustainable business and a contributor to national development. The position of the Chief Sustainability Officer was also created. The Chief Sustainability Officer will spearhead the development, establishment, and review of the Group's ESG roadmap and sustainability framework, policies and initiatives. Consistent with its core values of integrity and honesty, the Board also approved the Company's anti-bribery policy as part of the Group's commitment to adhere to the highest norms of ethical conduct, conduct its business honestly, equitably and fairly. strive for consistency in its actions, and comply with all laws and regulations applicable to its business activities in all communities it operates in.

On 02 June 2023, the Company adopted its Policy on Diversity, Inclusivity and Equality. This policy amplifies the Company's core value of Respect, which includes respect for diversity and inclusivity across the Company and all of its subsidiaries. It also affirms the Company's commitment to the achievement of gender equality (UN Sustainable Development Goal, or SDG, 5), decent work and economic growth (SDG 8), and reduction of inequality (SDG 10).

On March 13, 2024, the Company adopted its Human Rights Policy, which affirms its commitment to upholding and promoting human rights in all aspects of its business and operations, in alignment with the 1987 Constitution and in consonance with the relevant principles outlined in the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact and UN Declaration on the Rights of Indigenous People, and the labor standards set by the International Labor Organization, which have been ratified by the Philippine Government. This Policy aims to foster a workplace and business environment that respects and protects the fundamental rights and dignity of every individual, irrespective of their race, color, religion, gender, sexual orientation, disability, or any other characteristic protected by applicable laws and regulations.

On the same date, recognizing that information is one of the most significant assets that any person or entity possesses, the Company and its subsidiaries adopted the Information Security Policy to protect and secure information owned and processed by the NAC Group, as well as to address risks and threats and prevent unauthorized access, disclosure, and changes to data that the NAC Group owns, collects, processes, transmits, and retains.

On November 13, 2024, the Board approved the creation of the Finance Committee, adoption of its Charter, and appointment of its members. The Finance Committee shall have a minimum of three (3) members, and majority of the members thereof shall be Non-Executive Directors of the Company, including the Chairman. The primary purpose of the Committee is to oversee the Company's capital structure, financial policies and strategies, and investment activities, including, but not limited to, capital raising, capital adequacy and capital planning process, dividend policy, acquisitions, mergers, and divestments, treasury management and activities, and financing proposals, that may be brought to the Board for approval and to take such action and make such reports and recommendations to the Board as it deems advisable.

The Group recognizes the importance of good governance in realizing its vision, carrying out its mission, and living out its values to create sustainable value for all its stakeholders. The impact of global conditions and challenges further underscores the need to uphold the Group's high standards of CG to strengthen its structures and processes. The Board, together with management, fully understands that the CG proactive culture begins with the leaders of the Group. As strong advocates of fairness, accountability, transparency, integrity and sustainability in all aspects of the business, the Board, the management, officers, and employees of the Group commit themselves to the principles and best practices of CG in the attainment of corporate goals aligned with the Group's strategic direction.

The CG Manual, the Code, and the Company's policies on Insider Trading; Conflict of Interest; Procurement Governance; Gifts, Hospitality and Entertainment; Related Party Transactions, Anti-Bribery and Anti-Corruption, Whistleblowing; Human Rights Policy in the Workplace; as well as salient details on its policies on Cash Dividends; Sustainability; Policy on Remuneration, Third Party Advisors, Customer Welfare; and Policy and Data Related to Health, Safety and Welfare; and other information relating to the Company's compliance with corporate governance principles are available on the Company's website at https://nickelasia.com/corporate-governance/policies-processes-and-practices

Board of Directors

The Board is primarily responsible for the governance of the Company and shall provide the policies for the accomplishment of corporate objectives, including the means by which to effectively monitor Management's performance. It is the Board's responsibility to foster the long-term success of the Company and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of its stockholders.

The Company's Board is composed of nine (9) Directors, two (2) of whom are Independent Directors. The Company's CG Manual provides for qualifications of Directors, which allows shareholders to freely choose/nominate Directors coming from diverse professional backgrounds. Every shareholder, regardless of the number of stocks held, has the right to nominate candidates for election to the Board of Directors.

All Directors of the Company are required to have a practical understanding of the business of the Company as provided in the Company's CG Manual.

The members of the Board are elected during the Annual Stockholders' Meeting based on the list of nominees prepared by the Nominations Committee and sent to the shareholders through the notice of meeting. A majority vote of the shareholders is required for the election of a Director.

Definition of Independence & Independent Directors

The Company adopts the definition of "independence" under the Securities Regulations Code.

The Company considers as an Independent Director one who, except for his Director's fees and shareholdings, is independent of Management and free from any business or other relationships, which could reasonably be perceived to interfere with his exercise of independent judgment in carrying out his responsibilities as an Independent Director.

The Company follows the Term Limits for Independent Directors as provided under SEC Memorandum Circular No. 4, Series of 2017.

Board Attendance, Appraisal and Training

The Company's Board has a pre-determined schedule of meetings at the beginning of each calendar year. The Board may also hold special meetings if needed. As necessary, attendance at the Board meetings may be through electronic medium or telecommunications.

Position	Name	Date of Election	Number of Meetings Held during this year	Number of Meetings Attended	%	Directorship in Other Publicly-Listed Companies
Chairman	Jose Isidro N. Camacho	07 June 2024	5	5	100%	None
Vice Chairman	Maria Patricia Z. Riingen	07 June 2024	5	5	100%	None
Director	Martin Antonio G. Zamora	07 June 2024	5	5	100%	None
Director	Harvey T. Ang	07 June 2024	5	5	100%	None
Director	Shiro Imai	07 June 2024	5	5	100%	None
Director	Yusuke Niwa	07 June 2024	5	5	100%	None

Director	Leonides Juan Mariano C. Virata	07 June 2024	5	5	100%	None
Lead Independent Director	Florencia G. Tarriela	07 June 2024	5	5	100%	LT Group, Inc. (Independent Director)
Independent Director	James J.K. Hung	07 June 2024	5	5	100%	None

On a yearly basis, the Company's Board undertakes a performance self-assessment as a body, and as individual committees, and assesses if it possesses the right mix of experience and backgrounds. It also conducts a performance assessment of the CEO to evaluate performance and overall compliance with laws, regulations and best practices.

The Charter of the Board of Directors and the CG Manual include a policy on the training of Directors, including an orientation program for first-time Directors and relevant annual continuing training for all Directors.

Shareholders' Rights

The Company recognizes that all shareholders of the Company have the right to participate in all scheduled shareholders' meetings of the Company and to exercise their right to vote.

Shareholders' Meeting

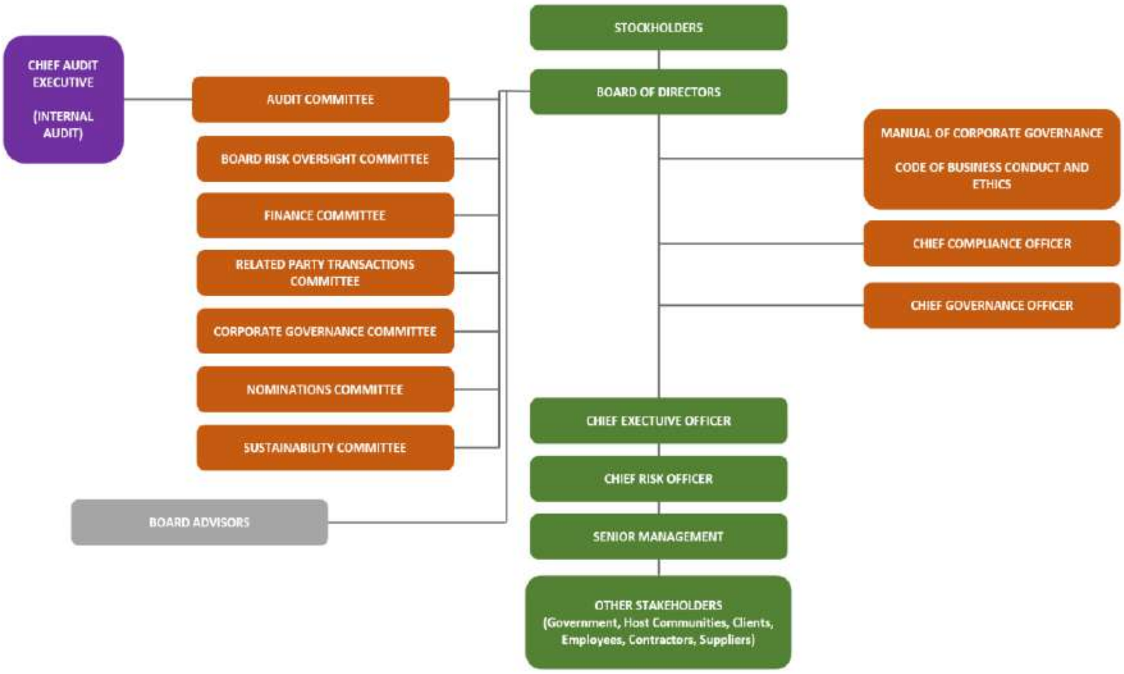
During the annual meeting, all shareholders are given the opportunity to exercise their right to elect Directors, to replace and remove Directors, and to approve certain corporate acts in accordance with the Corporation Code. The annual meeting also serves as a venue for all shareholders to be updated on the condition of the Company, its plans and programs, and to raise questions or concerns.

Notice and Procedures

The Company sends timely notice of meetings to shareholders. A notice stating the date, time and place of the annual meeting is announced at least twenty-eight (28) days prior to the scheduled annual meeting. Materials for the meeting, including the agenda, the rationale and explanation for each of the items on the agenda, the Information Statement, profiles of candidates seeking election to the Board and proxy forms and documents required to enable a shareholder to appoint a proxy to vote on his behalf shall be disseminated to all shareholders within the periods prescribed by the SEC.

On March 13, 2023, the Securities and Exchange Commission issued a Notice entitled "Alternative Mode for Distributing and Providing Copies of the Notice of Meeting, Information Statement, and Other Documents in Connection with the Holding of Annual Stockholders' Meeting for 2023" that allowed publicly listed companies to publish the Notice of Annual Stockholders' Meeting, Information Statement, Management Report, Audited Financial Statement, Annual Report on SEC Form 17-A and Quarterly Report on SEC Form 17-Q on their company websites and through PSE EDGE at least 21 days before the date of the annual stockholders' meeting. The Company published its Notice of Annual Stockholders' Meeting Information Statement, Management Report, Audited Financial Statement, Annual Report on SEC Form 17-A on 9 May 2024, 29 days before its Annual Stockholders' Meeting on 07 June 2024.

CORPORATE GOVERNANCE STRUCTURE



BOARD COMMITTEES

Audit Committee

The Audit Committee is composed of Ms. Florencia G. Tarriela (Independent Director) as Chairperson, and Mr. James J.K. Hung (Independent Director) and Mr. Shiro Imai as members. The Audit Committee reports to the Board and is required to meet at least once every three (3) months. Aside from overseeing the internal and external auditors of the Company, the Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Management and shareholders of the continuous improvement of the risk management system, business operations, and the proper safeguarding and use of Company resources and assets. The Audit Committee provides a general evaluation and assistance in the overall improvement of the risk management, control, and governance processes. Mr. Patrick S. Garcia is the Company's Chief Audit Executive and Vice President for Internal Audit.

The table below shows the attendance of the members of the Audit Committee at its meetings held in 2024:

Position	Name	No. of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Florencia G. Tarriela	4	4	100%
Member	James J.K. Hung[1]	2	2	100%

[1] Appointed as Member of the Audit Committee on June 7, 2024

Member	Shiro Imai	4	4	100%
Member	Angelo Raymundo Q. Valencia[2]	2	2	100%

Board Risk Oversight Committee

The Board Risk Oversight Committee is composed of Mr. James J.K. Hung (Independent Director) as Chairperson, and Mr. Martin Antonio G. Zamora and Ms. Florencia G. Tarriela (Independent Director) as members. The Board Risk Oversight Committee assists the Board in its oversight responsibility for the Company's Enterprise Risk Management and shall review the effectiveness of the risk management system. The Board Risk Oversight Committee reports to the Board and is required to meet at least once every three months.

The table below shows the attendance of the members of the Board Risk Oversight Committee during its meetings held in 2024:

Position	Name	No. of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	James J.K. Hung[3]	2	2	100%
Member	Martin Antonio G. Zamora	4	4	100%
Member	Florencia G. Tarriela	4	4	100%
Chairperson	Angelo Raymundo Q. Valencia[4]	2	2	100%

Corporate Governance Committee

The Corporate Governance Committee is composed of Mr. Jose Isidro N. Camacho as Chairperson, and Ms. Maria Patricia Z. Riingen and Ms. Florencia G. Tarriela (Independent Director) as members. The Corporate Governance Committee is responsible for ensuring compliance with and proper observance of corporate governance principles and practices. It also oversees the implementation and periodic review of the Company's corporate governance framework to ensure that it remains responsive to the Company's size, complexity, and business strategy. Further, the Corporate Governance Committee conducts an annual evaluation of the Board, its Committees, and the Management of the Company; and develops and implements action plans and programs to improve the performance of the Board, Committees, Directors, and Management of the Company. The Corporate Governance Committee also functions as the Compensation and Remuneration Committee. The Corporate Governance Committee is tasked to establish and maintain a formal and transparent procedure for developing policy on remuneration of the Directors and officers to ensure that their compensation is consistent with the Company's culture, strategy, and the business environment in which it operates. It is also responsible for administering the Company's stock option policies and plans and for approving bonuses to all employees of the Company and its subsidiaries.

The table below shows the attendance of the members of the Corporate Governance Committee during its meetings held in 2024:

[2] Ceased to be a Member of the Audit Committee effective June 7, 2024
[3] Appointed as a Chairperson of the Board Risk Oversight Committee effective June 7, 2024
[4] Ceased to be a Chairperson of the Board Risk Oversight Committee effective June 7, 2024

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Jose Isidro N. Camacho	1	1	100%
Chairperson	Gerard H. Brimo[5]	2	2	100%
Member	Florencia G. Tarriela	3	3	100%
Member	Leonides Juan Mariano C. Virata[6]	2	2	100%
Member	Maria Patricia Z. Riingen[7]	1	1	100%

Related Party Transactions Committee

The Related Party Transactions Committee is composed of Mr. Shiro Imai as Chairperson and Ms. Florencia G. Tarriela (Independent Director) and Mr. James J.K. Hung (Independent Director) as members. The Related Party Transactions Committee is tasked with reviewing all material and related party transactions of the Company to ensure that such transactions are conducted on terms which are no more favorable than the terms of similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Company are misappropriated or misapplied. It is also responsible for identifying potential or actual conflicts of interest and reputational risk issues that may arise from such related party transactions. It further ensures that transactions between and among related parties are properly identified, monitored, and reflected in reports to the Board and relevant regulatory authorities. The Related Party Transactions Committee is required to meet at least once a year.

The table below shows the attendance of the members of the Related Party Transactions Committee during its meetings held in 2024:

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Shiro Imai	6	6	100%
Member	James J.K. Hung[8]	4	4	100%
Member	Florencia G. Tarriela	6	6	100%
Member	Angelo Raymundo Q. Valencia[9]	2	2	100%

Nominations Committee

The Nominations Committee is composed of Mr. Martin Antonio G. Zamora as Chairperson, and Messrs. Shiro Imai and James J.K. Hung (Independent Director) as members. The Nominations Committee is responsible for setting qualification standards to facilitate the selection of potential nominees to Board seats and of all nominees to other positions in the Company requiring appointments by the Board, to provide shareholders with an independent and objective evaluation of, and assurance that, the members of its Board and the officers

[5] Ceased to be Chairperson of the Corporate Governance Committee effective June 7, 2024
[6] Ceased to be a Member of the Corporate Governance Committee effective August 7, 2024
[7] Appointed as Member of the Corporate Governance Committee on August 7, 2024
[8] Appointed as Member of the Related Party Transactions Committee on June 7, 2024
[9] Ceased to be a Member of the Related Party Transactions Committee effective June 7, 2024

appointed by the Board are competent and will foster the Company's long-term success and secure its competitiveness.

The Nominations Committee assists the Board in the review and evaluation of the qualifications of all persons nominated to be a Director of the Company and of all nominees to other positions in the Company requiring appointments by the Board.

The Nominations Committee held one meeting in 2024, wherein all members were present.

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Martin Antonio G. Zamora	1	1	100%
Member	Angelo Raymundo Q. Valencia[10]	1	1	100%
Member	Shiro Imai	1	1	100%

Sustainability Committee

President and CEO, Mr. Martin Antonio G. Zamora, is the Chairman of the Sustainability Committee, with Mr. James J.K. Hung (Independent Director) and Mr. Leonides Juan Mariano C. Virata as members. The Sustainability Committee's determining role is as support to the Board in conducting an in-depth analysis of the company's sustainability issues, presenting insights and findings to the Board to ensure that all initiatives are aligned with the Company's sustainability goals. The Sustainability Committee is responsible for the identification and assessment of significant economic, environmental, ethical, and social impact of the business and operations of the Company and its subsidiaries. The Sustainability Committee stands as guide to the NAC Group in the crafting and improvements of ESG strategies based on updates in global sustainability trends, regulations, benchmarks, and best practices. Progress is tracked, monitored, and reported during regular meetings of the Sustainability Committee held every quarter.

To promote effective Board and management performance and continuing qualification of the Directors and officers, there is an annual continuing training program for Directors and officers to make certain they are continuously informed of the developments in the business and the regulatory environment, including emerging risks relevant to the Company.

Under the Manual of Corporate Governance, the Company shall ensure that the material and reportable non-financial and sustainability issues are disclosed. The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Company shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

The table below shows the attendance of the members of the Sustainability Committee during its meetings held in 2024:

[10] James J.K. hung was not yet a director when the meeting of the Nominations Committee was held

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Martin Antonio G. Zamora	4	4	100%
Member	James J.K. Hung[11]	2	2	100%
Member	Maria Patricia Z. Riingen[12]	3	3	100%
Member	Angelo Raymundo Q. Valencia[13]	2	2	100%
Member	Leonides Juan Mariano C. Virata[14]	1	1	100%

Finance Committee

The primary purpose of the Finance Committee is to oversee the Company's capital structure, financial policies and strategies, and investment activities, including, but not limited to, capital raising, capital adequacy and capital planning processes, dividend policy, acquisitions, mergers, and divestments, treasury management and activities, and financing proposals, that may be brought to the Board for approval and to take such action and make such reports and recommendations to the Board as it deems advisable. The Finance Committee was created in November 2024 and the first meeting was in February 2025. The members of the Finance Committee are the following:

Position	Name
Chairperson	Jose Isidro N. Camacho
Member	Martin Antonio G. Zamora
Member	Harvey T. Ang

Board Advisors

The Company's Board has three (3) Advisors: Mr. Manuel B. Zamora, Jr., Mr. Frederick Y. Dy, and Mr. Philip T. Ang.

The Board Advisors (1) attend Board of Directors' meetings and meetings of Board Committees as necessary; (2) provide guidance and suggestions, as may be necessary, on matters deliberated upon during Board and Committee meetings; and (3) provide recommendations and/or key information and materials regarding specific matters being considered by the Board and referred to the Board Advisors.

EXECUTIVE IMPLEMENTATION

Chairman

Mr. Jose Isidro N. Camacho is the Chairman of the Board of Directors of the Company. The Chairman is responsible for the leadership of the Board. He ensures the effective operation of the Board and its committees in conformity with the highest standards of corporate

[11] Appointed as Member of the Sustainability Committee on June 7, 2024
[12] Ceased to be a Member of the Sustainability Committee effective August 7, 2024
[13] Ceased to be a Member of the Sustainability Committee effective June 7, 2024
[14] Appointed as Member of the Sustainability Committee on August 7, 2024

governance. He is accountable to the Board. The Chairman ensures that the Board sets an agenda that is focused on strategy, performance, and accountability taking into consideration the recommendations of the Directors and management. He assures the availability of training opportunities to all Directors, including an orientation program for first time Directors. He ensures that the Board's performance is evaluated at least once a year. Mr. Camacho works with the President and Chief Executive Officer (CEO) to develop the strategy for the Company's future growth, including identifying opportunities for value-enhancing initiatives, such as acquisitions and joint ventures, as may be deemed beneficial for the long-term interest of the Company.

President and CEO

Mr. Martin Antonio G. Zamora is the President and CEO of the Company. The President provides the leadership for Management to develop and implement sound business strategies, plans, budgets, and a system of internal controls. He ensures that the overall business and affairs of the Company are managed in a sound and prudent manner in accordance with the Company's strategic plan. He also guarantees that business risks are identified and properly addressed. He also ensures that operational, financial, and internal controls are adequate and effective in order to generate sound and reliable financial and operational information, to maximize the effectiveness and efficiency of operations, to safeguard Company assets and resources, and to comply with all laws, rules, regulations, and contracts.

As CEO, he acts as a direct liaison between the Board and the Management of the Company.

The President and CEO, together with the Management, have the responsibility to provide the Board with a balanced, understandable, and accurate account of the Company's performance, financial condition, results of operations, and prospects on a regular basis. The President also serves as the link between internal operations and external stakeholders.

Chief Risk Officer

Mr. Jose Bayani D. Baylon, Senior Vice President of Sustainability, Risk, Corporate Affairs, and Communication, and Chief Sustainability Officer, also serves as the Chief Risk Officer of the Company. The Chief Risk Officer supervises the Company's Enterprise Risk Management System and spearheads its implementation, review, and continuous improvement. He leads the identification of key risks and exposure relating to economic, environmental, social, and governance factors that may affect the achievement of the Company's strategic objectives, as well as the development of risk mitigation plans. He communicates the top risks and the status of implementation of the Company's risk management strategies and action plans to the Board Risk Oversight Committee and works with the President and CEO in updating and making recommendations to the Board Risk Oversight Committee.

Chief Governance Officer

Ms. Georgina Carolina Y. Martinez, Senior Vice President and head of the Compliance and Corporate Support Services Group, is the Company's Chief Governance Officer. The Chief Governance Officer is tasked with ensuring that corporate governance policies are disseminated, adopted throughout the organization, and become an integral part of the Company's culture. In addition, she also ensures that the necessary systems are in place to monitor compliance.

Chief Compliance Officer

Ms. Georgina Carolina Y. Martinez also serves as the Chief Compliance Officer of the Company. She ensures the Company's strict adherence to all laws, regulations, guidelines, and specifications relevant to the business.

Corporate Secretary

Atty. Barbara Anne C. Migallos is the Corporate Secretary of the Company. The Corporate Secretary ensures that all Board procedures, rules, and regulations are strictly followed. She is a lawyer with years of experience in corporate law practice, including corporate secretarial work. She is also a professional lecturer in mercantile law.

AUDITORS

Chief Audit Executive

Mr. Patrick S. Garcia is the Company's Chief Audit Executive. The Chief Audit Executive is primarily tasked with evaluating the adequacy and effectiveness of the Company's governance and operations, the reliability and integrity of financial information, the safeguarding of assets, and compliance with laws, rules, and regulations.

External Auditor

The external auditor is appointed by the shareholders upon the recommendation of the Audit Committee, which reviews its qualifications, performance, and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change (every five years for the engagement partner); general prohibitions on hiring of staff of the external auditor; and full and appropriate disclosure and prior approval by the Audit Committee of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an external auditor or would compromise its objectivity or independence as such.

INVESTOR RELATIONS PROGRAM

The Company is committed to making timely, full, and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.

External communications are handled by the Corporate Affairs, the Compliance and Corporate Services, and the Investor Relations sectors of the Company. Major company announcements are reviewed and approved by the VP – Treasury, Investor Relations, and Sales, the SVP – Sustainability, Risk Management and Corporate Affairs, the SVP – Compliance and Corporate Support Services, the Chief Financial Officer, and the President and CEO.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

MINUTES OF THE
ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS OF NICKEL ASIA CORPORATION

Held on 07 June 2024, at 10:00 a.m.
via remote communication
presided from 28F NAC Tower 32nd Street,
Bonifacio Global City, Taguig, 1634 Metro Manila

Shareholder Attendance:
83.05% of the Company's outstanding capital stock

Director present at the Company's principal office:
Gerard H. Brimo, *Director, Chairman*
Martin Antonio G. Zamora, *Director, President and CEO*
Mr. Shiro Imai, *Director, Chairman of the Related Party Transactions Committee*
Ms. Florencia G. Tarriela, *Lead Independent Director, Chairman of the Audit Committee*
Mr. Leonides Juan Mariano C. Virata, *Director*
Mr. Harvey T. Ang, *Director*

Directors present via remote communication:
Ms. Maria Patricia Z. Riingen, *Director, Vice Chairman*
Mr. Yusuke Niwa, *Director*
Atty. Angelo Raymundo Q. Valencia, *Independent Director, Chairman of the Board Risk Oversight Committee*

Officers present at the Company's principal office:
Maria Angela G. Villamor, *Senior Vice President - Finance and Revenue Management Group; Chief Financial Officer; Treasurer*
Atty. Barbara Anne C. Migallos, *Corporate Secretary*
Atty. Georgina Carolina Y. Martinez, Senior Vice President – *Corporate Support and Compliance Services; Chief Compliance Officer; Chief Compliance Officer; Chief Governance Officer; Assistant Corporate Secretary*

Others present via remote communication:
Sycip Gorres Velayo & Company, External Auditors (represented by Ms. Eleanore A. Layug)

I. CALL TO ORDER

The Chairman, Mr. Gerard H. Brimo, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Barbara Anne C. Migallos, recorded the minutes of the proceedings.

The Chairman welcomed the stockholders to the 2024 Annual Stockholders' Meeting (the "Meeting") of Nickel Asia Corporation (the "Company"), held via remote communication. He then proceeded to introduce the incumbent Directors of the Company:

Mr. Martin Antonio G. Zamora, President and CEO; Ms. Maria Patricia Z. Riingen, Vice Chairman; Mr. Shiro Imai, Chairman of the Related Party Transactions Committee; Mr. Yusuke Niwa; Mr. Leonides Juan Mariano C. Virata; Ms. Florencia G. Tarriela, Lead Independent Director and Chairman of the Audit Committee; Atty. Angelo Raymundo Q. Valencia, Independent Director and Chairman of the Board Risk Oversight Committee; and Mr. Harvey T. Ang.

The Chairman proceeded to introduce Ms. Maria Angela G. Villamor, Senior Vice President and Chief Financial Officer, and Atty. Barbara Anne C. Migallos, Corporate Secretary, who were present with the Chairman and the President at the Company's principal office where the meeting was presided from.

The Chairman also acknowledged the representatives of the Company's independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.) who attended the meeting remotely.

II. PROOF OF REQUIRED NOTICE OF THE MEETING

The Chairman then inquired whether the Notices of the Meeting were properly sent to stockholders. The Corporate Secretary certified that in accordance with SEC rules, the Notice with the Agenda, together with the Definitive Information Statement approved by the SEC was posted on the website of the Corporation on 9 May 2024. The Notice and Agenda was also published in print and online in The Manila Standard and Business Mirror for two (2) consecutive days, on 15 May 2024 and 16 May 2024.

III. CERTIFICATION OF QUORUM AND EXPLANATION OF VOTING PROCEDURE

The Corporate Secretary certified that there are present via remote communication, or represented by proxy, 83.05% of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the meeting.

The Corporate Secretary explained that as indicated in the Notice of the Meeting, stockholders may participate and attend the meeting only by remote communication. A dedicated email address was disclosed consistent with SEC rules so that stockholders would be able to register or to submit proxies on or before 28 May 2024. Shareholders who did so were considered present at the Meeting.

Voting Procedure and General Protocol

At the request of the Chairman, the Corporate Secretary explained the protocol and voting procedure for the meeting.

1. The required quorum for an annual stockholders' meeting is the presence in person or by proxy of stockholders representing a majority of the outstanding capital stock. As earlier stated, there is a quorum for today's meeting.

2. Only the items on the Agenda and in the Definitive Information Statement will be voted upon. As stated in both the Notice and Definitive Information Statement, stockholders may cast their votes through an online ballot which must be submitted on or before 28 May 2024 to the dedicated email address. Voting instructions were provided in the Definitive Information Statement.

   Proxy forms, which contain each item on the Agenda that requires shareholders' vote, were also made available in the Company website, for use by the shareholders for today's meeting.

3. In the election of directors, cumulative voting may be adopted. The nine (9) nominees with the greatest number of votes will be elected directors.

   The names of each of the nominees are stated in the online voting form, and in the proxy. The shareholder may vote for all of the nominees, or withhold a vote for all or for certain nominees. Votes are cast and counted in accordance with the shareholders' instructions, as reflected in the proxies.

4. The Company's stock transfer agent, Stock Transfer Service, Inc. tabulated the votes. As necessary, such tabulation is subject to the review by SGV & Co., the Company's independent external auditor.

5. The results of the voting on each item will be announced when the particular item is taken up. A tabulation of results will be posted on the Company's website after the Meeting.

6. Stockholders were requested to submit their questions on or before 28 May 2024, through the dedicated email address that was provided to shareholders. Management will endeavor to answer all the questions. If, due to time constraints, we are not able to answer all the questions, responses to remaining questions will be sent via email.

IV. Approval of Minutes of Previous Meeting

The Chairman announced that the first item on the Agenda was the reading and approval of the Minutes of the Annual General Stockholders' Meeting held on 2 June 2023 (the "2023 AGM"). The Minutes of the 2023 AGM were posted on the Company's website five business days after that meeting. At the request of the Chairman, the Corporate Secretary presented the resolution for approval:

> *"**RESOLVED**, that the reading of the Minutes of the Annual Meeting of Stockholders held on 2 June 2023 be as it is hereby dispensed with, and that said Minutes are hereby approved."*

According to the Corporate Secretary, based on the tabulation of votes, stockholders representing 83.05% of the Company's outstanding capital stock voted in favor of the proposed resolution.

The Chairman declared the motion carried and announced that the Minutes of the Stockholders' Meeting held on 2 June 2023 were hereby approved.

V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023

The next item on the Agenda was the approval of the Annual Report and of the Company's Audited Financial Statements and the Notes thereto for the year ended 31 December 2023. Copies of the report and the audited financial statements were previously distributed to the shareholders in accordance with pertinent SEC rules.

The President and Chief Executive Officer, Mr. Martin Antonio G. Zamora, presented the highlights of the Annual Report, followed by the Senior Vice President and Chief Financial Officer, Ms. Maria Angela G. Villamor, who presented the financial and operating highlights.

The President's Report

Staying true in its commitment to creating lasting and transformational impacts in communities while fostering future growth, the Company has made significant progress towards its 2025 objectives of becoming the premier Environmental, Social, and Governance (ESG) investment in the Philippines and to be counted among the Top 25 PSE-listed companies in terms of market capitalization.

The five operating mines achieved a total sales volume of 16.5 million wet metric tons (WMT) of nickel ore, a 3% increase from the previous year's 15.9 million tons.

Exports of saprolite and limonite ore amounted to 8.9 million WMT from 8.2 million WMT in the previous year, while 7.5 million WMT of low-grade limonite ore were sold to its associate companies, Coral Bay Nickel Corp. (CBNC) and Taganito HPAL Nickel Corp. (THPAL).

The average price per WMT for saprolite and limonite ore exports stood at $30.59, a 22% decrease from the previous year's $39.39. On the other hand, the average price for payable nickel on limonite sales to the two HPAL plants, which are linked to the London Metal Exchange (LME), was $9.89 per pound, translating to $14.66 and $18.48 per WMT, respectively. Combined revenue per WMT averaged $23.30, down from $29.17 in 2022.

Consolidated revenue for the year was PhP24.7 billion, lower than the PhP28 billion the prior year, primarily due to a decline in nickel ore prices resulting from an oversupply in the nickel industry. The revenue includes PhP2.3 billion from services and other activities provided to the HPAL plants and PhP687.5 million from electricity sales by Jobin-SQM Inc. (JSI).

The attributable net income for the year, inclusive of the Company's share in equity losses in CBNC and THPAL, amounted to PhP3.7 billion.

The Board of Directors approved a special cash dividend of PhP0.07 per common share in November 2023. A regular cash dividend of PhP0.08 per common share and a special cash dividend of PhP0.05 per common share were approved on March 13, 2024. The amount of PhP1.81 billion was paid on April 12, 2024 to shareholders of record as of March 27, 2024.

The Company's commitment to positively impacting the lives of communities and individuals is best demonstrated through its actions as a responsible corporate citizen. In terms of tax payments, the group paid PhP1.8 billion into the national and local government coffers for 2023. With respect to social support, expenditures from Social Development and Management Program (SDMP) and Corporate Social Responsibility (CSR) programs amounted to PhP458.36 million, which includes PhP247.47 million in CSR projects and PhP167.4 billion in royalties dedicated to supporting Indigenous Peoples' communities.

Looking ahead, the Company is excited about three promising projects, namely, Dinapigue, Bulanjao, and Manicani, which are scheduled to either ramp up or kick off in 2024. The gold-copper exploration subsidiary, Cordillera Exploration Co., Inc. (CEXCI), a joint venture with Sumitomo Metal Mining, will be drilling multiple gold and copper targets in Isabela in 2024. These initiatives are expected to significantly enhance operations in the coming years.

The diversification into renewable energy is on track. Emerging Power, Inc. (EPI)'s solar generation capacity, driven by its subsidiary JSI, almost tripled from 2022, reaching 172 MW peak in the first quarter of 2024. Pre-development activities for the second solar project in Subic, the Subic Tower Project, are nearing completion, with construction of the 145 MW plant expected to commence in 2024. The Company plans to complete the 120 MW peak solar project in Leyte under Greenlight Renewables Holdings Inc., a joint venture with Shell, by the first quarter of 2025.

With respect to geothermal energy, the installation of initial 2 MW turbines under Biliran Geothermal Inc. (BGI) has paved the way for a further 10 MW expansion, with the aim to reach a full capacity of 50 MW in the medium term.

The Company's mining subsidiaries received multiple accolades at the 69th Annual National Mine Safety and Environment Conference, with operations honored with the Presidential Mineral Industry Environmental Award. The Institute of Corporate Directors acknowledged corporate governance performance with the Company receiving two Golden Arrows for its ASEAN Corporate Governance Scorecard. EPI was the sole CSR awardee for Subic Bay Metropolitan Authority's 2023 Mabuhay Business Awards.

Internationally, Hinatuan Mining Corporation was a runner-up at the 2023 ASEAN Mineral Awards.

Prestigious citations from Finance Asia and Asia Money showcased the Company's dedication to its investors. These milestones culminated in the Company's inclusion in the 30-member Philippine Stock Exchange Index in October 2023.

Despite a downturn in nickel prices due to a surplus from increased Indonesian output, the future remains encouraging, particularly for Class 1 nickel used in EV batteries. Global EV sales surged by 34% to 9.8 million units in 2023, with EV penetration projected to reach 34% by 2030, requiring about 1.3 million tons of nickel. As for Class 2 nickel, which is used in manufacturing stainless steel, the eventual recovery of the Chinese economy is expected to stimulate global recovery and contribute to the rebound of Class 2 nickel.

The Company's sustainability agenda was enhanced by the expansion of the renewable energy subsidiary, EPI, which significantly reduced emissions equivalent to removing 22,673 cars from the roads, or planting 1.7 million tree seedlings grown for 10 years based on U.S. Environmental Protection Agency (EPA) computations. Government initiatives like the Green Energy Option Program and Renewable Portfolio Standards bolster the Company's optimism about renewable energy in the Philippines.

Despite current challenges in the global nickel industry, the Company remains committed to its corporate ambitions. With the expertise of directors, dedication of colleagues, and support from shareholders and partner communities, the Company is well-positioned to face future challenges successfully.

Financial and Operating Highlights

Ms. Villamor first reported on the key performance indicators of the Company's financial performance. Total Shipments Volume, Realized Prices, and Forex Rates are the main drivers of revenue values.

In 2023, the Company completed shipments of 16.45 million WMT, which is 3% higher compared to 2022. The oversupply of nickel from Indonesia led to lower prices for both foreign exports and HPAL deliveries. Consequently, the weighted average price per metric ton decreased by 20%, from $29.17 in 2022 to $23.30 in 2023. Despite lower revenue values, the weaker peso benefitted the Company with higher revenues in peso conversion.

Total cost per metric ton sold in 2023 was PhP803. Non-controllable costs, such as excise taxes and royalties based on revenue, decreased by nearly PhP500 million. Meanwhile, controllable costs increased by half a percent due to cost efficiencies implemented during the year. These factors led to a net decrease in total cost per metric ton sold by 6%.

The decline in nickel prices also negatively impacted the HPAL plants, Coral Bay Nickel Corp. (CBNC) and Taganito HPAL Nickel Corp. (THPAL), in which the Company owns 15.625% and 10% respectively, resulting in a share of losses amounting to PhP1 billion.

For the entire year, consolidated revenues reached PhP24.7 billion. Net income was PhP5.79 billion, resulting in an Earnings Per Share of PhP0.27. Of this net income amount, PhP3.75 billion is attributable to the Company's equity holders.

Despite the impact of weak metal prices, the Company's balance sheet remained robust and liquid, with total assets increasing to PhP57.9 billion from PhP49.76 billion in the previous year. Cash, cash equivalents, and financial assets totaled PhP17.3 billion, accounting for 30% of total assets. Total current assets stood at PhP23.5 billion, representing 41% of total assets and 2.4 times the amount of current liabilities. By the end of 2023, total equity increased by 6% at PhP43.1 billion.

The Company's cash position remained strong, with operations generating PhP11.5 billion in cash, and after income tax payments, cash from operating activities amounted to close to PhP8.97 billion. Other major sources of cash during the year are the termination of AFS investments of PhP2.3 billion, and the net loan availments of about PhP4.96 billion. During the year 2023, the Company allocated cash of PhP6.4 billion to capital expenditures for the mining and renewable energy businesses, and the Company paid dividends of PhP4.9 billion. At the close of 2023, cash and cash equivalents increased by PhP4.7 billion, bringing cash balance to PhP15.5 billion.

Open Forum

The Chairman then asked the Corporate Secretary to inform the stockholders of any questions received. The Corporate Secretary confirmed that there were no questions received from the stockholders.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval:

> *"**RESOLVED**, that the Annual Report, together with the Audited Financial Statements and the notes thereto of the Corporation for the year ended 31 December 2023, be as they are hereby approved."*

The Corporate Secretary stated that based on the tabulation of votes, stockholders owning a total of 83.05% of the Company's outstanding capital stock voted in favor of the approval of the proposed resolution.

The Chairman then declared that the motion was carried. The Company's Annual Report and the Audited Financial Statements and the notes thereto for the year ended 31 December 2023 were approved, ratified and confirmed.

VI. Ratification and Approval of Acts of the Board of Directors and Executive Officers

The Chairman said that the next item on the Agenda is the ratification and approval of the acts of the Board of Directors and executive officers during the year 2023. The Corporate Secretary presented the resolution for approval:

> *"**RESOLVED**, that all acts, contracts, proceedings, elections and appointments made or taken by the Board of Directors, and Executive Officers and management of the Corporation during the past year and up to today's meeting, as set forth in the Minutes of the Meetings of the Board of Directors, and/or all acts and proceedings performed or taken pursuant thereto, be as they are hereby, approved, ratified and confirmed."*

At the Chairman's request, the Corporate Secretary informed the stockholders that based on the tabulation of votes, shareholders representing 83.05% of the Company's outstanding capital stock, have voted in favor of the approval and ratification of the acts of the Board of Directors and Officers of the Company during the past year.

The Chairman declared the motion carried. The resolution to ratify and approve all of the acts of the Board of Directors and/or Officers of the Corporation during the past year was approved.

VII. Appointment of Independent Auditors

The Chairman said that the next item on the Agenda is the appointment of the Company's independent external auditors. He said that the Audit Committee recommended the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2024, and the Board of Directors approved and accepted the recommendation. The Corporate Secretary presented the resolution for approval:

> *"**RESOLVED,** that the accounting firm of Sycip, Gorres Velayo & Company, as recommended by the Audit Committee and the Board of Directors, be appointed as the external auditor of the Corporation for the year 2024 and until its successor is duly appointed."*

At the Chairman's request, the Corporate Secretary informed the stockholders that based on the tabulation of votes, shareholders representing 83.05% of the outstanding capital stock, voted in favor of the appointment of Sycip Gorres Velayo & Company as the independent external auditors of the Company for 2024.

The Chairman declared the motion carried. The appointment of Sycip, Gorres Velayo & Company as independent external auditors of the Company for 2024 was approved.

VIII. ELECTION OF DIRECTORS

The Chairman said that the next item on the Agenda is the election of directors for the ensuing year, at least two of whom must be independent directors.

The Corporate Secretary reported that there were nine (9) nominees for the nine (9) seats on the Company's Board of Directors for election at this Meeting. The Nominations Committee screened the nine (9) nominees including the nominees for independent directors and thereafter prepared a Final List of qualified candidates, which was incorporated in the Information Statement for today's meeting. The following are the nominees:

1. Maria Patricia Z. Riingen
2. Martin Antonio G. Zamora
3. Harvey T. Ang
4. Jose Isidro N. Camacho
5. Shiro Imai
6. Yusuke Niwa
7. Leonides Juan Mariano C. Virata
8. James J.K. Hung (Independent Director)
9. Florencia G. Tarriela (Independent Director)

The Chairman asked the Corporate Secretary to inform the body of the votes cast for each of the nine (9) nominees to the nine (9) seats on the Company's Board of Directors.

The Corporate Secretary reported that all nine (9) nominees for the nine (9) seats on the Board received sufficient votes to elect them as Director of the Company. According to the Corporate Secretary, the tabulation of votes showing the exact numbers of votes received will be posted on the Company's website after the meeting.

The Chairman then declared that the following have been elected as Directors of the Company:

1. Maria Patricia Z. Riingen
2. Martin Antonio G. Zamora
3. Harvey T. Ang
4. Jose Isidro N. Camacho
5. Shiro Imai
6. Yusuke Niwa
7. Leonides Juan Mariano C. Virata
8. James J.K. Hung (Independent Director)
9. Florencia G. Tarriela (Independent Director)

IX. OTHER MATTERS

The Chairman asked if there were any other matters or business that the shareholders wished to raise. None of the shareholders came forward with questions or concerns.

X. ADJOURNMENT

There being no other matters to discuss, on motion made and duly seconded, the meeting was thereupon adjourned.

Prepared by:

BARBARA ANNE C. MIGALLOS
Corporate Secretary

Attest:

GERARD H. BRIMO
Chairman

Nickel Asia Corporation
Minutes of the Annual Stockholders' Meeting
Held on 07 June 2024

C2545 NAC 2024 AGM Minutes/kjs25

NICKEL ASIA CORPORATION ANNUAL
STOCKHOLDERS' MEETING 2024

OUTSTANDING COMMON SHARES – 13,931,125,094
PREFERRED SHARES – 720,000,000
SHARES IN ATTENDANCE - 11,569,579,367 (83.05%)

AGENDA ITEM	IN FAVOR		AGAINST		ABSTAIN	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Approval of minutes of the 2 June 2023 Annual General Meeting of Stockholders	11,569,577,067	83.05%	0	0.00%	2,300	0.00%
Approval of Annual Report and Audited Financial Statements for the year ended 31 December 2023	11,569,577,067	83.05%	0	0.00%	2,300	0.00%
Ratification and approval of the acts of the Board Directors and Executive Officers during the year 2023	11,569,577,067	83.05%	0	0.00%	2,300	0.00%
Appointment of SyCip, Gorres, Velayo & Co. as independent auditor	11,569,267,367	83.05%	309,700	0.00%	2,300	0.00%

Election of Directors	IN FAVOR	
	No. of Shares	%
1) Martin Antonio G. Zamora	11,115,459,153	79.79%
2) Maria Patricia Z. Riingen	11,448,745,782	82.18%
3) Harvey T. Ang	11,448,745,784	82.18%
4) Jose Isidro N. Camacho	11,448,745,786	82.18%
5) Leonides Juan Mariano C. Virata	11,448,745,788	82.18%
6) Shiro Imai	11,441,515,790	82.13%
7) Yusuke Niwa	11,448,745,792	82.18%
8) Florencia G. Tarriela *(Independent Director)*	11,562,486,481	83.00%
9) James J.K. Hung *(Independent Director)*	11,569,577,083	83.05%

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **FLORENCIA G. TARRIELA**, Filipino, of legal age, with address at 32 Jasmin St., Valle Verde 2, Barangay Ugong, Pasig City, Metro Manila, hereby declare that:

1. I am nominated for re-election as Independent Director of **NICKEL ASIA CORPORATION** (the "**Company**"), a corporation duly organized and existing under Philippine law, with principal office at 28/F NAC Tower 32nd Street, Bonifacio Global City, Taguig,1634 Metro Manila, at the Company's 2025 Annual Stockholders' Meeting to be held on 09 June 2025. I have been an Independent Director of the Company since 04 August 2022.

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

Name of Corporation/ Organization	Position/s Held	Period of Service
Philippine National Bank	Board Advisor/Former Chair	2021 to present
LT Group Inc.	Independent Director	2012 to present
FINEX Research and Development Foundation, Inc.	Trustee	2024 to present
Gozon Development Corporation	Director	1982 to present
Tarriela Management Co. Inc.	Director/Vice President	1993 to present
Tulay sa Pag-unlad Inc. (TSPI)	Trustee	2003 to present
TSPI MBA	Trustee	2006 to present

3. I possess all of the qualifications and none of the disqualifications to serve as Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), the 2015 Implementing Rules and Regulations of the SRC (the "**SRC Rules**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the SRC Rules, or otherwise.

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

6. I am not connected with any government agency or instrumentality.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC, SRC Rules, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 22 day of April 2025 at MAKATI CITY.

FLORENCIA G. TARRIELA
Independent Director

SUBSCRIBED AND SWORN to before me APR 2 2 2025 day of April 2025, affiant exhibiting to me her Competent Evidence of Identity consisting of her Philippine Passport No. P1128284C issued by the Department of Foreign Affairs NCR East on 30 July 2022, bearing her photograph and signature, in accordance with Rule 11, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

Doc No. 187;
Page No. 39;
Book No. 64;
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **JAMES J.K. HUNG**, Taiwanese, of legal age, with address at No. 4 Park Road 2704 Hong Kong S.A.R., hereby declare that:

1. I am nominated for re-election as Independent Director of **NICKEL ASIA CORPORATION** (the "**Company**"), a corporation duly organized and existing under Philippine law, with principal office at 28/F NAC Tower 32nd Street, Bonifacio Global City, Taguig,1634 Metro Manila, at the Company's 2025 Annual Stockholders' Meeting to be held on 09 June 2025. I have been an Independent Director of the Company since 07 June 2024.

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

Name of Corporation/ Organization	Position/s Held	Period of Service
Asia Securities Global Group (Hong Kong)	Chairman	1993 to present
ASG Inspiration Laboratory (Singapore) Pte, Ltd.	Chairman	2023 to present

3. I possess all of the qualifications and none of the disqualifications to serve as Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), the 2015 Implementing Rules and Regulations of the SRC (the "**SRC Rules**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. I am not related to any director, officer, or substantial shareholder of the Company, any of its related companies, or any of its substantial shareholders under Rule 38.2.3 of the SRC Rules, or otherwise.

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

6. I am not connected with any government agency or instrumentality.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC, SRC Rules, the Code of Corporate Governance for Publicly Listed Companies, and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the abovementioned information within five (5) days from its occurrence.

Done this APR 2 8 2025 day of April 2025 at MAKATI CITY.

JAMES J.K. HUNG
Independent Director

SUBSCRIBED AND SWORN to before me this APR 2 8 2025 day of April 2025, affiant exhibiting to me his Competent Evidence of Identity consisting of his Republic of China Passport No. 360494192 issued by the Ministry of Foreign Affairs on 18 May 2022 valid until 18 May 2032 bearing his photograph and signature, in accordance with Rule 11, Section 12 and Rule IV Section 2 (b) of the 2004 Rules on Notarial Practice.

Doc No. 18 ;
Page No. 05 ;
Book No. 66 ;
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

C2545 NIKL 2024 AGM Certificate ID (JKHung)/kjs35

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

CERTIFICATION

I, **BARBARA ANNE C . MIGALLOS,** of legal age, Filipino, with office address at 7th Floor, The PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City, being the duly elected and incumbent Corporate Secretary **of NICKEL ASIA CORPORATION**, a corporation duly organized and existing under Philippine law, nominees for election as Directors of the Company are not connected with any government agency or instrumentality:

1. Martin Antonio G. Zamora
2. Maria Patricia Z. Riingen
3. Harvey T. Ang
4. Jose Isidro N. Camacho
5. Shiro Imai
6. Yusuke Niwa
7. Leonides Juan Mariano C. Virata
8. Florencia G. Tarriela (Independent)
9. James J.K. Hung (Independent)

BARBARA ANNE C. MIGALLOS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 22nd day of April 2025, affiant exhibiting to me her Passport No. P7148981A issued on 11 May 2018 at DFA NCR South, expiring on 10 May 2028 bearing her photograph and signature, in accordance with Rule I, Section 12 and Rule VI Section 2 (b) of the 2004 Rules on Notarial Practice.

Doc. No. 365;
Page No. 74;
Book No. III;
Series of 2025.

KATRINA JANINE M. STA. ANA
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI
APPOINTMENT NO. M-143 (2024-2025)
COMMISSION EXPIRES ON DECEMBER 31, 2025
7th Floor, The PHINMA Plaza, 39 Plaza Drive
Rockwell Center, Makati City 1210
PTR No. 10473389; Makati City; 1/7/2025
IBP O.R. No. 512488; Makati City; 1/10/2025
TIN 465-637-617
Attorney's Roll No. 78275
Admitted to the Philippine Bar: 12 May 2022

Outlook

Re: CGFD_Nickel Asia Corporation_SEC Form 17-A_27February2025

From ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Date Thu 2/27/2025 3:12 PM
To Iryan Jean Padillo <iryanjean.padillo@nickelasia.com>

ALERT: Do NOT click on links or open attachments. This email came from outside of NAC. Check if it is a PHISHING email.

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

--- NOTICE TO COMPANIES ---------------------------

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, notice is hereby given that effective 1 January 2025, the **Manual on Corporate Governance (MCG)** and **Mutual Fund Sales Report (ICASR)** must be submitted through eFAST. The submission of MCG and ICASR through the ictdsubmission@sec.gov.ph shall no longer be accepted. For guidance on the filing of reports, please access the "Notice" as published in the SEC website dated 6 November 2024 – *Submission of Manual on Corporate Governance (MCG) and Mutual Fund Sales Report (ICASR).*

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 12. IHFS 24. SSF
2. GIS 13. LCFS 25. AFS with Affidavit of No Operation
3. BDFS 14. LCIF 26. AFS with NSPO Form 1,2, and 3
4. FCFS 15. OPC_AO 27. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 16. PHFS 28. FS - Parent
6. GFFS 17. SFFS 29. FS – Consolidated
7. FORM 1 - MC 19 18. Certificate-SEC Form MCG- 2009
8. FORM 2- MC 19 19. Certificate-SEC Form MCG- 2002, 2020 ETC.
9. ACGR 20. Certification of Attendance in Corporate Governance
10. I-ACGR 21. Secretary's Certificate Meeting of Board Directors (Appointment) 22. Completion Report
11. MRPT 23. FORM MC 18

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

COVER SHEET

C S 2 0 0 8 1 1 5 3 0

SEC Registration Number

NICKEL ASIA CORPORATION AND SUBSIDIARIES

(Company's Full Name)

28th Floor NAC Tower, 32nd Street Bonifacio Global City, Taguig City

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

Iryan Jean U. Padillo

(Contact Person)

(632) 7777-7622

(Company Telephone Number)

1 2	3 1	17-A	0 6	1st Friday
Month	*Day*	(Form Type)	*Month*	*Day*
(Fiscal Year)			(Annual Meeting)	

Not Applicable

(Secondary License Type, If Applicable)

CRM

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

97

Total No. of Stockholders

Total Amount of Borrowings

₱9,418.2 million	**₱–**
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

S.E.C. Number **CS200811530**
File Number______

NICKEL ASIA CORPORATION
(Company's Full Name)

28th Floor NAC Tower, 32nd Street,
Bonifacio Global City, Taguig City
(Company's Address)

+63 2 8892 6669 / +63 2 7777 7622
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month & day)

SEC FORM 17-A Annual Report
Form Type

____
Amendment Delegation (If applicable)

December 31, 2024
Period Ended Date

____
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **DECEMBER 31, 2024**
2. SEC Identification Number: **CS200811530**
3. BIR Tax Identification No.: **007-085-191-000**
4. Exact name of issuer as specified in its charter **NICKEL ASIA CORPORATION**
5. Province, Country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of principal office — Postal Code
   28TH FLOOR NAC TOWER, 32ND STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY — **1634**
8. Issuer's telephone number, including area code: **+63 2 8892 6669 / +63 2 7777 7622**
9. Former name, former address, and former fiscal year, if changed since last report.
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK	**13,931,125,094 SHARES**
SHORT-TERM AND LONG-TERM DEBTS	**₱9,418.2 MILLION**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [**X**] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    PHILIPPINE STOCK EXCHANGE — **COMMON STOCK**

12. Check whether the issuer:
    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

    As at December 31, 2024, 3,727,474,484 shares with a market price of ₱3.49 or an aggregate amount of ₱13,008,885,949 were held by non-affiliates.

NAC
NICKEL ASIA CORP.

February 27, 2025

Ms. Janet A. Encarnacion
Head - Disclosure Department
Philippine Stock Exchange Tower,
5th Avenue corner 28th Street, BGC Taguig City

Mr. Vicente Graciano P. Felizmenio, Jr.
Director - Markets and Securities Regulation Department
Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

RE : 2024 SEC Form 17-A Annual Report
x === x

Gentlemen:

In accordance with the Securities Regulation Code, we are submitting herewith a copy of our Company's SEC Form 17-A Annual Report as at and for the year ended December 31, 2024.

We trust everything is in order.

Very truly yours,

Maria Angela G. Villamor
SVP – Finance and Chief Financial Officer

NICKEL ASIA CORPORATION
17-A ANNUAL REPORT 2024

TABLE OF CONTENTS **Page No.**

TABLE OF CONTENTS **Page No.**

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

A. OVERVIEW

Nickel Asia Corporation (the Company, Parent Company, or NAC) was incorporated on July 24, 2008 with the Philippine Securities and Exchange Commission (SEC) and was listed with the Philippine Stock Exchange on November 22, 2010.

NAC and its subsidiaries (the Group) has 6 operating mines: the Rio Tuba mine in Bataraza, Palawan operated by Rio Tuba Nickel Mining Corporation (RTN); the Taganito mine in Claver, Surigao del Norte operated by Taganito Mining Corporation (TMC); the Tagana-an mine in Tagana-an, Surigao del Norte and Manicani mine in Guiuan, Eastern Samar operated by Hinatuan Mining Corporation (HMC); the Cagdianao mine in Cagdianao, Dinagat Islands operated by Cagdianao Mining Corporation (CMC); and the Dinapigue mine in Dinapigue, Isabela operated by Dinapigue Mining Corporation (DMC). At each of its operating mines, the Group employs a low-cost surface mining method without the need for explosives, chemicals or complex waste handling, to extract 2 types of nickel ore: limonite and saprolite ore. Apart from the 6 operating mines, the Group also has other properties in various stages of exploration for nickel ore while continuing to seek opportunities in copper and gold through its subsidiary, Cordillera Exploration Co., Inc. (CEXCI).

The Group produces 2 types of saprolite ore (i.e., high-grade, and mid-grade) and 2 types of limonite ore, which it supplies to various customers. The Group's high-iron limonite ore is sold to Chinese customers and mid-grade saprolite ore is sold to Chinese, Indonesian and Japanese customers, some of which use the material as feed for blast furnaces for production of low-grade nickel pig-iron (NPI). Most of the Group's mid-high grade saprolite ore are sold to the Chinese and Indonesian smelters that use the material as feed for electric furnaces to produce high and medium-grade NPI. And there are a few allocations for the Japanese company Pacific Metals Co., Ltd. (PAMCO), which uses the material as feed for its ferronickel smelters. The Group's low-grade limonite ore is utilized as feed for the Coral Bay and Taganito high-pressure acid leach (HPAL) hydrometallurgical nickel processing plants. Coral Bay plant is owned by Coral Bay Nickel Corporation (CBNC), where NAC previously held 15.62% equity interest. CBNC became operational in 2005 and currently operates at a capacity of 24,000 tonnes of contained nickel and 2,000 tonnes of contained cobalt per year in the form of a mixed nickel-cobalt sulfide. It has proven to be the world's most efficient facility using the HPAL process. NAC also has a 10% equity interest in Taganito HPAL Nickel Corporation (THNC) which operates the country's second hydrometallurgical nickel processing plant. THNC's HPAL plant currently operates at a capacity of 30,000 tonnes of contained nickel and 2,500 tonnes of contained cobalt per year in the form of a mixed nickel-cobalt sulfide. The Taganito mine of the Company's subsidiary, TMC, supplies all the limonite ore for the plant.

In November 2010, the Group concluded the purchase of CEXCI from Anglo American Exploration (Philippines), Inc., with 4 properties in the Central Cordillera of northern Luzon that are prospective for gold and copper. The purchase marks the Company's first step in its vision to become a diversified mineral resource company. In November 2011, Sumitomo Metal Mining Co., Ltd. (SMM) acquired 25% equity in CEXCI with an option to purchase additional shares to increase its total equity to 40%.

In 2015, CEXCI identified a new property in the province of Zambales for exploration and development under Newminco Pacific Mining Corporation (Newminco), which is also prospective for gold and copper. In relation to this, SMM put in an additional investment of US$2.8 million to increase its ownership in CEXCI from 25% to 40%. Newminco is the holder of an Exploration Permit (EP) application for areas located in Zambales. In 2019, CEXCI acquired from Marian Mineral Exploration Co., Inc. (Marian) and Olympus Mineral Exploration Co., Inc. (Olympus) the right to apply for the conversion of the Application for Mineral Production Sharing Agreement (APSA) No. 000021-II issued in favor of Marian and Olympus into an EP Application, EP and/or Mineral Agreement, and any mode of mineral agreement that may be applied for in the 6,325 hectare area located in Cordon, Isabela and Diadi, Nueva Vizcaya subject of the APSA. CEXCI applied for the conversion of APSA No. 000021-II into an EP. In January 2020, the Mines and Geosciences Bureau (MGB) Region 2 office approved the conversion of APSA No. 000021-II into an EP in favor of CEXCI.

In August 2015, the Company also concluded the purchase from Nihao Mineral Resources International (Nihao) of 100% equity interest in DMC (formerly, Geogen Corporation), which is the successor-in-interest of Platinum Group Metals Corporation (PGMC), the claim owner of the Isabela Nickel Project in Dinapigue, Isabela. In consideration of the termination of the Operating Agreement between Nihao and DMC dated July 13, 2012 over the Isabela Nickel Project, DMC agreed in August 2015 to issue 10,000,000 non-voting, non-redeemable, non-participating shares at a par value of ₱0.01 which have preference in the declaration and payment of dividends (preferred shares). Dividends on the preferred shares are computed on an annual basis and are equivalent to 20% of mine operating income less income tax and only accumulate if (i) the Isabela Nickel Project is operated and generates income; and (ii) if DMC has sufficient level of unrestricted retained earnings. DMC started its commercial operation in 2022.

In 2018, the Group expanded into power generation with the completion and commencement of operations of a 10-megawatt (MW) diesel power plant which sells power to Surigao del Norte Electric Cooperative, Inc. (SURNECO) under a Power Supply Agreement (PSA) and to Independent Electricity Market Operator of the Philippines, Inc. (IEMOP), which are traded through Philippine Wholesale Electricity Spot Market (WESM). In 2015, the Group expanded into the renewable power business through equity investments in Emerging Power, Inc. (EPI), whose mission is to engage in power generation exclusively from renewable sources. As of December 31, 2024, EPI and its subsidiaries have 13 renewable energy (RE) service contracts signed with the Department of Energy (DOE): 2 100MW solar service contracts under Jobin-SQM Inc. (JSI), located in the Subic Bay Freeport Zone (SBFZ); 1 geothermal service contract under Mindoro Geothermal Power Corporation (MGPC) in Naujan, Oriental Mindoro; 1 solar service contract under San Isidro Solar Power Corp. (SISPC) located in San Isidro, Leyte; 2 solar service contracts under Northern Palawan Power Generation Corporation (NPPGC) with 1 located in Subic, Zambales and 1 located in Hermosa, Bataan; 2 solar service contracts under Emerging Energy Resources 2, Inc. (EER 2) with 1 located in Mariveles, Bataan and 1 located in General Santos City; and 4 solar service contracts under Casilagan Solar Power Corporation (CSPC) with 1 located in Nasugbu, Batangas, 1 located in San Antonio, Zambales, 1 located in Botolan, Zambales and 1 located in Tuguegarao, Cagayan. Aside from this, CSPC also has 1 wind service contract located in Nasugbu, Batangas. MGPC, NPPGC and EER 2 are wholly owned subsidiaries of EPI. SISPC and CSPC are wholly owned subsidiaries of Greenlight Renewables Holdings, Inc. (GRHI). GRHI is 60%-owned by EPI wherein the Company holds a 91.03% equity interest.

On March 29, 2021, NAC made a direct investment in JSI through a debt-to-equity swap with EPI, pursuant to which NAC acquired 647,386,140 of EPI's shares in JSI as partial repayment by EPI of its indebtedness to NAC. NAC's direct investment in 38% of JSI enabled JSI to comply with the requirement of the Energy Regulatory Commission (ERC) that at least 15% of its total issued and outstanding common shares must be publicly owned. Under existing regulations, the ownership of a publicly listed company such as NAC of at least 25% of a power generation company's common share shall be deemed as compliance with the public ownership requirement of the ERC for such companies.

On July 1, 2022, EPI entered a joint venture with Shell Overseas Investments B.V. (Shell) to jointly develop, own, operate, and maintain onshore renewable energy projects in the Philippines. EPI and Shell established an investment company, GRHI, which was incorporated on August 18, 2022. EPI and Shell shall have equity ownership of 60% and 40%, respectively, in GRHI.

In January 2019, JSI received the Certificate of Compliance (COC) from the ERC for Phases 1 and 2 - 32MW Solar Project. The COC was issued after the authorization granted by the ERC to JSI to develop and own a dedicated point-to-point limited facility to connect the 100MW Solar Project to the Luzon Grid of the National Grid Corporation of the Philippines (NGCP) via a direct connection at NGCP's Subic Substation in December 2018.

In June 2021, the ERC granted a Provisional Authority to Operate (PAO) for JSI's Phase 3A - 30MW.
In June 2022, JSI completed Phase 3B - 38MW of the Solar Project and applied for a provisional certificate of approval to connect. The PAO for JSI's Phase 3B - 38MW was granted in November 2022.

On January 4, 2024, ERC issued a consolidated PAO for JSI's 100 MW Sta. Rita Solar Power Plant with 0.048 MWp / 0.038 MWh auxiliary solar photovoltaic (PV) - Battery energy storage system for an additional 0.016 MWdc/0.064 MWh Auxiliary Flywheel Energy Storage System valid until June 15, 2024.

On June 13, 2024, the ERC issued JSI's first extension of PAO, as per the Revised COC Rules, valid from June 13, 2024 until June 12, 2025.

On May 13, 2022, the Department of Environment and Natural Resources (DENR) granted the request of JSI to increase its capacity, from 150MW to 200MW, and area, from 800 hectares to 815 hectares, located at Mt. Sta. Rita, SBFZ.

In relation to this, under a new service contract, the construction of Phase 4A - 72MW Solar Project started in November 2022 and started testing and commissioning in February 2024. Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.

On February 28, 2024, JSI received the Provisional Certificate of Approval to Connect - Subic New PV Phase 4A (KAP-CAD-RRA-2024-02-482) from NGCP subject to the following conditions: (1) JSI shall resolve the defects in the attached Inspection Report prior to the issuance of the Final Certificate of Approval to Connect; (2) For completion of Grid Compliance Test; and (3) SCADA VRE remote re-testing for the whole power plant capacity is required prior to energization as Generator. The official Grid Compliance Test of the Project was conducted on July 8 to 23, 2024 but was not completed due to unfavorable weather conditions. Additional GCT activities were conducted last September 25 to 28, 2024. NGCP required additional tests with the Static Var Generator (SVG). VRE field test with the SVG was completed last December 20, 2024, while the remote VRE test was completed last January 7, 2025. JSI is awaiting the issuance of the Generating Unit Capability Test Certificate and the Final Certificate of Approval to Connect.

As at December 31, 2024, JSI's Solar Project with total capacity of 100MW are in commercial operations and 72MW is ongoing testing and commissioning.

In the Mindoro project, 2 geothermal wells drilled in 2016 were found to have temperatures in the range of 140-165°C. MGPC considered various options on how to proceed with the development of the project including drilling the northern portion of the geothermal field. The northern portion of MGPC's exclusive service contract area has undergone a more detailed assessment by GeothermEx - a leading American geothermal advisory firm in 2017. They have also confirmed that the existing wells in the southern portion can net out at least 3.5MW of power. EPI has been in discussions with groups familiar with geothermal investments to strategize how to further minimize drilling risk. With a strategic partner, MGPC is preparing a development plan guided in general by the GeothermEx report and other technical analyses.

In 2020, MGPC decided to conduct an assessment of the best technique to flow the 2 geothermal wells. As part of the well testing program submitted by MGPC to DOE, downhole measurements will be conducted to confirm the temperature and the suitability of the wells for flow testing. Thereafter, MGPC will implement the flow test to update the resource assessment and plan the development drilling. In 2021, MGPC entered into a Memorandum of Agreement (MOA) with Symba Renewable Energy EHF (SRE) on the conduct of flow test and resource assessment to demonstrate the commercial viability of the drilled production wells in the Montelago Geothermal Field.

On May 7, 2024, MGPC received from the DOE a termination letter of Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013 covering the Montelago Geothermal Power Project (MGP Project). On May 20, 2024, MGPC responded through a Letter of Request for Reconsideration to Reinstate GRESC No. 2010-02-013 with the following supporting documents: (a) Justification for the Delay in the Implementation of the Work Program, (b) Barangay Resolutions from Melgar, Montelago and Montemayor, (c) Annual Progress Report 2023, (d) Geo Exploration and Evaluation Asset (April 2024), (e) 2024-2027 Revised Work Program, (f) Work Program (2024-2028), and (g) Resource Assessment of Montelago Field.

On May 22, 2024, DOE commented to provide the Work Program reflecting the future plans and proposed activities, including timeline and technical studies, report, rationale for the change in capacity since it was reflected on MGPC's Declaration of Commerciality that the project is supposedly 10MW. Likewise, on June 4, 2024, MGPC submitted the additional requirement of DOE and subject for evaluation of DOE.

On July 5, 2024, MGPC received a letter granting the Reinstatement of GRESC No. 2010-02-013 covering the MGP Project and thereby approved the proposed 5-Year Work Program.

In relation to the reinstatement of MGPC's GRESC, MGPC has re-evaluated the MGP Project with the assistance of a third-party expert by conducting field examinations and evaluation of previous technical reports and studies. As a result of the re-evaluation done, technical findings indicated that the mass flow rate of each existing well is approximately 18 tons/hour which is below the minimum flow rate required for a typical organic rankine cycle power generation unit which indicates that the MGP Project may not be economically viable due to low mass flow and the power generation potential is very limited. Relative to this, in 2024, the Group recognized provision for impairment losses on the "Geothermal exploration and evaluation assets".

With respect to Biliran geothermal project, where 8 wells have been drilled by EPI's 40% partner, Biliran Geothermal Holdings, Inc., fluid management studies have been completed on 1 particular well, with positive results with respect to acid control. In July 2021, Biliran Geothermal Incorporated (BGI) and SRE signed a Project Funding, Build and Transfer Agreement for SRE to (i) finance, design, construct, install and transfer to BGI a geothermal powerplant in phases, using the existing geothermal wells and (ii) finance, design, construct, rehabilitate and upgrade the existing 13.2kV distribution lines of Biliran Electric Cooperative, Inc. for the purpose of evacuating power from the geothermal facility to the grid. BGI has continued to conduct activities for maintenance of the existing wells and secure the necessary permits and licenses related to the project.

In 2017, BGI successfully split its existing GRESC into 2. The previous GRESC almost covered the entire island province of Biliran, but in the new setup it delineates the southern portion as Biliran 1 and the northern portion as Biliran 2. Biliran 1 covers the existing developed infrastructure (i.e., 4 well pads, 8 standard deep wells, roads, etc.) and has a Probability-90 Assessment that confirms a 100MW capacity. Biliran 2 is the yet-to-be-developed area save for surface studies and a Probability-50 Assessment of some 170MW capacity. This delineation allows BGI to focus on the more immediately executable Biliran 1 and gives BGI more time to develop Biliran 2. Biliran 1 continued its facility maintenance while making plans for a phased power generation development.

On February 16, 2024, BGI secured the updated Provisional Certificate of Approval to Connect from Biliran Electric Cooperative (BILECO) and a Clearance to Energize from the NGCP. On June 13 and 14, 2024, BGI conducted the Grid Compliance Testing activities of BGI's geothermal plant and obtained the Final Certificate of Approval to Connect to BILECO on July 15, 2024.

As of December 31, 2024, the initial 2MW turbines have been installed and energization activities are ongoing.

With its foray into the area of renewable energy, the Group is slowly becoming a group more focused on harnessing the potential of its natural resources to benefit the communities where the Group operates and the country in general.

Fundamental to the way the Group does business as a responsible corporate citizen is its commitment to operate in a sustainable manner, protecting the environment, nurturing active communities and ensuring the safety and well-being of everyone involved in its operations. For this, the Group has been consistently recognized by the government, the industry and by other award-giving bodies.

As an evolving natural resources company, the Group is committed to responsible mining and to the highest standards in everything that it does.

B. CORPORATE OBJECTIVE

The Group strives to contribute to sustainable national development by adopting its Environmental, Social, and Governance (ESG) Roadmap to achieve the highest standards in the responsible utilization of the country's natural resources. At the same time, the Group takes its responsibilities toward safety, environmental protection, community relations and development seriously. The Group believes that sustainable development is the only way forward for any mining operation and it exerts great effort to live by its principles. The Group is committed to responsible mining and to running every facet of its operations in a world-class manner.

The Group is also committed to provide the present and future generations a better life with clean and renewable energy which is cost effective, reliable, sustainable, and environmentally friendly.

C. PRODUCT MIX

The Group produces 2 types of nickel ore, namely saprolite and limonite. Saprolite ore is nickel ore with iron content of less than 20% and limonite ore is nickel ore with iron content of 20% or higher.

The Group ships out saprolite ore with a nickel content of between 1.3% to 1.5%. Most of the Group's saprolite ore are sold to Chinese and Indonesian clients that use the material as feed for electric furnaces to produce high and medium-grade NPI. A portion of the saprolite ore is also sold to PAMCO in Japan, which uses the material as feed for its ferronickel smelters.

The Group sells 2 types of limonite ore: high-iron and low-grade. High iron limonite ore has a nickel content of less than 1% and an iron content of 48% to 50%. Low-grade limonite ore has a nickel content of 1% to 1.2% and an iron content of at least 30%.

The Group's high-iron limonite ore are sold to Chinese customers who use the material as feed for blast furnaces to produce low-grade NPI. Finally, low-grade limonite ore is utilized as feed for the Taganito and Coral Bay HPAL facilities. The Group expects the continuous demand for electric vehicles (EV) to result in an increase in demand for the Group's products since the ores produced by the Group are processed into nickel sulfide, which is an important component for EV batteries.

D. SUBSIDIARIES

The Parent Company and its subsidiaries were separately incorporated and registered with the SEC. Below are the Parent Company's ownership interests in its subsidiaries:

	Effective Ownership	
	2024	2023
Subsidiaries		
Hinatuan Mining Corporation	**100.00%**	100.00%
Cagdianao Mining Corporation	**100.00%**	100.00%
Dinapigue Mining Corporation	**100.00%**	100.00%
Samar Nickel Mining Resources Corporation (SNMRC)	**100.00%**	100.00%
CDTN Services Company Inc. (CDTN)	**100.00%**	100.00%
Coral Pearl Developments Limited (CPDL)	**100.00%**	100.00%
La Costa Shipping and Lighterage Corporation (LCSLC) [a]	**100.00%**	100.00%
Emerging Power, Inc.	**91.03%**	86.29%
Mindoro Geothermal Power Corporation [b]	**91.03%**	86.29%
Biliran Holdings Inc. (BHI) [b]	**91.03%**	86.29%
Northern Palawan Power Generation Corporation [b]	**91.03%**	86.29%
Emerging Energy Resources 1, Inc. (EER 1) [b]	**91.03%**	–
Emerging Energy Resources 2, Inc. [b]	**91.03%**	–
Emerging Energy Resources 3, Inc. (EER 3) [b]	**91.03%**	–
Emerging Energy Saver Corporation (EESC) [b]	**91.03%**	–

	Effective Ownership	
	2024	2023
Falck Exp Inc. (FEI) [(c)]	**88.00%**	88.00%
Jobin-SQM Inc. [(b, d)]	**85.34%**	82.87%
Cordillera Exploration Co., Inc.	**71.25%**	71.25%
Newminco Pacific Mining Corporation [(e)]	**71.25%**	71.25%
Taganito Mining Corporation	**65.00%**	65.00%
Rio Tuba Nickel Mining Corporation	**60.00%**	60.00%
Greenlight Renewables Holdings, Inc. [(b, f)]	**54.62%**	51.77%
San Isidro Solar Power Corp. [(b, g)]	**54.62%**	51.77%
Casilagan Solar Power Corporation [(b)]	**54.62%**	51.77%
SanJuan Solar Power Corporation (SSPC) [(b)]	**54.62%**	51.77%
Sta. Maria Solar Power Corporation (SMSPC) [(b)]	**54.62%**	51.77%
Tuy Solar and Wind Power Corp. (TSWPC) [(b)]	**54.62%**	51.77%
San Antonio Solar Power Corp. (SASPC) [(b)]	**54.62%**	51.77%
Manta Baguio Properties Corp. (MBPC) [(b,h)]	**54.62%**	–

(a) Indirect ownership through HMC
(b) Indirect ownership through EPI
(c) Indirect ownership through HMC, CMC and TMC
(d) Direct ownership of 38% and indirect ownership through EPI of 47.34%
(e) Indirect ownership through CEXCI
(f) Incorporated on August 18, 2022; a joint venture of EPI and Shell
(g) Acquired by GRHI on June 30, 2023
(h) Acquired by EPI in November 2024 at 60% ownership

Hinatuan Mining Corporation

HMC was incorporated on October 9, 1979. NAC owns 100% of HMC, which owns and operates the Tagana-an and Manicani mines. HMC's authority to mine the Tagana-an mine derives from Mineral Production Sharing Agreement (MPSA) No. 246-2007-XII-SMR approved in 2007, which replaced 3 mining lease contracts that ran for 25 years from 1980. The MPSA area covers 774 hectares and will expire in 2032. HMC has been mining in Tagana-an since 1980.

HMC also holds the authority to mine the Manicani mine in Manicani Island, Guiuan, Eastern Samar, under MPSA No. 012-92-VIII. The MPSA area covers 1,165 hectares and will expire in 2037.

Cagdianao Mining Corporation

CMC was incorporated on July 25, 1997. NAC owns 100% of CMC, which operates the Cagdianao mine.
The authority to mine the area of the Cagdianao mine derives from an MPSA issued to East Coast Mineral Resources Co., Inc. (East Coast) in 1997. The MPSA No. 078-97-XIII-SMR covers an area of 697 hectares in Valencia, Cagdianao, Province of Dinagat Islands and expired on November 19, 2022. In 1998, CMC signed a Mine Operating Agreement with East Coast which was renewed in 2007 and expired in 2022. The Operating Agreement entitles CMC to mine the MPSA area in return for the payment of royalties to East Coast. The Operating Agreement was amended by the parties and provided for an automatic renewal of such agreement until 2047.

The MPSA of East Coast was renewed on March 2, 2022 for another 25 years from expiration of the first 25-year term on November 19, 2022. CMC was also granted 8 foreshore lease agreements covering the area where the port facility is located, 7 of which will expire in 2037 and 1 will expire in 2036.

CMC started development works at the Cagdianao mine site in 1997 and commenced mining operations in 2001.

Dinapigue Mining Corporation

DMC was incorporated on October 9, 1998. NAC owns 100% of DMC, which operates the Dinapigue mine in Isabela. DMC, which mines the mineral property within the area subject of MPSA No. 258-2007-II, was acquired by the Parent Company in August 2015. DMC started its commercial operation in 2022.

Samar Nickel Mining Resources Corporation
SNMRC was incorporated on March 11, 2010, and is primarily engaged in the exploration, mining and exporting of mineral ores. SNMRC has not yet started commercial operations.

CDTN Services Company Inc.
CDTN was incorporated on December 21, 2020, and is engaged in general engineering construction. It is also engaged in the handling of materials in connection with construction or manufacturing, warehousing, distribution or disposal activities, or other similar activities.

Coral Pearl Developments Limited
CPDL was incorporated on June 18, 2019 in the British Virgin Islands (BVI) under the BVI Business Companies Act 2004, and is primarily engaged in the leasing of aircraft.

La Costa Shipping and Lighterage Corporation
LCSLC was incorporated on October 23, 1992, and is primarily engaged in the chartering out of Landing Craft Transport (LCT) and providing complete marine services. LCSLC was acquired by HMC in April 2010. In May 2014, LCSLC sold all its LCTs to HMC. In April 2024, LCSLC acquired a fast craft.

Falck Exp Inc.
FEI was incorporated on November 22, 2005, and is primarily engaged in the business of exploring, prospecting and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. FEI is currently undergoing dissolution and waiting for SEC approval.

Cordillera Exploration Co., Inc.
CEXCI was incorporated on October 19, 1994 primarily to engage in the business of large-scale exploration, development and utilization of mineral resources. CEXCI has a number of mining properties at various stages of exploration. It is currently not engaged in any development or commercial production activities.

Newminco Pacific Mining Corporation
Newminco was incorporated on October 9, 2006 and is primarily engaged in the exploration, mining, development, utilization, extraction, beneficiation and marketing of minerals and mineral resources. Newminco was acquired by CEXCI in December 2015. It is currently not engaged in any development or commercial production activities.

Taganito Mining Corporation
TMC was incorporated on March 4, 1987. The first commercial shipment from the Taganito mine was made in 1989. TMC's mining authority derives from an MPSA No. 266-2008-XIII-SMR (Amended) executed in 2009, which replaced an Operating Contract entered with the government in 1989. The MPSA covers an area of 4,863 hectares located in the Municipality of Claver, Province of Surigao del Norte. The MPSA is valid for 25 years from the date of approval until 2034. TMC also provides services to THNC which involves the handling, hauling and transportation of materials required in the processing operations of THNC.

Rio Tuba Nickel Mining Corporation
RTN was incorporated on July 15, 1969 to develop the nickel ore deposits discovered at the Rio Tuba mine site in 1967. It was granted rights over the Rio Tuba property in 1970 and commenced mining in 1975. RTN made its first commercial shipment in 1977. RTN's mining authority at Rio Tuba derives from an MPSA No. 114-98-IV Amended initially covering an area of 990 hectares for the first 25-year term. The MPSA was then amended on October 28, 2019, to include an area covered by a separate MPSA application, thereby increasing the area to an aggregate of 4,538 hectares. On December 2, 2021, the MPSA renewal application of Rio Tuba was approved by the MGB and a fresh 25-year MPSA term, commencing on October 8, 2021, was granted subject to the issuance by the National Commission for Indigenous Peoples (NCIP) of a Certification Precondition (CP).

Emerging Power Inc.
EPI was incorporated on October 16, 2007, and is primarily engaged in the renewable energy business. EPI was acquired by the Parent Company by way of loan conversion into equity in July 2015. EPI was the holder

of GRESC No. 2010-02-013. On February 16, 2016, the DOE approved EPI's application to assign its rights and obligations under the GRESC to MGPC under Certificate of Registration No. 2016-02-060.

Mindoro Geothermal Power Corporation

MGPC was incorporated on May 7, 2014, and is primarily engaged in the renewable energy business. MGPC project is estimated to supply 40MW of power over 25 years. MGPC is now the holder of GRESC No. 2010-02-013 upon the approval of an application made by EPI to assign its rights and obligation under the GRESC to MGPC, as discussed in the previous paragraph.

Biliran Holdings Inc.

BHI was incorporated on July 31, 2015, and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of infrastructure, power generation, real estate, manufacturing, trading and agribusiness and to pay other evidence of indebtedness or securities of this or any other corporation.

Northern Palawan Power Generation Corporation

NPPGC was registered with the SEC on July 5, 2017. NPPGC is the developer and owner of the following ground-mounted PV farm projects: 1) Cawag Solar Power Project located in Subic, Zambales and covered by the Solar Energy Operating Contract (SEOC) No. 2023-10-715; and 2) Nazareno Solar Power Project located in Hermosa, Bataan and covered by the SEOC No. 2023-12-804. As at December 31, 2024, the Cawag Solar Power Project is in the development stage while the Nazareno Solar Power Project is in the pre-development stage.

Emerging Energy Resources 1, Inc. (EER 1)

EER 1 was incorporated on February 12, 2024, and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. EER 1 is in the pre-operating stage.

Emerging Energy Resources 2, Inc. (EER 2)

EER 2 was incorporated on February 12, 2024, and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. EER 2 is the developer and owner of the following ground-mounted solar PV farm projects: 1) Cabcaben Solar Power Project located in Mariveles, Bataan and covered by the SEOC No. 2024-04-851; and 2) Sinawal Solar Power Project located in General Santos City, South Cotabato and covered by the SEOC No. 2024-05-866 with the DOE. As at December 31, 2024, both projects are in the pre-development stage.

Emerging Energy Resources 3, Inc. (EER 3)

EER 3 was incorporated on February 12, 2024, and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. EER 3 is in the pre-operating stage.

Emerging Energy Saver Corporation (EESC)

EESC was incorporated on February 2, 2024, and is primarily engaged in the energy business and carry on the business of producing, generating and storing electricity and processing fuel alternative for power generation. EESC is in the pre-operating stage.

Jobin-SQM Inc.

JSI was incorporated on January 6, 2010, and is primarily engaged in power business, including but not limited to power generation, power trading and supply to retail customers and end users. JSI is the holder of Solar Energy Service Contract (SESC) No. 2013-10-039 and SEOC No. 2021-01-577 which covers an area in Morong and Hermosa, Bataan. JSI was acquired by EPI in September 2015 and commenced operations in May 2016. As at December 31, 2024, JSI has a total capacity of 172MW, where 72MW is in testing and commissioning phase and 100MW is in commercial operation.

Greenlight Renewables Holdings, Inc.
GRHI was incorporated on August 18, 2022, and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. GRHI is the joint venture of EPI and Shell.

San Isidro Solar Power Corp.
SISPC was incorporated on February 28, 2022, and is primarily engaged in harnessing solar energy and producing and generating electricity from solar energy and other renewable energy sources. SISPC is the developer and owner of the San Isidro Solar Power Project, a ground-mounted solar PV farm located in San Isidro, Leyte and covered under a SESC No. 2018-11-491 with the DOE. SISPC was acquired by GRHI on June 30, 2023. SISPC is currently in the development and construction stage.

Casilagan Solar Power Corporation
CSPC was incorporated on May 9, 2023, and is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. CSPC is the developer and owner of the following ground-mounted solar PV farm projects: 1) San Antonio Solar Power Project located in San Antonio, Zambales and covered by SEOC No. 2023-12-789; 2) San Juan Solar Power Project located in Botolan, Zambales and covered by SEOC No. 2023-12-790; 3) Tuy Solar Power Project located in Tuy and Nasugbu, Batangas Batangas and covered by SEOC No. 2023-12-795; and 4) Libag Sur Solar Power Project located in Tuguegarao, Cagayan and covered by SEOC No. 2024-07-903. In addition, CSPC is also the developer and owner of Tuy Wind Power Project located in Tuy and Nasugbu, Batangas and covered by Wind Energy Service Contract (WESC) No. 2024-02-379. All solar and wind power projects under CSPC are in the pre-development stage.

SanJuan Solar Power Corporation
SSPC was incorporated on July 26, 2023, and is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. SSPC has not yet started commercial operations.

Sta. Maria Solar Power Corporation
SMSPC was incorporated on July 26, 2023, and is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. SMSPC has not yet started commercial operations.

Tuy Solar and Wind Power Corp.
TSWPC was incorporated on September 13, 2023, and is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. TWSPC has not yet started commercial operations.

San Antonio Solar Power Corp.
SASPC was incorporated on September 14, 2023, and is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. SASPC has not yet started commercial operations.

Manta Baguio Properties Corp.
MBPC was incorporated on May 31, 2018, and is primarily engaged in the real estate business, realty development and other allied activities. EPI acquired 60% ownership in MBPC from Manta Equities Inc. (Manta) in November 2024. MBPC has not yet started commercial operations.

E. RECENT DEVELOPMENTS

Power

- The following wholly owned subsidiaries of EPI were incorporated in February 2024: 1) Emerging Energy Resources 1, Inc.; 2) Emerging Energy Resources 2, Inc.; 3) Emerging Energy Resources 3, Inc.; and 4) Emerging Energy Saver Corporation.
- On February 28, 2024, JSI received the Provisional Certificate of Approval to Connect - Subic Photovoltaic Phase 4A - 72MW from the NGCP, subject to the completion of certain conditions. In the same month, JSI successfully activated the additional 72MW solar capacity at its facility located at Sta. Rita, Subic Bay Freeport Zone, Zambales, thereby expanding its capacity to 172MW.
- On May 3, 2024, the DOE notified MGPC that GRESC No. 2010-02-013 between the DOE and MGPC was terminated due to the latter's delay in complying with its work commitments under the approved Work Program for the years 2021 to 2023. MGPC appealed against the termination of the service contract.
- After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRESC No. 2010-02-013 and approved the proposed 5-year Work Program, subject to non-negotiable milestones. MGPC's failure to comply with the milestone shall result in the termination with finality of the GRESC.
- Pre-development activities on first phase of NPPGC's 145MW Cawag Solar Power Project are almost complete, with construction expected to begin by the fourth quarter of 2024 and target energization by third quarter of 2025. On August 30, 2024, NPPGC received the Facility Study Final Review Report from the NGCP.
- EPI acquired 60% ownership in MBPC in November 2024. MBPC will develop and own the Nazareno Solar Power Project located in Hermosa, Bataan and covered by SEOC No. 2023-12-804.
- SISPC is currently developing 120MW (Phase 1) of its 240MW solar project in San Isidro, Leyte and expected to be completed by June 2025, with commercial operations targeted for December 2025. The Engineering, Procurement and Construction (EPC) contract for another 120MW (Phase 2) has been awarded, with construction set to begin in first quarter of 2025, and aiming for commercial operations by May 2026.

Mining

- The construction of the Dinapigue causeway project was completed on July 4, 2024. The project's final acceptance is scheduled following the 1-year Defects Liability Period, which is anticipated to conclude on June 30, 2025.
- The feasibility of the Manicani nickel project under MPSA No. 012-92-VIII was approved on January 16, 2024, facilitating the transition of the site from care and maintenance status to active operation. Following this shift, HMC's Manicani operation successfully shipped 231,698 WMT in 2024.
- In November 2024, the Parent Company formalize its plan to sell its 15.62% equity share in CBNC to SMM at the projected book value of investment in CBNC as of end of September 2024 to which SMM agreed and accepted. As a result, CBNC ceases to be an associate and the Parent Company's investment in CBNC was reclassified as "Asset held for sale" and no equity gains or losses was recognized starting October 1, 2024.
- On January 31, 2025, the Share Purchase Agreement (SPA) for the sale of CBNC shares was executed by the Parent Company and SMM at a purchase price of ₱1,855.0 million, payable in cash on closing date set on February 10, 2025. SMM, at its discretion, may pay the purchase price in US$ in an equivalent amount based on the spot rate of exchange on closing date. The purchase price was subjected to a confirmation based on an independent valuation performed by an external independent party.
- On February 6, 2025, the Board of Directors (BOD or Board) of HMC approved to sell certain assets, including land and land improvements and office and machinery equipment, located in Surigao City and was previously used as a liaison office for the mines in Surigao. Relative to this, these assets were reclassified under "Assets held for sale" and no depreciation and amortization were recognized thereafter.

F. OUR STRATEGY

NAC's ESG Roadmap embraces the 3 pillars of the global effort to achieve sustainability and impacts everything that NAC does. Under the Environment pillar, NAC is committed to achieve carbon sink status, contribute positively to biodiversity and attain net positive water impact in its operations. For the Social pillar, NAC puts a premium on the good health and well-being of its employees, equal opportunity at all levels and across all backgrounds, and fostering sustainable communities. For the Governance pillar, it practices inclusive leadership and management, a strong organizational culture, and a robust and comprehensive risk management system.

Inspired by its ESG Roadmap, NAC's Vision is anchored on 3 focus areas: Results, Resources and Relationships. For Result (Profit), NAC aims to deliver on its promises to its shareholders through efficiency and effectiveness. For Resources (People and Product), NAC will manage its resource utilization while exploring to expand its business, relying on its people who always strive to be the best in their respective fields. For Relationships (Process and Planet), it will work seamlessly as a company as it maintains a healthy collaborative partnership with its stakeholders to protect its social license to operate.

G. KEY STRENGTHS

The Group believes in its key strengths, which are:

Established leading producer of lateritic nickel ore in the Philippines and worldwide

The Group is the largest nickel mining company in the Philippines. Most of the Group's saprolite ore is sold to Chinese and Indonesian customers, which use the material as feed for electric furnaces to produce high and middle grade NPI. The Group's limonite ore is sold mainly for use as feed for the Coral Bay and Taganito HPAL hydrometallurgical nickel processing plants. The Group has substantial nickel reserves and resources which are complemented by its long history of mining lateritic nickel ore and of acquiring, developing and operating multi-mine facilities. The Group commenced its first mine, Rio Tuba, in 1977 and it has since expanded to 6 operating mines and several nickel development and exploration properties in the pipeline.

The Philippines is a resilient economy and supportive of mining and clean energy policies

The Philippine economy is one of the most dynamic economies in Southeast Asia. The country achieved an average gross domestic product (GDP) growth of 6.6% from 2012 to 2019, but saw disruption brought about by the unprecedented Corona Virus Disease (COVID-19) pandemic in 2020, resulting in a 9.5% GDP contraction that year. However, because of the country's strong economic fundamentals, the Philippine economy recovered to a 5.6% GDP growth rate for 2024 and registered a GDP growth rate of 7.6% for 2022, primarily due to the reopening of offices and establishments despite the Omicron variant-induced COVID-19 cases surge in January 2022. The government recently announced a specific target of sustaining an annual GDP growth rate of between 6.5% and 8.0% by 2028. According to the World Bank, key economic drivers of the Philippine economy include solid fundamentals, a competitive workforce, a stable job market, steady remittances and investment in construction and infrastructure. The Bangko Sentral ng Pilipinas has also recognized the risks posed by a weakening Philippine Peso on the country's inflation rate, both directly via imported inflation and via inflation expectation, especially in the food and energy sectors.

The Philippines has been recovering from its initial impact. In 2021, the country's economic recovery was boosted by the government's policy reforms led by the Bayanihan to Heal as One Act (Republic Act (RA) No. 11469), Bayanihan to Recover as One Act (RA No. 11494), and other expansionary fiscal programs.

Particularly with respect to mining, the government has also signaled its interest in laying down supportive policies that would enable the private sector to maintain long-term stable investment.

In addition, the government issued its Philippine Energy Plan (2020-2040) which reaffirms the country's commitment to renewable energy and illustrates the growth potential within the sector. Under the government's "Clean Energy Scenario", the country's total renewable energy installed capacity is expected to increase to 81.5 gigawatts (GW) by 2040, of which solar energy is expected to contribute 46.1 GW, while wind energy is forecasted to contribute up to 11.8 GW.

While the Renewable Energy Act of 2008 served as an anchor as the Philippines' transition to clean energy, in 2020 the government issued and communicated several policies that accelerated the Philippines' pivot to clean energy such as a coal moratorium, a green energy tariff and auction program, the green energy option and the start of compliance with renewable portfolio standards, which targets to increase the contribution of renewable energy generation to total energy generation in the Philippines to 35% by the end of 2030 from 2.01% as of year-end 2020. These policies aid renewable energy developers and generators in mitigating market exposure and risks related to renewable projects.

Profitable and stable mining business, underpinned by strategic project selection, operational efficiency and competitive cost structure

The Group has maintained a stable nickel ore output of 16 to 18 million wet metric tonnes (WMT) per annum over the last 3 years. To continuously augment its reserves in the medium term, the Group's Dinapigue mine entered the production stage in 2022 and its Manicani and South Upper Guintalunan mines in 2024. The foregoing, combined with low-cost surface mining methods, operational efficiencies and substantial resources and reserves, has led to stable revenue generation and a deep economic moat for the Group's mining business.

Well-positioned to capitalize on structurally favorable supply/demand dynamics underpinning the nickel market

The Group's mining operations produce lateritic nickel ore (further categorized into saprolite and limonite ore) which are mainly exported to Japan for processing into ferronickel and to China and Indonesia for processing into NPI. As of December 31, 2024, the Group is the largest producer of lateritic nickel ore in the Philippines and one of the largest in the world.

In addition to exporting lateritic nickel ore, the Group participates in the global supply chain for EV battery components. RTN and TMC supply low grade limonite ore to the Philippines' only nickel processing plants, Coral Bay HPAL facility and the Taganito HPAL facility which are owned by CBNC and THNC, respectively, and whose customers include electronics conglomerate Panasonic, a main supplier of EV batteries to Tesla. Both the Coral Bay HPAL facility and the Taganito HPAL facility are hydrometallurgical processing plants with capacity to produce nickel and cobalt, materials used in solar cells, super capacitors, and electrode materials.

ESG is in the Group's DNA

ESG has been embedded in the Group's corporate culture since its founding 50 years ago. The Group takes pride that long before the term ESG was coined, the Group was already practicing many of the values that are now fundamental in the global march towards ESG - from environmental stewardship to professional labor relations and corporate governance practices that meet and exceed the requirements of applicable law. The Group operates according to its Sustainability Framework to drive significant and meaningful impact for its stakeholders. Its Sustainability Framework is focused on the 5 pillars of Good Governance, Employee Welfare, Safe Workplace, Environmental Protection, and Community Empowerment, which is aligned with the United Nations Sustainable Development Goals (UN SDG).

After the adoption in November 2021 of its new corporate Vision, which is to contribute to sustainable national development by adopting an ESG Roadmap to achieve the highest standards in the responsible utilization of the Philippines' natural resources, the Group's senior management jointly mapped out commitments for the year 2025 under each of the 3 pillars of ESG. It began to establish baselines for these commitments, with the aim of presenting to the Board a clear picture of where the whole organization is and what investments need to be made to achieve the Vision. The Group also intends to pursue a renewable energy portfolio in line with its goals of becoming the premier ESG investment in the Philippines and to be among the Top 25 Philippine Stock Exchange (PSE)-listed companies in terms of market capitalization.

The Group's operating mines have consistently merited the necessary International Organization for Standardization (ISO) certifications as required under Philippine law. It also complies with the Towards Sustainable Mining standards of the Chamber of Mines of the Philippines, adapted from the standards of the Canadian mining association. Its 4 older operating mines (Rio Tuba, Taganito, Cagdianao and Hinatuan) have won multiple times at the Presidential Mineral Industry Environment Awards, the highest award given by the Philippine government annually in recognition of best practices in the mining industry. These awards were established under a Presidential Executive Order (EO) issued in 1997, pursuant to which all mines and exploration companies must undergo an evaluation process by a selection committee headed by the Secretary of the DENR.

The Group's labor relations are not only compliant with Philippine labor laws but have received official recognition from the Department of Labor and Employment (DOLE) many times as examples of best practices.

The Group's approach to ESG. Under the first pillar, Environment, the Group is committed to be part of the global effort to achieve sustainability through achieving net zero carbon, a net positive biodiversity impact and a net positive water impact.

Under the Social pillar, the Group is committed to ensuring the good health and well-being of its employees, to providing equal opportunity at all levels and across all backgrounds, and to establishing sustainable communities after mine conversion. Mine conversion itself is a NAC-inspired progression from the mine closure concept of post-mining rehabilitation and the turn-over of a mined-out area back to the government. Under mine conversion, the Group explores new options of land use, thereby helping mining area communities transition to new sources of sustainable livelihood.

Finally, under the Governance pillar, the Group has chosen to commit to inclusive leadership and management, to establish a strong organizational culture and to institute a robust and comprehensive risk management system.

Aligned with the UN SDGs. The Group's environment, social, and governance initiatives work in consonance with its overall objective to support the UN SDGs. Focused on 5 key pillars to drive significant and meaningful impact for its stakeholders, NAC's Sustainability Framework effectively aligns its various efforts towards the world's shared goal of enabling long-term positive change.

- *Good Governance (UNSDG 8, 17)*
  The Group strives to act as a responsible corporate citizen and lend its expertise to help engage the public in constructive dialogue and informed debate on issues of importance to it as a company, the mining industry, and the communities it operates.

- *Welfare of Its Employees (UNSDG 4, 5, 8, 10)*
  Each of the Group's employees is respected and valued and the Group fully observes human rights, occupational safety and non-discrimination in the workplace. The Group does its utmost to develop employee potential, compensate fairly and commensurately to performance and provide growth opportunities.

- *Safe Workplace (UNSDG 3, 8)*
  The Group promotes a strong culture of safety embedded in operational excellence and robust risk management. The Group approaches safety with a multi-level focus to empower its personnel to embrace the value of accident prevention and control loss by constantly engaging them in a series of safety-related training and simulations, among others.

- *Protecting the Environment (UNSDG 6, 7, 12, 13, 14, 15)*
  The Group acknowledges its responsibility to protect, reclaim and enhance the environment in which it operates through able management and steadfast environmental stewardship. It addresses environmental impacts through their respective Environmental Protection and Enhancement Program (EPEP).

- *Empowering Communities (UNSDG 1, 2, 3, 4, 8, 9, 10, 11)*

Through the Group's Social Development and Management Program (SDMP), which are mandated social expenditures, and Corporate Social Responsibility (CSR) programs, which are voluntary and go beyond SDMP requirements, it aims to empower its shared communities. These projects are done at all its mine sites and in collaboration and with the support of Local Government Units (LGUs) and organizations. Each SDMP is made in consultation with stakeholders in consideration of the important social, cultural, environmental, and economic factors affecting them.

Relations with communities and regulators are top of mind

The Group works with the mining industry, its host and nearby communities, and government agencies and regulators, toward building resilient and sustainable communities. Over the years, the Group spent on SDMP and CSR programs spanning across indigenous people's rights, education, livelihood, and health, among others.

The Group keeps open the lines of communication with the regulators as this is critical in maintaining a business-friendly environment. The Group has a dedicated team formed by its officers responsible for liaising with key regulatory agencies on a regular basis. One benefit of this regular engagement is that any potential issues are flagged and addressed early, which is important in risk management for any operation, especially in the natural resource development sphere.

As a point of principle, the Group respects and follows all pertinent rules and requirements for responsible mining operations, making sure it is resolutely environmentally compliant. The Group regularly reports its activities through disclosures to the PSE and the Philippine SEC through its Annual and Sustainability Reports, and it adheres to the policies and laws prescribed by the DENR and the attached agencies. The Group has a dedicated team that constantly monitors compliance with environmental laws and regulations, and over the years, it has gained the reputation of being the beacon for responsible and sustainable mining in the Philippines.

Growing renewable energy business provides opportunity to diversify revenue streams and capture substantive investment opportunity in Philippines renewable energy market

The Group, through its subsidiary EPI, is an early mover in utility-scale solar in the Philippines. Leveraging on EPI’s solid track record in project development, investment, execution, and management in heavily regulated and socially impactful industries in the Philippines, the Group believes it is well-positioned to tackle a large and profitable renewable energy market.

The dual growth strategy in mining and clean energy supports the Group’s twin goals to grow its income and diversify the Group’s operations. Further, the pivot to renewable energy is an essential element of the Group’s ESG strategy and is complementary to the government’s goals of achieving energy self-sufficiency and reducing greenhouse gases (GHG) emissions.

Long-standing strategic relationships with key industry players, underpinned by time-tested supply agreements and customer contracts

The Group has cultivated long-term strategic relationships with key industry players in Japan, China and now in Indonesia, with a large proportion of its sales volumes covered by sales agreements and/or long-term contracts. In 2024, its total ore exports to China are approximately 43% and 14% to Japan and other customers, with the remaining 43% being domestic sales to HPAL facilities. Two of its key shareholders, SMM and PAMCO, are also its customers.

The Group began selling nickel ore to the China market in 2005 through several trading companies. It has subsequently rationalized its selling efforts, concentrating on developing strong and mutually beneficial relationships with 3 key Chinese sales agents, namely Ningbo Lygend Wisdom Co. Ltd., Union Wave Holding Pte. Ltd. and Big Wave Resources Co., Limited. With a wide network of customers, these sales agents distribute the Group’s nickel ore to the largest NPI companies in China. The Group believes that its Chinese customers particularly value it as a credible supplier because of its reliability and expertise, backed by considerable years of continuous operations that enables it to continuously meet their ore grade requirements in a timely manner. Over the years, the Group has been able to maintain a good reputation with its customers regardless of the sales agents it uses.

TBEA International Engineering Co., Ltd. (TBEA), an international service provider of system solutions for the global energy industry, is a 10%- shareholder in EPI’s solar energy subsidiary, JSI. TBEA is part of one of the largest and most successful fully integrated power conglomerates in China that manufacture and install power and transmission assets and invest in and operate power plants. TBEA is also one of the top 3 suppliers of silica to tier 1 solar panel manufacturers in China. Under turnkey EPC contracts, TBEA managed 2 recent builds for JSI in the SBFZ.

Strong balance sheet and prudent financial management support future growth expansion
The Group has built up a strong balance sheet and a disciplined capital expenditure program with access to various funding sources. Its current primary sources of funding include retained earnings and bank loans. Its total debt, including short-term debts, long-term debts, fixed payment obligations such as lease liabilities and pension payments, to total assets has remained low over the last 3 years.

The Group implements prudent financial policies and a sound internal control system covering capital management, investment management, risk management and debt management systems, each of which can be further illustrated from the following aspects:

- For capital management, it has sufficient cash flow and liquidity and adopted a centralized capital management system to coordinate its overall financing needs and to prudently optimize financing costs. It also boosted capital utilization efficiency;
- For investment management, it has established a set of internal standards in terms of investment review and management procedures. In deciding on an investment project, it considers its investment return, resource acquisition, consolidation and coordination with current businesses, ESG considerations and risk control;
- For risk management, it puts in place a sound risk management and internal control system and a prudent decision-making mechanism for matters with significant risks; and
- For debt management, it has a healthy level of indebtedness alongside business expansion.

Reputable and experienced board and management team
Given the Group's long operating history, it has developed a board and management team with many years of experience in every aspect of its operations, including experienced mining engineers, geologists and key mechanics who have been exposed to other types of mining operations, such as complex gold and copper operations.

H. PERCENTAGES OF REVENUES FOR 3 YEARS

The following table summarizes percentages of the Group's revenues by year and region for the past three fiscal years:

	Philippines (CBNC and THNC)			China			Japan and Others			Total		
Year	A	B	Total	A	B	Total	A	B	Total	A	B	Total
2024	-	23%	23%	56%	3%	59%	12%	6%	18%	68%	32%	100%
2023	-	29%	29%	63%	6%	69%	2%	-	2%	65%	35%	100%
2022	-	31%	31%	63%	3%	66%	3%	-	3%	66%	34%	100%

A - Saprolite
B - Limonite

I. SOURCES OF RAW MATERIALS AND SUPPLIES

The main supplies that the Group requires to operate its business include diesel fuel, tires and spare parts for its mining equipment. The Group buys diesel and aviation fuel and lubricants from Petron Corporation (Petron), Phoenix Petroleum Philippines, Inc. (Phoenix) and /or Shell Pilipinas Corporation (Shell Pilipinas) and heavy mining equipment, such as trucks and excavators, from 4 manufacturers, namely, Volvo, Komatsu, Sinotruck and Caterpillar, through their Philippine distributors Civic Merchandising Inc., Maxima Machineries Inc, Howotruck (Phils.) Corp and Monark Equipment Corp, respectively. In addition, the Group leases LCTs for use at its mine sites during the shipping season. The Group believes that there are a number of alternative suppliers for all of its requirements.

The Group's existing supply contract with Petron, Phoenix and/or Shell Pilipinas provides that they will supply the entire actual requirement of the operating companies of the group for diesel and lubricants of the highest quality and based on the typical properties agreed in the contract.

NAC's subsidiary, JSI, harnesses the sun for its solar energy power generation. For its operations and maintenance, JSI buys spare parts from local and imported manufacturers and buys fuel from a gas station inside SBFZ for its vehicles and standby genset. For its power projects, TBEA Subic Inc., TBEA, Xinte Energy Co., Ltd. and JAMJLE Properties (Subic) and Development Corp. are their main contractors.

J. GOVERNMENT REGULATIONS AND APPROVALS

In the Group's mining operations, it is guided by clear and stringent parameters set forth by the country's national and local laws accordingly implemented by national, regional, and local agencies, namely: the DENR, the MGB, the Environment Management Bureau (EMB), the Protected Areas and Wildlife Bureau, and the LGUs.

The more significant regulations affecting our operations include the following:

RA No. 7942 (Philippine Mining Act of 1995)

- Section 57 - requires the mining contractor to assist in the development of its mining community, promote the general welfare of the community's inhabitants, and the development of science and mining technology; Section 136 of the Implementing Rules and Regulations of RA No. 7942 requires mining contractors to prepare and implement a 5-year SDMP in consultation and in partnership with the mining contractor's host and neighboring communities
- Section 63 - requires strict compliance with all mines safety rules and regulations that may be promulgated by the DENR Secretary concerning the safe and sanitary upkeep of mining operations and achievement of waste-free and efficient mine development
- Section 69 - requires an annual EPEP for the rehabilitation, regeneration, revegetation, and reforestation of mineralized areas, slope stabilization of mined-out areas, aquaculture, watershed development and water conservation, and socioeconomic development
- Section 71 - requires mine rehabilitation for mined-out areas to the condition of environmental safety, and the creation of a Mine Rehabilitation Fund

Consolidated DENR Administrative Order (CDAO) 2010-21 (CDAO for Implementing Rules and Regulation of RA No. 7942)

- Section 171 - requires an Annual EPEP (based on the approved EPEP)
- Section 173 - requires the organization of a Mine Environmental Protection and Enhancement Officer to be incorporated into the organization structure
- Section 185 - deputizes the Multipartite Monitoring Team to serve as monitoring arm, with the team composed of representatives from DENR Regional Office, Department Regional Office, EMB Regional Office, Contractor/Permit Holder, affected community/ies, affected Indigenous Cultural Community/ies and environmental non-governmental organization (NGO)
- Section 187 - requires a Final Mine Rehabilitation/Decommissioning Plan, including financial requirements up to post-decommissioning

EO No. 26 (National Greening Program) - mandatory reforestation activities outside of mining contract/permit/lease/tenement areas

RA 9003 (Ecological Solid Waste Management Program) - requires waste segregation, promotes recycling, and sets guidelines for Materials Recovery Facility

RA 6969 and DAO 2013-22 - guidelines on proper handling and monitoring of toxic and hazardous waste material

RA 8749 (Philippine Clean Air Act of 1999) - framework for air quality management program

RA 9275 (Philippine Clean Water Act of 2004) - framework for comprehensive water quality management

RA 9371 (Indigenous Peoples' Rights Act) - recognition, protection, and promotion of the rights of the Indigenous Cultural Communities (ICC)/Indigenous Peoples (IP)

RA 9729 (Climate Change Act of 2009) - comprehensive framework for systematically integrating the concept of climate change, in synergy with disaster risk reduction, in various phases of policy formulation, development plans, poverty reduction strategies and other development tools and techniques

DAO 2004-52 - Tree cutting permit

DAO 2015-07 - mandating Mining Contractors to Secure ISO 14001 Certification
Pursuant to the Administrative Order, NAC's operating subsidiaries, TMC, RTN, CMC, and HMC, underwent a yearlong process to identify all environmental impacts, address such impacts, document an Environmental Management Systems (EMS) that complies with the standards, and cascade down the EMS to all employees for their full appreciation and compliance. Following 2 audits conducted by the certifying body, TÜV Rheinland, the 4 operating subsidiaries received their ISO 14001 Certification in 2016.

DAO 2016-1 - prescribing for an audit of metallic mining companies by the DENR
All of the Group's mining companies also abide by commitments stipulated in their Environmental Compliance Certificate (ECC) and specified in their approved Contractor's Plan of Mining Operation.

DAO 2018-20 - prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines, provides for the limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. For mines which produce 9 million WMT per year, the maximum disturbed area shall be 100 hectares. For nickel mining projects with a processing plant or with long-term supply agreements for a processing plant, the maximum disturbed area for extraction shall be 162 hectares or 2 meridional blocks. This DAO requires that temporary revegetation be immediately implemented in the disturbed areas. The Group is compliant with the maximum limits prescribed in this DAO.

Presidential Decree (PD) 1586 - establishing an Environmental Impact Statement (EIS) System including other environmental management related measures and for other purposes

DAO 2003-30 - prescribes guidelines for Implementing Rules and Regulations for the Philippine EIS System consistent with the principles of sustainable development, it is the policy of the DENR to implement a systems-oriented and integrated approach to the EIS system to ensure rational balance between socio-economic development and environmental protection for the benefit of present and future generations.

Electric Power Industry Reform Act (EPIRA)
This EPIRA of 2001 brought about the "Unbundling of the System". Whereas previously, all aspects of the power industry were owned by the Philippine government under the National Power Corporation (NPC), the EPIRA brought about privatization of the generation, transmission, and distribution of electricity. NPC's mandate was significantly reduced to provide electricity to more difficult to reach and off-grid areas of the country.

- The EPIRA sought to bring about:
  - Competitive Generation
  - Regulated Transmission and Distribution
  - Competitive Retail Electricity Providers
- The EPIRA established the WESM, unbundled the electricity tariff for greater transparency, and seeks to provide open access to transmission and distribution lines for all industry players.
- The EPIRA created the ERC as a purely independent regulatory body performing the combined quasi-judicial, quasi-legislative and administrative functions in the power industry. ERC is tasked to promote competition, encourage market development, ensure customer choice and penalize abuse of market power in the power industry. In addition to its traditional rate and service regulation functions, ERC focuses on consumer education and protection, and promotion of competitive operations in the power market.

Renewable Energy Law

The Renewable Energy Act of 2008 encompasses policies that relate to renewable energy and legislative instruments that further encourage its growth - i.e. economic incentives.

- Section 13 states the government share in all renewable energy revenues: 1.5% for geothermal energy and 1% for the rest.
- Section 15 outlines the general incentives: Income Tax Holiday (7 years), Duty-free importation, Special Realty Tax Rates (1.5%), Corporate Tax Rate (10%), Accelerated Depreciation, 0% Value Added Tax (VAT) Rate, Additional Cash Incentive for Off-grid Generation Facilities, etc.

Pending Approval

CEXCI's application for Exploration Permit (EXPA) of the Mankayan area denominated as EXPA-116-CAR, which lies within the Municipalities of Mankayan and Bakun, was converted from the Application for Financial or Technical Assistance Agreement (AFTA)-008 property. The Consensus Building and Decision Meeting has been postponed and CEXCI has deferred the Free, Prior, and Informed Consent (FPIC) process and will resume after the completion of the FPIC of the other applicants. In the Bakun Ancestral Domain (AD), continuous engagements are being made in relation to the MOA negotiation.

The Cervantes property known as EXPA-116-I is also undergoing the FPIC process. Pre-MOA activities have been conducted, and steps are being taken to start the MOA negotiations.

The Aluling EXPA was officially converted from AFTA-008 in April 2022 and denominated as EXPA-123-I. It is currently put on hold until after the resumption of the MOA negotiations in Cervantes. The remaining areas of AFTA-008 were also withdrawn after the conversion.

On May 11, 2022, the NCIP has approved JSI's request to amend the MOA to incorporate the additional powerplant capacity in view of the new 100MW SEOC awarded by the DOE under certain conditions. On February 5, 2024, the supplemental MOA was executed and signed by JSI and Tribong Ayta Ambala ng Pastolan Indigenous. For other areas where other IPs has claims, JSI is still waiting for the NCIP decision as at December 31, 2024.

K. COMPETITION

The Group's mining business competes with both domestic Philippine nickel ore suppliers and foreign nickel ore suppliers (primarily from Indonesia) in world nickel ore markets. Domestic competitors include Carrascal Nickel Corporation, CTP Construction & Mining, PGMC, Global Ferronickel Holdings, Inc. and DMCI Mining Corporation while foreign competitors mainly include PT Aneka Tambang and PT Vale Indonesia Tbk.

On the power business, the implementation of the EPIRA has paved the way for a more independent and market-driven Philippine power industry. This has allowed for competition, not limited by location, and driven by market forces. The sale of power and the dispatch of power plants depend on the ability to offer competitively priced power supply to the market. However, as a registered renewable energy generating unit with intermittent renewable energy resources, JSI's solar power plant is considered "must dispatch" based on available energy and enjoys the benefit of priority dispatch to the grid and the WESM. The Group's power projects which are still either in the exploration or development stage will face competition in the development of new power generation facilities as well as in the financing for these activities.

L. NICKEL ORE TRADE AND OUTLOOK

Nickel Ore Trade

Nickel ore in the country is mainly exported to China, Indonesia and Japan. Primary nickel consumption in China was estimated at 2.1 million tonnes in 2024, which accounted for 64% of global nickel consumption.

Nickel production in China in 2024 was estimated at 1 million tonnes, of which 0.3 million tonnes came from NPI. Based on the Company's research, nickel ore exported to China from Philippines is estimated at 34.5 million WMT in 2024 as compared to 41.5 million WMT in 2023.

China's demand for nickel ore from the Philippines have declined but nickel prices have remained resilient because of Indonesia purchasing of the Philippines nickel ore.

Outlook for Nickel

Global nickel supply in 2024 was estimated at 3.5 million tonnes, while consumption was at 3.3 million tonnes, resulting to 0.2 million tonnes of surplus. The surplus was mainly driven by the oversupply in the stainless-steel sector driven by Indonesia.

Around 57% of nickel supply is used for stainless steel production. The growth in stainless steel production and the growing use for EV batteries is a key factor for the outlook of nickel. Global stainless-steel production in 2024 was estimated at 63.8 million tonnes, which increased by 8% from the previous year, of which, Chinese stainless-steel production accounted for 40.3 million tonnes, an increase by about 17% from the previous year.

Nickel demand for EV is expected to double by 2027.

M. EXPLORATION AND DEVELOPMENT

Nickel Resources

The Group covers a wide area of exploration properties and an exploration program encompassing:

1. Brownfield exploration - consisting of work at its existing operations to extend resources and to upgrade resources to reserves; and
2. Greenfield exploration - which involves exploring and delineating nickel lateritic deposits in its existing properties.

The Group owns more than 100 drilling units that have been designed specifically for drilling near surface lateritic deposits in a quick and economical manner. It also has a pool of experienced geologists and laboratories at each mine site to assess samples as required.

Below is a summary of the Group's exploration and development properties:

Upper Guintalunan (South, Central and North): • Total area of 3,604 hectares • In March 2024, mining operations started in South Upper Guintalunan area with some areas still under development; Continuous drilling and exploration activities will be conducted in Central and North areas	Location: **Palawan Island** Ownership: **RTN**

Description of Exploration and Development Projects

South Upper Guintalunan - In 2024, RTN's drilling operations concentrated efforts on the development of areas with lacking geologic data. With the successful drilling campaign in West Ibelnan in 2023, RTN geology decided to extend development drilling to the north of West Ibelnan towards the foothills of the Upper Guintalunan Area. A total of 521 holes were drilled equivalent to 5,827 meters. This drilling campaign aimed to develop in-situ mineral resources up to indicated category.

Gold and Copper Resources

Cordillera Exploration Company, Inc.

CEXCI has been active in the mineral exploration sector since its acquisition by NAC in November 2010. Over the years, CEXCI has expanded its exploration portfolio by acquiring new projects. CEXCI's activities are focused within the provinces of Benguet, Ilocos Sur, Zambales, and Isabela, where the company holds several EPs and EXPAs.

In 2024, CEXCI made compelling progress across various projects, including exploration work efforts, community engagement, and environmental care initiatives. At the Marian Project in Isabela, CEXCI successfully completed a drilling campaign with 13 drillholes, totaling 3,776 meters. This important drilling program was complemented by geological studies and environmental rehabilitation efforts. At the Zambales Project, a drone magnetic survey covering 211 line-kilometers was conducted, revealing potential mineralization beneath the surface. In North Luzon, CEXCI maintained ongoing engagement with indigenous communities residing within the project areas of Mankayan, Bakun, and Cervantes.

Zambales
CEXCI acquired the Zambales Project (Newminco) in December 2015. Located in the municipalities of Cabangan, San Felipe, and San Marcelino, the project began exploration activities in 2016, focusing on geological and surface studies. These early investigations identified several promising areas, including the Malabeg prospect, which was targeted for diamond core drilling. A total of 3,800 meters of drilling was completed, confirming the presence of gold mineralization at Malabeg. However, further analysis showed that mineralization was not economically viable as it is. Environmental rehabilitation work was carried out and successfully completed in the drilled areas. In 2017, CEXCI conducted a soil sampling program across the entire project area to identify potential targets for further exploration.

The project's initial EP expired in July 2017 but was renewed in September 2020. By mid-2021, more detailed sampling and geological studies had significantly improved the exploration model. In 2022, a drone magnetic survey was conducted over the Takipan-Malabeg-Mabibituin Corridor, which successfully identified potential intrusive bodies that could be of interest for further exploration.

By 2023, the Zambales Project suggested the presence of gold and copper deposits, especially in the Dingin area, based on mapping and soil samples. In 2024, a drone survey in the Southern Dingin area was initiated but its completion was delayed by typhoons. CEXCI requested and received an extension from the MGB to continue exploration until March 2025. Plans for another survey in the Northern Dingin area were set for January 2025, and documents were submitted for EP renewal. Throughout the year, CEXCI maintained a strong commitment to environmental and community development.

Isabela and Nueva Vizcaya
The Marian Project, situated in Isabela and Nueva Vizcaya, was acquired in April 2019 through a Deed of Assignment with Royalty Agreement. Initially designated as APSA-000021-II, the property encompassed 6,325 hectares and exhibited porphyry copper outcrops and a historical gold deposit mined during the 1970s and 1980s. Recognizing the significant mineralization potential, CEXCI initiated the conversion of the APSA into an EXPA in July 2019. This application was subsequently approved in December 2022 and registered as EP-000026-11 in January 2023, encompassing a revised area of 5,544 hectares.

Early exploration activities at the Marian Project focused on geological and surface studies, which successfully identified areas for mineralization. By 2023, a comprehensive geophysical survey was implemented to further refine the geological understanding of the project's area. These exploration efforts achieved targets for scout drilling, paving the way for drilling campaign in 2024.

Building upon the exploration work done in 2023, the 2024 scout drilling program strategically integrated various data to generate drill targets within the Marian tenement. Towards the conclusion of the third quarter, thirteen drillholes were completed, achieving a total drilled depth of 3,776 meters. Meticulous geological logging of all drill cores was finalized before the year's end, revealing evidence of potential epithermal veining mineralization. The assay results for all drill core samples submitted for laboratory analysis are anticipated to be available by the first quarter of 2025. Utilizing the available data, a preliminary study of the Marian vein system is currently under development.

Concurrently, detailed geological studies were conducted across an area exceeding 700 hectares within Barangays Villamiemban and Camarao, accompanied by the collection of rock samples for subsequent geochemical analysis. Soil sampling within the Camarao area commenced in August and was completed by the end of the fourth quarter.

EXPA 116 - CAR Mankayan

The Mankayan Project, carved out of the original Financial or Technical Assistance Agreement application, AFTA-008, is situated within Benguet province. It was converted to an EXPA designated as EXPA-116-CAR covering 2,419 hectares. Subsequent to its conversion into an EXPA, the project underwent a mandatory Field-Based Investigation (FBI) conducted by the NCIP as an integral component of the FPIC process. The progression of the FPIC process encountered significant delays attributable to local elections and the unforeseen impact of the COVID-19 pandemic. These setbacks ultimately culminated in the issuance of a Resolution of Non-Consent by the Mankayan AD in 2022. In response, CEXCI formally filed a Motion for Reconsideration while concurrently maintaining consistent engagement with local communities to foster understanding and cultivate support for the project.

In 2024, the primary focus for CEXCI within the Mankayan Project remained the facilitation of continued community engagement in preparation for the resumption of the FPIC process. A significant initiative undertaken during this period was a comprehensive medical and dental mission in Barangay Cabiten. CEXCI endeavors to cultivate a strong foundation of mutual respect and shared aspirations, ultimately aiming to realize long-term, mutually beneficial outcomes for the ancestral domain and its inhabitants.

EP –010-2022 - Bakun

The Bakun Project, also carved out of AFTA- 008, achieved a critical milestone in March 2022 with the attainment of FPIC leading to a MOA negotiation from the Bakun AD following a series of comprehensive community assemblies. However, the subsequent MOA negotiations encountered temporary setbacks due to unresolved FPIC-related issues. Despite these challenges, CEXCI maintained consistent engagement with both the local community and relevant regulatory agencies to effectively address these concerns. It has been granted a conditional EP designated as EP-010-2022-CAR by the MGB.

In 2024, CEXCI continued to demonstrate its commitment to the well-being of the local communities through the implementation of various health and agricultural initiatives. A medical and dental mission was conducted in Barangay Dalipey with healthcare services subsequently extended to the neighboring Barangay Bagu. This initiative played a crucial role in improving the quality of life for residents within these remote communities by providing access to essential healthcare services.

Continuous efforts were undertaken throughout the year to resume the MOA negotiations, facilitated through ongoing dialogue with both regulatory agencies and the local community. These concerted efforts are viewed as pivotal in fostering an environment of open communication and collaboration, ultimately paving the way for mutual growth and prosperity.

EXPA 116-I - Cervantes

The Cervantes Project, encompassing an area of 6,012 hectares within Ilocos Sur, was initially initiated as part of AFTA-008 and subsequently converted into an EXPA. Early project activities prioritized community engagement with ICCs by undergoing FPIC process. Prior to commencing consultations with the indigenous community, the NCIP conducted a comprehensive FBI. In March 2017, a compelling milestone was achieved with 6 out of 9 barangays within the project area voting in favor of the proposed exploration program. However, subsequent progress was impeded by the emergence of written protests and petitions submitted by dissenting community members. CEXCI maintained consistent engagement with all relevant stakeholders, including securing consent from agrarian reform beneficiaries. During the COVID-19 pandemic, activities continued though not full-scale. The FPIC process resumed in May 2022. Despite encountering challenges, including the withdrawal of support from some Indigenous Peoples Mandatory Representatives (IPMRs), CEXCI continued to demonstrate its commitment to the community by providing consistent support to various community projects and initiatives. The NCIP subsequently conducted further validation activities to comprehensively document the prevailing sentiments of the community regarding the proposed exploration project.

CEXCI has consistently maintained open and constructive engagement with all local stakeholders. In September 2024, a significant transition occurred with the election of new IPMRs, resulting in the inclusion of 4 new members within the council. This transition provided a valuable opportunity for CEXCI to reaffirm its commitment to fostering strong working relationships with community leaders. CEXCI remains dedicated to assisting community members in their endeavors, cultivating mutually beneficial partnerships, and ensuring that its presence within the community serves as a catalyst for positive development. These initiatives will hopefully bear fruit in the form of the resumption of the MOA negotiations leading to the issuance of a CP, a requirement for the granting of the EP by MGB.

Mountain Province and Benguet
On December 13, 2020, 3 portions of AFTA-008 within the provinces of Benguet and Mt. Province were converted to EXPAs, denominated as EXPA 119 covering an area of 3,645 hectares within Mt. Province; EXPA 120 covering an area of 2,835 hectares in Mt. Province and Benguet province; and EXPA 121 covering an area of 5,751 hectares in Mt. Province. The remaining areas of AFTA-008 in the Cordillera Administrative Region (CAR) were withdrawn.

Groundwork for the EXPAs commenced with the engagement of a consultant to get a consensus on the stand of the communities with regards to mineral exploration and mining. The results showed that it would be difficult to obtain a social license to operate. This was further validated by a team composed of CEXCI's personnel. The withdrawal of the 3 applications was submitted and approved last February 2023.

AFTA-008 Aluling
The remaining portions of AFTA-008, covering 3,869 hectares in the municipality of Cervantes, province of Ilocos Sur, was officially relinquished in April 2022. The other remaining portion of about 2,835 hectares in Brgy. Aluling was converted to an EXPA denominated as EXPA-123-I. Planned pre-FBI/FPIC activities in Aluling will be deferred until after the MOA negotiations in Cervantes have been conducted.

N. ENVIRONMENT AND REHABILITATION

Environmental Responsibility
The Group adheres to the principles and practices of sustainable development. The Group is committed to complying and following environmental regulations by implementing best practices in managing environmental impacts of its operations. Mining is a temporary land use and once mining operations in its sites have ended, the Group plans to restore these properties to at least as close as possible to their pre-mining condition or to develop alternative productive land uses for the benefit of the surrounding communities. It is also committed to investing in programs and technologies to mitigate the anticipated impacts of mining activities.

To manage environmental impacts, the Group's subsidiaries have an EPEP. This refers to the comprehensive and strategic environmental management plan for the life of mining projects to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment.

It is the operational link between the environmental protection and enhancement commitments under CDAO 2010-21, consolidated implementing rules and regulations of RA No. 7942, as well as those stipulated in the ECC under PD 1586 and the contractor's plan of mining operation.

Activities undertaken through the Annual EPEP include, among others:

- Rehabilitation of mine disturbed areas
- Reforestation
- Construction and/or maintenance of environmental facilities
- Solid waste management
- Hazardous waste management
- Air quality monitoring and water quality monitoring
- Preservation of downstream water quality

The Group also complies with the ECC conditions and the performance of commitments through the Annual EPEP. This program is monitored and evaluated by the Multipartite Monitoring Team - a multi-sector group headed by a representative from the Regional MGB and representatives of LGUs, other government agencies, NGOs, people's organizations, the church sector and the Group. In 2024, the Group spent approximately ₱514.4 million on its EPEP.

Rehabilitation
In line with its commitment to maintain a sustainable environment in its areas of operation and to abide by the Philippine Mining Act of 1995, the Group regularly conducts onsite environmental assessments to ensure that all its subsidiaries are strictly implementing progressive rehabilitation within standards set by regulatory agencies.

The process begins with re-contouring, backfilling, and leveling the land. After this, the area is covered with topsoil and other soil amelioration strategies to provide fertile ground for planting.

The Group follows the “Sequential Planting Method”, wherein fast-growing species are first planted, then provided with a vegetative cover within 12 to 18 months to enable the planting of other species. Another successful method used is by utilizing large planting materials which resulted to more than 90% survival and high growth rate.

Creating a biodiversity area with varied species of vegetation including native fruit bearings trees will eventually be a source of food for a variety of wildlife species that will aid in rehabilitating mine affected areas by way of succession and regeneration. The rehabilitation effort is managed by the Group’s expert foresters with the help from IPs from the locality, and the Group has successfully demonstrated that a totally mined out area can be significantly re-vegetated in just 12 to 18 months.

The result is a sustainably managed forest far better than the stunted vegetation before, because of the mineralized nature of the soil.

As a means of restoring the disturbed areas from mining operations, the Group requires each mine site to create a decommissioning/closure plan. The closure plan includes the process in which mined-out areas will be rehabilitated and monitored, until the rehabilitation criteria set by MGB are successfully satisfied. The program for final rehabilitation and decommissioning includes social package which include livelihood components for the host communities and the affected employees of our companies. The 5 operating subsidiaries have already developed their respective plans for review and approval of the MGB.

Mine Rehabilitation, a requirement under the Philippine Mining Act of 1995, is part of sustainable development. It forms part of the best practices of the Company’s subsidiaries. Following the “Sequential Planting Method” used by the Group, fast growing species or Pioneer Species such as Batino, Acacia mangium, Acacia auriculiformis and others - all grown and nurtured in the Group’s nurseries - are planted first. These species provide vegetative cover within 3 years to enable the planting of “Climax Species” like Apitong, Ipil, Narra, Almaciga, Agoho, Kamagong and others which need tree shade to grow. They form the core of the new forest stands. Native fruit-bearing trees are also planted to provide a source of food for wild animals that will eventually populate the forest. To ensure the survival of all these trees, the Company’s subsidiaries manage the rehabilitation program through their forestry teams. Composed mostly of indigenous people from the surrounding areas, each forestry team conducts a maintenance program that includes watering the trees during summer, ringweeding cultivation around seedlings, application of compost and other related activities. The work of the forestry teams has resulted in a survival rate of 85%-95% for the trees.

As of December 31, 2024, the Group recognized a provision for mine rehabilitation and decommissioning of ₱927.4 million. Funds for mine rehabilitation and other environmental guarantee funds are established and deposited in trust funds, as required by the Philippine Mining Act. The Group has ₱913.1 million maintained in such trust funds as of December 31, 2024. This amount complies with the minimum requirement under the law.

In 2024 and 2023, the Group planted trees of about 296,890 and 341,275, respectively.

O. SOCIAL RESPONSIBILITY

Mining

The Group endeavors to be a valuable partner for economic and social progress. As a corporate citizen, it recognizes the great privilege of sharing the opportunities and the responsibilities afforded by doing business in the country. The principles of sustainable development clearly identify for the Group its obligation to make every effort and ensure that the benefits of development reach every stakeholder.

Social development programs are created and implemented in all the mines. The focus areas of these programs are designed to address the needs of communities around the mine sites. These programs are carried out through the SDMPs and CSR activities of the Group. The main difference between the 2 programs is that the SDMP is required by the government, while CSR is voluntary on the part of the Group.

The Group engages with residents, LGUs, government agencies, local NGOs, international agencies and other interested groups to understand concerns, identify needs and design projects that will facilitate long-term and beneficial resource development. Each of the operating mines manages their social expenditures through its respective SDMPs. These are 5-year programs that contain a list of priority projects identified and approved for implementation, in consultation with the host communities. Each site has a community relations team that is in charge of identifying and implementing SDMPs and maintaining strong relationships with communities. Annually, the Group sets aside a budget for SDMP projects that focus on health, education, livelihood, public utilities, and socio-cultural preservation. The implementation of the programs is monitored, audited, and evaluated by the MGB.

The Group also recognizes the rights of the IPs and ICC and in compliance with the Indigenous Peoples Rights Act, its subsidiaries entered into agreements for royalty payments and other assistance for their socio-economic well-being.

The Group respects and values each of our employees and observes the fundamental tenets of human rights, occupational safety, and non-discrimination in the workplace. The Group implements a Safety and Health Program in all its operating mines and provides the equipment, training and resources necessary to enable its employees to perform their work safely and without risk to their health. The Group has committees and labor management groups that monitor its health and safety programs. The Group believes that security goes hand in hand with safety in the workplace and has adopted security policies and systems founded on the protection of basic human rights and respect for people.

Beyond the mandatory SDMP programs, the Group carries out its own CSR programs. The details of the Group's Social Responsibility initiatives are set forth in the Integrated Report attached to and made an integral part of this Annual Report.

P. EMPLOYEES

As of December 31, 2024, we had a total of 2,353 regular employees. Of these, 2,020 are employed in mining operations and projects, 255 head office employees and 78 are employed in power plant operations.

The tables below show the distribution of our workforce (full time regular employees only):

Head Office

	NAC	CMC	HMC	TMC	RTN	CEXCI	DMC	CDTN	EPI	JSI	MGPC	GRHI	SISPC	Total
Senior Management	36	1	-	-	-	2	-	-	7	-	-	1	-	**47**
Managers	40	-	1	1	2	3	-	-	11	-	-	6	2	**66**
Supervisors	37	1	3	2	4	3	-	-	5	4	-	8	1	**68**
Rank & File	35	5	3	5	5	5	1	-	9	-	-	4	2	**74**
Total	**148**	**7**	**7**	**8**	**11**	**13**	**1**	**-**	**32**	**4**	**-**	**19**	**5**	**255**

Minesite/Project Field Office

	NAC	CMC	HMC	TMC	RTN	CEXCI	DMC	CDTN	EPI	JSI	MGPC	GRHI	SISPC	Total
Senior Management	-	-	1	1	1	-	-	-	-	-	1	-	-	**4**
Managers	2	14	23	43	30	-	14	4	-	7	-	-	1	**138**
Supervisors	6	19	32	155	67	-	23	9	-	3	1	-	2	**317**
Rank & File	16	195	209	492	407	-	99	182	-	32	4	-	3	**1,639**
Total	**24**	**228**	**265**	**691**	**505**	**-**	**136**	**195**	**-**	**42**	**6**	**-**	**6**	**2,098**

Each mine site and project field office also provide work opportunities for the communities. The tables below show a breakdown of the workforce (full time, contractual, probationary, and casual) hired from the local communities in each area of operation:

Minesite	Manpower from local community	Indigenous People
Regular	893	65
Probationary	17	-
Project-based/Seasonal	799	103
Total	**1,709**	**168**

Plant site	Manpower from local community	Indigenous People
Regular	48	5
Probationary	1	1
Project-based	-	-
Total	**49**	**6**

The Group complies with all government standards on the wages and labor regulations in the Philippine mining and renewable energy industries. We also ensure that we are aligned with the specific regulations from the respective DOLE regional offices. In the case of unions, employment conditions for rank-and-file employees are provided by Collective Bargaining Agreements (CBA) which are negotiated at the mine level. Generally, these CBAs have terms of 5 years (with a provision for wage renegotiation after 3 years).

RTN is the only operating company with 2 unions: Rio Tuba Nickel Workers' Union for the rank-and-file employees, and RTN Supervisors Union-FFW for the supervisory employees. Rio Tuba Nickel Workers' Union signed its CBA covering the years 2021-2025 on December 9, 2021. The negotiations for the fourth- and fifth-year supplement to the CBA, which tackled changes to the economic terms for the years 2024 and 2025, was recently concluded on February 22, 2025. RTN Supervisors Union-FFW signed its CBA covering the years 2023-2028 on December 9, 2024. Both CBAs adopt a two-tiered salary increase scheme wherein the daily wage increases are divided into 2 - an across-the-board increase, and a productivity-based increase.

A renewed CBA between HMC and Hinatuan Mining Labor Union (rank-and-file) was signed on October 26, 2023. The new CBA adopted the NAC-wide two-tiered wage increase with 60% as performance-based and 40% as fixed or guaranteed increase for the next 3 years.

The last 2 years of the 5-year term between Taganito Labor Union (rank-and-file) and TMC expired last January 31, 2023. The re-negotiation was completed after 3 sessions which started last December 5-7, 2022, and concluded in March 10-11, 2023. The CBA Supplemental Agreement was signed last March 24, 2023.

For Cagdianao Mining Workers Union (rank-and-file), the first 3 years of their 5-year term CBA expired on December 31, 2023. The renegotiation for the last 2 years of the CBA was concluded and signed on May 16, 2024.

The latest addition to the unionized rank-and-file employees, CDTN Company Workers Union, and CDTN also agreed to adopt the two-tiered wage increases in their first CBA. The first 3 years of the CBA took effect on May 21, 2022 until May 23, 2025.

The compensation of the Group is among the best in the Philippine mining industry and its relations with employees and unions are very productive. We have received awards for Union and Management partnering programs. The Group continues to forge and sustain productive partnerships with our unions and their federations.

Pension Costs
The Group provides its regular employees with a retirement benefit as part of its employment benefits. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries. The assumptions include among others, discount rates and future salary increase rates.

Defined benefit costs comprise the following:

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

These amounts are calculated periodically by independent qualified actuaries.

Q. RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Risks Related to the Group's Mining Business and Industry

The Group's business is sensitive to the volatility of London Metal Exchange (LME) nickel prices
The Group's revenue is largely dependent on the world market price of nickel as the sales price of nickel ore is correlated with the world market price of nickel.

Nickel prices are subject to volatile price movements over time and are affected by numerous factors that are beyond the Group's control. These factors include global supply and demand; expectations for the future rate of inflation; the level of interest rates; the strength of, and confidence in, the U.S. dollar; market speculative activities; and global or regional political and economic events, including changes in the global economy. A growing world nickel market and increased demand for nickel worldwide have attracted new entrants to the nickel industry, spurred the development of new mines and expansion of existing mines in various regions, including Australia, Indonesia, and New Caledonia, and resulted in added production capacity throughout the industry worldwide. An increasing trend in nickel prices since early 2003 has encouraged new or existing international nickel 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 the Group receives under the Group's nickel ore supply agreements. For example, due to the implementation of Indonesia's ore export ban effective January 2020 and strong growth of the Chinese stainless-steel sector in 2021, China's demand for nickel ore from the Philippines and the price at which such nickel ore was sold increased in 2021, and such a trend continued in 2022. In 2023, Indonesia produced an estimated 40.2% of the world's nickel in 2023, according to S&P Global Market Intelligence Data. With a lot of supply coming from Indonesia at lower operating cost, it allows the Indonesian nickel producers to weather lower nickel prices as other nickel producers struggle and cut down production and the surplus in the market pushed the nickel prices to go down. Analysts projected a nickel surplus through 2028 and forecast a 26.1% drop in the 3-month nickel price in 2024, following a 44.7% decline in 2023. The Group also believes that the continued growth of stainless-steel production (and in particular by China) and the increase in demand for EV worldwide will sustain higher LME nickel prices. Just recently, the US government signed into law the Inflation Reduction Act which includes, among other climate change programs, tax credits on EV purchases which is expected to drive greater access to and demand for EV.

If the sales price of the Group's nickel ore falls below the Group's production costs, the Group will sustain losses and, if those losses continue, the Group may curtail or suspend some or all the Group's mining and exploration activities. The Group 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 the Group's nickel reserves and resources. These factors could have an adverse impact on the Group's business, results of operations and financial condition.

There is currently no spot market for nickel ore and as a result, the Group's failure to source purchasers of the Group's nickel ore would materially and adversely affect the Group's business, results of operations and financial condition

The Group's mining operations business primarily involves the production and sale of nickel ore. Nickel ore is not a finished metal product and there is no established spot market where the Group's product can be sold. The Group must sell the Group's nickel ore through negotiated contractual arrangements with third parties. Accordingly, the Group's failure to source purchasers for the Group's nickel ore would have a material adverse effect on the Group's business, results of operations and financial condition.

Changes in Chinese demand may negatively impact world nickel demand and prices and could have an adverse effect on the Group's business, results of operations and financial condition.

Approximately 52% of the Group's revenue in 2024 was derived from sale of nickel ore to Chinese customers. While this increase represents a significant business opportunity, the Group's exposure to China's economy and economic policies has increased. The Group's exposure to the Chinese market and its short-term supply agreements with Chinese customers have resulted in increased volatility in its business. In addition, increased Chinese demand for commodities has led to high volatility in the freight rates for shipping the Group's nickel ore. High freight rates can discourage customers outside the Philippines from entering into long-term supply agreements with the Group due to the unpredictability of future shipping costs and can also affect the price Chinese customers are willing to pay for its nickel ore.

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

More than a quarter of China's GDP comes from its real estate industry. If the current issues affecting China's real estate industry persists, experts believe that other industries may get affected. These include the engineering and construction industry and other small scale steel producers. Consequently, the country's demand for nickel ore may slow down.

The Group's reserves may not be replaced, and failure to identify, acquire and develop additional reserves could have an adverse impact on its business, results of operations and financial condition

The Group's sources of nickel ore are currently limited to the Rio Tuba, Taganito, Cagdianao, Tagana-an, Manicani and Dinapigue mines. The Group's profitability depends substantially on its ability to mine, in a cost-effective manner, nickel ore that possesses the quality characteristics desired by its customers. Because the Group's reserves decline as it mines its nickel ore, its future success and growth depend upon its ability to identify and acquire additional nickel ore resources that are economically recoverable. Currently, the Group has 1 nickel mining exploration property in the Philippines and if it fails to define additional reserves on any of its existing or future properties, its existing reserves will eventually be depleted.

A failure to discover new nickel resources and define reserves on such resources, enhance the Group's existing reserves or develop new operations to maintain or grow the Group's reserves would materially and adversely affect the Group's business, results of operations and financial condition.

If the Group is unable to supply customers with nickel ore in the agreed volume or with the agreed characteristics, the Group's business, results of operations and financial condition would be adversely affected

Sales of the Group's nickel ore are made through contractual arrangements with third parties. These ore supply agreements typically contain provisions requiring the Group to deliver nickel ore with certain specified characteristics, such as nickel content, iron content and moisture content. Failure to meet any of these specifications or other quality thresholds could result in economic penalties, including price adjustments, rejection of deliveries or termination of such agreements. In addition, the Group may not be able to deliver the agreed quantities of nickel ore to the Group's customers under the Group's agreements with them because of adverse weather, which could affect the Group's ability to mine the nickel ore or to load the Group's nickel ore onto barges and LCTs, equipment and machinery failures and operational difficulties, difficulties in acquiring essential machinery, equipment and spare parts or disputes with the Group's employees or contractors. If the Group is unable to supply the Group's customers with nickel ore in the agreed volume or with the agreed characteristics in the future, the Group's business, results of operations and financial condition would be adversely affected.

The Group's reserve and resource estimates may not accurately reflect the Group's nickel deposits, and inaccuracies or future reductions in the Group's reserve or resource estimates could have an adverse impact on the Group's 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 the Group will receive the price assumed in determining the Group's 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 the Group believes that the reserve and resource estimates 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 proved 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 proved or probable reserves.

If the Group's reserve or resource figures are reduced in the future, this could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's actual production may not meet the Group's estimates, which could have an adverse impact on the Group's business, results of operations and financial condition

The Group prepares estimates of future production and future production costs for particular operations. No assurance can be given that production estimates will be achieved. The accuracy of these production estimates is based on, among other things, the following factors: reserve estimates; assumptions regarding ground conditions and physical characteristics of ore materials, such as the presence or absence of particular metallurgical characteristics; estimated rates and costs of mining; and weather condition assumptions.

Actual production may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the nickel ore reserves, such as the need for sequential development of nickel ore bodies and the processing of new or different nickel ore grades; risk and hazards associated with mining; natural phenomena, such as inclement weather conditions, earthquakes, landslides and erosion; and unexpected inability to obtain spare parts, labor shortages or strikes.

Failure to achieve production estimates could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's future exploration and development activities may not be successful, and, even if the Group makes economic discoveries of nickel ore deposits, unexpected problems during the start-up phase of any new operations could have an adverse impact on the Group's business, results of operations and financial condition

Exploration for and development of nickel properties involve financial risks which may not be eliminated even with a combination of careful evaluation, experience, and knowledge. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into productive mines. The Group can provide no assurance that the Group's current exploration and development programs will result in profitable commercial mining operations or will replace production at the Group's existing mining operations. Also, the Group 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, the Group 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 largely based upon detailed geological and engineering analysis. The Group also conducts feasibility studies which 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 the Group's 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. These additional costs could have an adverse impact on the Group's business, results of operations and financial condition. If the Group's exploration program is not successful, the Group's business, financial condition, results of operations and prospects would be adversely affected.

The Group plan to undertake the exploration of gold and copper and the resources applied to any such undertakings may not necessarily generate revenues in the future

The Group's growth strategy involves the exploration for gold and copper through CEXCI. The Group's gold and copper exploration strategy will depend on, among other things, the Group's ability to assess these and other potential mining properties, the Group's ability to secure the rights to mine such properties upon discovery of commercially viable deposits, and the Group's ability to successfully finance the development of such properties. Although a number of the Group's managers and technical staff have experience in gold and copper mining, the Group's expertise is open pit mining of nickel ore, and the Group may not be successful in the Group's gold and copper exploration strategy.

Whether any mineral deposits to which the Group acquires mining rights will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may result in the Group not receiving an adequate return on invested capital.

If the Group discovers a viable gold or copper deposit, it usually takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. Moreover, the Group will use the evaluation work of professional geologists, geophysicists, and engineers for estimates in determining whether to commence or continue mining. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization. There is no certainty that any expenditures made by the Group towards the search and evaluation of gold or copper deposits will result in discoveries of commercial quantities of ore. To the extent that the Group identifies gold or copper resources on the Group's exploration properties, the Group intends to estimate any gold or copper resources and reserves in accordance with the Philippine Mineral Reporting Code (PMRC) 2020.

The Group faces competition in selling nickel ore

The Group competes with both domestic Philippine nickel ore suppliers and foreign nickel ore suppliers in world nickel ore markets. Notable domestic competitors include Carrascal Nickel Corporation, CTP Construction & Mining, PGMC, Global Ferronickel Holdings, Inc. and DMCI Mining Corporation, while foreign competitors mainly include PT Aneka Tambang and PT Vale Indonesia Tbk. The Group competes with other nickel ore suppliers primarily based on ore quality, price, transportation cost and reliability of supply. The Group's inability to maintain the Group's competitive position based on these or other factors could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Fluctuations in transportation costs and disruptions in transportation could result in significant changes in nickel ore prices

Transportation costs, which can represent a significant portion of the total cost of nickel ore purchased by the Group's customers, are an important factor in their purchasing decisions. Transportation costs can 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 the Group's ore supply agreements, the customer is responsible for paying transportation costs. Any future increases in freight costs could make it uneconomical for the Group's customers to purchase and ship the Group's nickel ore and could result in a significant decrease in the volume of nickel ore that the Group sells to customers outside the Philippines.

The Group depends upon ships to deliver nickel ore to the Group's 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. Any of the foregoing events could materially and adversely affect the Group's business, results of operations and financial condition.

Failure to obtain, sustain or renew the Group's mineral agreements, operating agreements and other permits and licenses necessary for the Group's business could have an adverse effect on the Group's business, results of operations and financial condition

The Group relies on permits, licenses (including MPSAs), operating agreements with third-party claim owners and land access agreements to conduct the Group's mining operations. Specifically, the issuance of EO No. 79 led to a moratorium on the issuance of new permits pending legislation rationalizing the existing revenue sharing schemes and mechanism. However, this moratorium on new permits was lifted by EO No. 130 issued on April 14, 2021. Moreover, the MPSAs and operating agreement with respect to its operating mines expire at different times between 2017 and 2047 and require renewal upon expiration. The Group believes that its subsidiaries and affiliates currently hold or have applied for all necessary licenses, permits, operating agreements and land access agreements to carry on the activities that it is currently conducting under applicable laws and regulations, licenses, permits, operating agreements and land access agreements. The Group may be required to prepare and present to government authorities data pertaining to the impact that any proposed exploration or production of ore may have on the environment, as well as efficient resource utilization and other factors that its operations may influence. The process of obtaining environmental approvals, including the completion of any necessary environmental impact assessments, can be lengthy, subject to public input and expensive. Regulatory authorities can exercise considerable discretion in the terms and the timing of permit issuance or whether a permit may be issued at all. Accordingly, the approvals needed for the Group's mining operations may not be issued or renewed or, if issued or renewed, may not be issued in a timely fashion, or may involve requirements that may be changed or interpreted in a manner which restricts its ability to conduct its mining operations profitably.

Furthermore, new laws or regulations, or changes in the enforcement or interpretation of existing laws or regulations, may require substantial increases in the Group's equipment and operating costs to obtain approvals required by, or to otherwise comply with the conditions imposed by, such new or revised laws and regulations. The need to obtain such new or revised approvals or to comply with additional conditions may also cause material delays or interruptions of one or more of the Group's current or planned operations or developments or, to the extent such approvals or conditions cannot be obtained or met on an economical basis, the curtailment or termination of such operations or developments.

In addition, the local governments where the Group's mines or exploration properties are located may impose additional restrictions on its operations. For example, on March 30, 2020, as a preemptive measure against the spread of the COVID-19 virus, the Provincial Government of Surigao del Norte issued an EO temporary suspension of mining operations in the province and prohibiting foreign vessels other than those carrying basic goods and necessities from entering the province. The delays that would have affected the mine production schedules of TMC and HMC as a result of the said EO was mitigated by the adjustments made by TMC and HMC on their production schedules and the subsequent lifting of the suspension by the Provincial Government on April 30, 2020. The Group expends significant financial and managerial resources to comply with a complex set of environmental, health and safety laws, regulations, guidelines, and laws drawn from a number of different jurisdictions. The Group's facilities operate under various operating and environmental permits, licenses, and approvals to satisfy these conditions. Failure to meet these conditions could result in interruption or closure of exploration, development or mining operations or material fines or penalties.

Changes in, or more aggressive enforcement of, laws and regulations could adversely impact the Group's mining 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.

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 the Group's decision as to whether to continue to operate existing mines, 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, the Group is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, changes in governments, regulations and policies and practices could have an adverse impact on the Group's business, results of operations and financial condition.

Nickel mining is subject to a number of inherent risks that are beyond the Group's control. The occurrence of any of these risks could have an adverse impact on the Group's business, results of operations and financial condition

The Group's mining operations are influenced by changing conditions that can affect production levels and costs for varying periods and as a result can diminish the Group's revenues and profitability. Inclement or hazardous weather conditions, the inability to obtain equipment necessary to conduct the Group's 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 the Group's mines and its operating results. Prolonged disruption of production at the Group's mines, transportation of its nickel ore to customers would result in an increase in the Group's costs and a decrease in the Group's revenues and profitability, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Social acceptance of mining activities is necessary to enable the Group to conduct mining activities in the areas where it operates

The acceptance by host communities and neighboring communities of the conduct of the Group's mining activities is considered by regulatory agencies such as DENR and MGB in evaluating whether permits applied for by an operating company should be granted, deferred, or denied. Further, the area where mining and mining-related activities are to be conducted is located within the AD of a group or group of IPs, the relevant operating company of the Group needs to obtain the IPs' FPIC, and contracts among the operating company, the IPs and the NCIP are executed regarding their agreements on, among others, the operating company's access to the ancestral lands of the IPs, royalties and other benefits to be given to the IPs by the operating company, and the aspects of collaboration between the operating company and the IPs. Opposition by such host communities, neighboring communities, and IPs to proposed or ongoing mining activities could result in suspensions or delays in mining operations.

The Group's operations are prone to local insurgents' attacks from time to time

While TMC experienced an attack in 2011, it has since enhanced its security measures in close coordination with the Philippine National Police and the Armed Forces of the Philippines. However, there are still some minor risks to local insurgent's attacks from time to time given the location of the mine sites and the prevailing socio-economic conditions in these areas.

Failure to accurately estimate the decommissioning and rehabilitation costs the Group faces could have an adverse effect on the Group's business, results of operations and financial condition

Under the terms of the Group's MPSAs with the Government, as well as the Group's operating agreements with the various holders of MPSAs which cover some of the Group's mines, the Group is required to establish a decommissioning and rehabilitation plan at each of the Group's mine sites. The costs of performing the decommissioning and rehabilitation can be significant and are subject to change. These costs increase as the Group's mining sites expand. The Group cannot predict what level of decommissioning and rehabilitation may be required in the future by regulators. If the Group is required to comply with significant additional regulations or if the actual cost of future decommissioning and rehabilitation is significantly higher than current estimates, this could have an adverse impact on the Group's business, results of operations and financial condition.

The Group is exposed to exchange rate fluctuations. In particular, fluctuations in the exchange rate between the peso and the U.S. dollar could have an adverse effect on the Group's results of operations and financial condition

The Group's nickel ore sales are denominated in U.S. dollar while most of the Group's costs are incurred in Philippine peso. The appreciation of the Philippine peso against the U.S. dollar reduces the Group's revenue in peso terms. Moreover, the appreciation of the Philippine peso relative to the U.S. dollar could result in a translation loss on the Group's U.S. dollar-denominated assets. Accordingly, fluctuation in exchange rates can have an impact on the Group's financial results. Additionally, in the past the Group have invested in derivative instruments that increased in value as the Philippine peso appreciated relative to the U.S. dollar, and vice versa. The Group also manages its foreign currency risk by hedging transactions that are expected to occur within 1 year for hedges of forecasted revenue from sale of ore. As at December 31, 2024, the Group hedged around 36% of its annual expected revenue from sale of ore. Those hedged revenue were highly probable at the end of the financial reporting period. This foreign currency risk is hedged by using foreign currency forward contracts.

The Group relies to some degree on third-party contractors and failure of any such contractor to comply with its contractual obligations or the unplanned loss of any such contractor's services could increase the Group's costs or disrupt the Group's operations

Contractual disputes with the Group's contractors, the inability of any of the Group's contractors to comply with their contractual obligations or their failure to renew their contracts with the Group on acceptable terms or at all could increase the Group's costs and disrupt the Group's operations and the Group's ability to service the Group's customers in a timely manner. In addition, failure by the Group's contractors to comply with applicable laws could adversely affect the Group's reputation.

Climate change, could significantly increase the Group's operating costs and adversely affect its operations

The Group operates 6 lateritic nickel mines through its subsidiaries: the Rio Tuba mine in Bataraza, Palawan operated by RTN; the Taganito mine in Claver, Surigao del Norte operated by TMC; the Tagana-an mine in Tagana-an, Surigao del Norte and Manicani mine in Guiuan, Eastern Samar operated by HMC, the Cagdianao mine in Cagdianao, Dinagat Islands operated by CMC, and the Dinapigue mine in Isabela operated by DMC. The Group is therefore subject to the local climate patterns of these regions.

Exploration, mining production and transportation activities may be susceptible to risks and hazards resulting from sustained precipitation or other weather conditions. An intensification of extreme weather events and longer-term changes in weather patterns may impact operations, resulting in more frequent production delays, increased costs, and increased liabilities.

Regulatory and industry response to climate change could significantly increase the Group's operating costs and adversely affect its operations

Regulatory and industry response to climate change, restrictions, caps, taxes, or other controls on emissions of GHG, including on emissions from the combustion of carbon-based fuels, controls on effluents and restrictions on the use of certain substances or materials, could significantly increase the Group's operating costs. A number of governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. For example, the Philippines and many other nations are signatories to international agreements related to climate change including the 1992 United Nations Framework Convention on Climate Change, which is intended to limit or capture emissions of greenhouse gas, such as carbon dioxide, the 1997 Kyoto Protocol, which established a potentially binding set of emissions targets for developed nations and, most recently, the 2016 Paris Agreement, which extended the potentially binding set of emissions targets to all nations. The Climate Change Act (RA No. 9729) and its Implementing Rules and Regulations (Administrative Order No. 2010-01) provide for a framework for integrating the concept of climate change, in synergy with disaster risk reduction, with policy formulation, development plans, poverty reduction strategies and other development tools and techniques. RA No. 10174 amended the Climate Change Act and established the People's Survival Fund to provide long term finance streams to enable the Government to combat the effects of climate change. The enactment of comprehensive legislation focusing on GHG emissions could adversely affect the Group due to the energy usage involved in the mining process, which can make it uncompetitive in regions with high energy prices.

Although this has not yet presented a significant challenge for the Group's operations, any changes in laws and policies, including in relation to carbon pricing, GHG emissions, energy efficiency or restricting the Group's access to or use of diesel as an energy source, could adversely affect the Group. Further, its compliance with any new environmental laws or regulations, particularly relating to GHG emissions, may require significant capital expenditure or result in the incurrence of fees and other penalties in the event of noncompliance. Shifts in commodity demand may also arise in response to climate risks and opportunities, including a potential decrease in demand for NPI and nickel. It should be noted however that with the Board approval of the Company's ESG Roadmap in November 2021 and subsequently the creation of Sustainability Committee of the BOD and appointment of a Chief Sustainability Officer in August 2022, it has taken steps to account for its GHG emissions and to set science-based reduction targets.

There can be no assurance that future legislative, regulatory, international law, industry, trade, or other developments will not negatively impact its operations and the demand for the NPI that the Group sells. In addition, the Group may be subject to activism from environmental groups and organizations campaigning against its mining and NPI processing activities, which could affect its reputation and disrupt the Group's operations. If any of the foregoing were to occur, the Group's business, financial condition and results of operations may be adversely affected.

The Group's operations are prone to other incidents and risks due to the location of its mine sites

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

- equipment failures and unexpected maintenance problems;
- interruption of critical supplies, including spare parts and fuel;
- inclement weather conditions;
- 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.

The realization of any of these risks could result in damages to the Group's mining properties, nickel ore production, nickel ore transportation facilities, personal injury or death, environmental damage to the Group's properties, the properties of others or the land or marine environments, delays in mining ore, in the transportation of ore, monetary losses and potential legal liability. Particularly, surface mining and related activities present risks of injury to personnel and damage to equipment. The occurrence of any of these risks, conditions or events could have a significant impact on the Group's business, results of operations and financial condition.

Risks Related to the Group's Power Business and Industry

The Group's power generation businesses are exposed to the risks inherent in the Philippines energy market

The Group's prospects and results of operations are highly dependent on the success of the Philippine energy market. Many factors contribute to the fluctuations in demand and prices of energy in the Philippines, including the general demand and supply of energy, season and weather conditions, transmission capacities and upgrades, generation mix, increase and decrease in the economic activity, inflationary pressures, government policies with respect to the procurement of renewable energy and tax incentives.

There can be no assurance that the Philippine energy market will stabilize or continue to expand. Reduced levels of economic growth, adverse changes in the country's political or security conditions, or weaker performance of or slowdown in industrial activities may adversely affect the demand for, and price of, energy generated by the Group's power plants. In particular, the global economic downturn resulting from the COVID-19 pandemic has resulted in an economic slowdown and negative business sentiment, which may continue to affect the outlook on the Philippine energy market, which could materially and adversely affect the Group's results of operations.

The operations of the Group's power projects are subject to significant government regulations, and the Group's margins and results of operations could be adversely affected by changes in the law or regulatory schemes

Power operations and activities are subject to extensive laws and regulations. These relate to development, labor standards, occupational health, protection and remediation of the environment, power safety and other matters. Power companies are required to comply with regulations relevant to the power industry as implemented by agencies like the DOE, ERC, Board of Investments, DOLE, DENR, Department of Agrarian Reform, NCIP, Bureau of Internal Revenue, NGCP, IEMOP, Philippine Electricity Market Corporation, distribution utilities/electric cooperatives, SEC and LGUs. The Group has been able to satisfactorily comply on time with regulatory requirements and considers these activities and the commensurate risks for non-compliance as manageable and will not result in a material adverse impact on the Group's business, results of operations and financial condition. The Group's inability to predict, influence or respond appropriately to changes in law or regulatory schemes, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact its results of operations and cash flow. Furthermore, changes in laws or regulations or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, could adversely affect the Group's business, including, but not limited to:

- adverse changes in tax law;
- change in existing subsidies and other changes in the regulatory determinations under the relevant concessions;
- other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business; or
- other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with its existing financial and business planning.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect the Group's results of operations.

The Group's uncontracted energy output is currently subject to electricity spot market prices as a price taker in the solar energy business, which can result in fluctuations in the Group's net income

The implementation of the EPIRA has paved the way for a more independent and market-driven Philippine power industry. This has allowed for competition, not limited by location, and driven by market forces. The sale of power and the dispatch of power plants depend on the ability to offer competitively priced power supply to the market. However, as a registered renewable energy generating unit with intermittent renewable energy resources, JSI's solar power plant is classified as "must dispatch" based on available energy and enjoys the benefit of priority dispatch to the grid and WESM. Thus, in the sale of uncontracted solar energy in the spot market, JSI is a price taker and must accept the prevailing price in the market in exchange for electricity. JSI's WESM sales are based on the spot market's 5-minute trading intervals and subject to varying prices. However, the majority of the solar energy output of JSI is contracted via multiple Retail Electricity Suppliers (RES) and is not subject to such changes and provide for a steady and predictable net income. The contracted capacities sold to the RES are negotiated with fixed tariffs. Only a portion of energy output is sold via WESM.

The Group may not be able to complete the construction or expansion of power projects as planned and the operations of its existing and planned power plant facilities could be adversely impacted

EPC arrangements with third-party contractors, which require substantial capital expenditures prior to and during the construction period, and the Group may take many months or several years before it generates positive cash flow through power generation for these projects. As a result, cash outflows due to land acquisition, construction costs and capital expenditure may not be recuperated for a long period of time. Meanwhile, the construction and development of such projects, as well as the time and costs required to do so, may be adversely affected by various factors, including, but not limited to:

- short term or extended delays in obtaining necessary zoning, land use, building, development and other required governmental and regulatory licences, permits and approvals;
- short term or extended delays due to relevant transmission line upgrade delays by the NGCP;
- construction risks, which may include delays in construction and cost overruns, whether from variation to original design plans or any other reason, infrastructure failures or latent design flaws;
- quality control issues;
- shortages or increase in the cost of construction and building materials, equipment as a result of rising commodity prices or inflation or otherwise;
- shortages of contractors and skilled labor;
- disputes with consultants or contractors over the quality of work and general performance and the need to take any remedial action so as to ensure the Group's projects are delivered to specification and consultants or contractors experiencing financial or other difficulties causing delay in performance of their work in relation to the Group's projects;
- disputes between general contractors and subcontractors, leading to a delay in their work performance on the Group's project;
- natural catastrophes;
- inclement weather conditions;
- unforeseen engineering, environmental or geological problems;
- defective materials or building methods; and
- financial difficulties by counterparties to a construction or construction-related contract.

The Group's strategy in developing, executing, and operating solar plants contains the following to mitigate potential risks:

- Development of projects to go through gated decisions wherein each step meets minimum technical and commercial requirements to ensure limited and manageable risks going forward especially those concerning land possessory rights, power interconnections, project technical and commercial feasibility, and permits/licenses.
- Work with best-in-class contractors in a manner that is practicable and responsive to market challenges, for development, EPC, and Operations and Maintenance (O&M) needs.

- Enter into turnkey EPCs with contractors that have dependable track records, have designed using best applicable technologies, have sourced Tier 1 components at competitive prices, have the industry presence and statement of financial position to protect the Group's interests against supply chain constraints and disruptions.
- Each project shall have full-time personnel to oversee the construction works from beginning to end and ensure safety, schedule, cost, and risk mitigation targets are met.
- Each power facility shall have full-time personnel to handle the day-to-day operations, maintenance and administration including regulatory compliance and stakeholder relations. O&M activities to include preventive, predictive and corrective actions to ensure continuous safe operations of the facilities.

The Government may amend, revoke, reduce or eliminate subsidies and economic incentives for renewable energy projects, which could impact the profitability of the Group's solar plants and geothermal power plants

Because the power generation business of the Group includes solar energy generating projects, the Group's future profitability is affected by the support of the government for the renewable energy sector. Under RA No. 9513 or the Renewable Energy Act of 2008, the National Renewable Energy Board is mandated to formulate and promulgate feed-in tariff system rules, which cover, among others, the following:

- priority connections to the grid for electricity generated from emerging renewable energy resources within the Philippines; and
- priority purchase and transmission of, and payment for, such electricity by the grid system operators.

The revocation, reduction, modification or elimination of government mandates and economic incentives could materially and adversely affect the growth of the renewable energy industry or result in increased price competition, either of which could cause the Group's revenues to decline and materially and adversely affect the Group's results of operations.

While the Group believes that solar power projects may continue to offer attractive internal rates of return, any changes that increase effective income tax rates may cause considerable downward pressure on the value of the Group's solar power plants. The Group believes that it can manage the foregoing risks as the development of new solar energy technologies for instance has resulted and will continue to result in higher capacity factor and lower capital expenditure for the development of solar power projects and will reduce the importance of government incentives and subsidies in making solar power projects attractive and viable investments in the future. However, there is no assurance that such technologies will continue to be developed, or that the Group will be able to take advantage of such technologies in the future without having to incur significant capital expenditure or at all. The Group also believes that any action by the Government to revoke any incentives will require a significant shift in policy, involving both executive and legislative branches of the Government, and extensive discussions with stakeholders in the renewable energy industry and the financial sector.

A decrease in the cost-competitiveness of solar energy, the development of new technologies to generate solar power and changes to government laws and applicable rules and regulations may expose the Group to stranded-asset risk

As the Group's power generation business includes the operation of solar power plants, the Group is subject to risks inherent in the solar power generation industry. These risks include the reduction or removal of subsidies and economic incentives for solar energy, the loss of tax exemptions and incentives, new technological innovations, and changes to societal attitudes about existing solar energy generation technologies. There can be no assurance that reduced Government support of the solar energy industry, the adoption of new technologies, changes to environmental laws and regulations or other developments in the future will not result in the Group having to incur additional capital expenditures or operating expenses to upgrade, supplement or relocate their solar energy generation projects. In particular, developments in the downstream energy sector, such as in residential solar photo-voltaic technologies and electricity storage, could materially and adversely affect the growth of those renewable energy companies and consequently materially and adversely affect the Group's results of operations. Thus, a significant portion of the captive market may shift away from solar power plants utilizing existing solar power generation technologies towards those relying on other types of renewable energy technologies or even non-renewable energy sources, which may expose the Group's solar power generating assets to stranded-asset risk (i.e., the hazard of an asset suffering from an unanticipated write-down, devaluation, or conversion to liability).

The Group's power plants are exposed to unscheduled, unplanned and prolonged internal and external outages resulting in potential loss in revenues
Unscheduled or unplanned internal plant outages refer to unexpected breakdown of major equipment resulting in substantial or total power plant shutdown until such equipment is replaced or restored. On the other hand, unscheduled external outages refer to electricity grid outages at the regional or national level that disrupt the transmission of electricity and could result in curtailment of energy offtake below expected levels. For example, there could be failures in the transmission towers, power conductors or insulators of distribution utilities. The occurrence of any prolonged unscheduled internal or external outages would reduce the revenue of the Group's power plants, which could result in a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

Each power plant has and shall have full-time personnel to handle the day-to-day operations and maintenance activities, including preventive, predictive and corrective actions to ensure continuous safe operations of the facilities. Furthermore, spare parts for critical equipment are on-hand at the site and agreements with Original Equipment Manufacturers to keep the same parts in stock are in place to ensure quick return to service from unplanned internal outages.

The Group's power generation business may be unable to maintain sufficient operating cash for maintenance and other similar costs of power plants, and such businesses' operating cash may be insufficient to cover necessary costs of the Group's power plants
The Group expects to keep its power plants in good working order. Accordingly, the Group may from time to time expend funds to complete routine maintenance, as well as extraordinary maintenance, in the event of damage from weather disturbances such as typhoons, earthquakes, floods or from other unforeseen events.

However, there can be no guarantee that the Group will be able to maintain operating cash at the desired level or that the Group's operating cash will be sufficient to cover maintenance and other similar costs in the event of an extraordinary occurrence. Insufficient operating cash may have an adverse effect on the Group's business, prospects, financial condition, and results of operations.

The loss of the Group's key customers could have an adverse effect on the Group's financial condition and results of operations
The Group's diesel power plant has 1 bilateral agreement only and it's with SURNECO. Although the revenues of the Group would be reduced should SURNECO become bankrupt or insolvent or should there be any other material disruption to SURNECO's business, such reduction in revenue is not expected to have any material effect on the Group's revenues. In addition, if a key customer decides not to renew its PSA or to terminate its PSA before it expires, the financial condition and results of operations of the Group may be adversely affected.

JSI's operations are affected by seasonal weather changes
JSI's revenues are directly correlated to the amount of electricity generated and sold by its solar power plant, which in turn is dependent upon irradiance and weather conditions generally. Irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors.

Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Group's operations and financial performance
The development of greenfield power projects involves substantial risks that could give rise to delays, cost overruns, unsatisfactory construction, or development in the projects. Such risks include the inability to secure adequate financing, inability to negotiate acceptable offtake agreements, and unforeseen engineering and environmental problems, among others. Any such delays, cost overruns, unsatisfactory construction or development could have a material adverse effect on the business, financial condition, results of operation and future growth prospects of the Group.

For the Group's power projects under development, the estimated time frame and budget for the completion of critical tasks may be materially different from the actual completion date and costs, which may delay the date of commercial operations of the projects or result in cost overruns. For example, due to the impact of COVID-19 and related travel and movement restrictions in the Philippines, construction of certain renewable energy projects in the country, including the Group's projects, were interrupted, resulting in a delay in commercial operations date.

The Group is expanding its power generation operations and there are projects in its energy portfolio under construction. These projects involve environmental, engineering, construction, and commission risks, which may result in cost overruns, delays or performance that is below expected levels of output or efficiency. In addition, projects under construction may be affected by the timing of the issuance of permits and licenses by government agencies, any litigation or disputes, inclement weather, natural disasters, accidents or unforeseen circumstances, manufacturing and delivery schedules for key equipment, defect in design or construction, and supply and cost of equipment and materials. Further, project delays or cancelations or adjustments to the scope of work may occur from time to time due to incidents of force majeure or legal impediments.

Depending on the severity and duration of the relevant events or circumstances, these risks may significantly delay the commencement of new projects, reduce the economic benefit from such projects, including higher capital expenditure requirements and loss of revenues, which in turn could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

Grid curtailments may limit the generation capacity of power projects

From time-to-time, national grid operators curtail the energy generation for a number of reasons, including to match demand with supply and for technical maintenance reasons, including as a result of grid infrastructure that is not up to international standards. In such circumstances, a power project's access to the grid and thus its generation capacity can be reduced. Such reductions result in a corresponding decrease in revenue, which if prolonged or occur frequently could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is reliant on existing power transmission infrastructure operated by NGCP

The Group is reliant on existing power transmission infrastructure operated by NGCP. Generally, in respect of the distribution of electricity from a power plant to the customer in the Philippines, the governing law is EPIRA which segregates and privatized generation, transmission, and distribution. The generator declares its available capacity and bids "blocks" of energy generation to the grid which is operated by NGCP as transmission system operator. The WESM, through a price stacking mechanism, determines the required energy volume (by stacking demand from distribution utilities and directly connected loads) gives a dispatch signal to all plants. The energy is transmitted via high voltage lines to distribution utilities and electric cooperatives which through lower voltage lines and transformers, transmit electricity to consumers.

Risks Related to the Group

The interests of joint venture partners for the Group's various projects may differ from the Group's

A joint venture involves special risks where the joint venture partner may have economic or business interests or goals inconsistent with or different from the Group's. The joint venture partner may also take actions contrary to the Group's instructions or requests, or in direct opposition to the Group's policies or objectives with respect to the Group's investments, or the joint venture partner may not meet its obligations under the joint venture arrangements. Disputes between the Group and its joint venture partners could arise after significant capital investments in a project have been made, which could result in the loss of some or all the Group's investment in the project. The Group's reliance on joint venture arrangements could therefore have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may experience reduced liquidity and difficulty in obtaining future financing

The further development and exploration of mineral properties in which the Group holds interests or which the Group acquires may depend upon the Group's ability to obtain financing through joint ventures, debt financing, equity financing or other means. For instance, the Group may seek a joint venture partner in connection with the exploration of the Group's gold and copper exploration properties. There is no assurance that the Group will be successful in obtaining required financing as and when needed. Volatile nickel markets may make it difficult or impossible for the Group to obtain debt financing or equity financing on favorable terms or at all. The Group's principal operations are located in, and its strategic focus is on, the Philippines, a country that has experienced past economic and political difficulties and may be perceived as unstable. This may make it more difficult for the Group to obtain debt or equity financing. Failure to obtain additional financing on a timely basis may cause the Group to postpone development plans, forfeit rights in the Group's properties or joint ventures or reduce or terminate the Group's operations. Reduced liquidity or difficulty in obtaining future financing could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's strategic acquisitions may be unable to realize the anticipated benefits of such acquisitions, and the Group's growth strategy may not be achieved

Historically, the Group has expanded the Group's business through selective, complementary acquisitions, and the Group intends to continue to evaluate acquisition opportunities with complementary mining operations or exploration and development prospects as they arise. Acquisitions involve several risks, including misevaluation of acquired assets, especially with respect to the quantity and quality of ore reserves and resources, diversion of management's attention, failure to retain key acquired personnel and clients, unanticipated events or circumstances, legal liabilities and amortization of acquired intangible assets, some or all of which could harm the Group's results of operations and financial condition.

Continued compliance with safety, health and environmental laws and regulations may adversely affect the Group's business, results of operations and financial condition

The Group expends significant financial and managerial resources to comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements drawn from a number of different jurisdictions. The Group anticipate that it 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 the Group's exploration, operations or the cost or the viability of a particular project.

The Group's facilities operate under various operating and environmental permits, licenses and approvals that contain conditions that must be met and the Group's right to continue operating the Group's facilities is, in several instances, dependent upon compliance with these conditions. Failure to meet certain of these conditions could result in interruption or closure of exploration, development or mining operations or material fines or penalties, all of which could have an adverse impact on the Group's business, results of operations and financial condition.

Cost pressure and inaccessibility of raw materials and supplies, including natural gas, diesel fuel, electric power, water, tires or other key inputs, could negatively impact the Group's operating margins

The Group's operations are resource intensive and, as a result, its costs and operating margins could be materially and adversely affected by the lack of availability or increased cost of energy (including electric power), water, fuel (including natural gas and diesel fuel), or other key inputs. The Group buys diesel fuel from Petron, Phoenix and Shell, and heavy mining equipment such as trucks and excavators from four manufacturers, Volvo, Komatsu, Sinotruck and Caterpillar, through their Philippine distributors. In addition, the Company leases LCTs for use at its mine sites during the shipping season. The Company believes that there are a number of alternative suppliers for all of its requirements. For its operations and maintenance, JSI buys spare parts from local and imported manufacturers and buys fuel from a gas station inside SBFZ for its vehicles and standby generator.

The Group may experience interruptions to the supply or increases in prices of electric power, water, diesel fuel or natural or compressed natural gas due to a variety of factors beyond the Group's control, including fluctuations in climate, inadequate infrastructure capacity, interruptions in supply due to effects of the COVID-19 pandemic, equipment failure or other causes and the inability to extend contracts with the Group's suppliers on acceptable terms or at all. As the prices for global seaborne iron ore are determined by the global commodity markets in which the Group operates, it does not generally have the ability to offset any increase in cost pressure through corresponding price increases on the iron ore sold by the Group. The inability to reduce costs sufficiently or expeditiously, or to obtain alternative inputs, could have a material adverse impact on the Group's operating margins for an extended period.

The Group's insurance coverage may not be sufficient to fully cover the risks related to the Group's operations and losses

The Group is not fully insured against all potential hazards incident to the Group's business and if any or all of the Group's mining facilities are damaged and the Group's operations are interrupted for a sustained period, there can be no assurance that the Group's insurance policies would be adequate to cover any or all of the losses that may be incurred as a result of such interruptions or the costs of repairing or replacing the damaged facilities.

The Group's property insurance does not cover acts of terrorism, and, in the event of a terrorist attack, the Group's facilities could be damaged or destroyed and the Group's operations curtailed. In recent years, most insurers have created exclusions for losses from terrorism from "all risk" property insurance policies. In the event of a terrorist attack, explosion or other accident impacting one or more of the Group's facilities, the Group could lose sales from the facilities and the facilities themselves. The Group does not carry business interruption insurance. Losses incurred or associated liabilities not covered by the Group's insurance policies could have a material and adverse effect on the Group's business, results of operations and financial condition.

The Group's success depends on the Group's ability to attract and retain qualified personnel and to maintain satisfactory labor relations

Recruiting and retaining qualified personnel is critical to the Group's success. Nickel mining is a labor-intensive industry, and the number of persons skilled in the acquisition, exploration, and development of mining properties in the Philippines is limited and competition for such personnel is intense both from within and outside the Philippines. Moreover, efficient management and operations are vital to ensuring that the renewable energy production potential of the Group's power plant is effectively harnessed, optimized, efficiently and fully delivered. To achieve this, the Group has and will continue to require the services of seasoned power plant operations and maintenance managers and their respective teams of qualified personnel. Most of the members of the Group's senior management team have been involved in the Group's business operations for many years and the loss of key executives could adversely impact the Group's business. As the Group's business grows, it will require additional key financial, administrative, and mining personnel as well as additional operations staff.

Employees from CMC, HMC - Tagana-an, RTN, TMC and CDTN have labor unions. Employees from the Group's renewable energy companies do not have labor unions. While the Group believe that the Group has, in general, good relations with the Group's employees and unions, the Group is subject to union demands for pay rises and increased benefits from time to time. 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. Any significant labor dispute or labor action that the Group experiences could have a material adverse effect on the Group's business, results of operations and financial condition.

R. SUSTAINABILITY

Key Business Activities

The Group's primary business activities are mining and power generation. For mining, the Group's key market is China, followed by Indonesia. The Group also supplies ore and limestone to local market, particularly for CBNC and THNC. For power generation, the Group's key market is the local/domestic consumers. The Group's key business activities, geographical locations of those activities and contribution to revenue per activity in 2024 are summarized in the table below:

Business Activities	Geographical Locations	% of Total Revenue
Mining* • Exploration • Assessment, evaluation and planning • Extraction • Transportation • Rehabilitation and reforestation	Surigao del Norte Palawan Isabela Eastern Samar	88%
Power generation*	Subic Bay Freeport Zone	6%
Services	Surigao del Norte Palawan	6%

* The revenues from the mining and power generation are vulnerable to climate-related physical risks.

Other Activities

The Group also leases the aircraft and LCT's of its subsidiaries under operating leases and provides general engineering construction. These operations are not core to the Group's business strategy.

Strategy and Sustainability Related Goals

The Group has aggressively driven its business strategies with sustainability goals aligned with the UN SDGs.

- Cutting down of GHG
- Restoring biodiversity
- Green energy and technologies
- Water management
- Community resiliency and focus on people
- A robust risk management system and target

Value Chain

For the Group to provide goods and services, the Group depends on several other entities, people and resources - this includes key suppliers of materials, supplies and property and equipment for the mining and power businesses, and customers who purchase the Group's goods and services.

	Description	Geographical Location
Key suppliers	Mining equipment, fuel, tires and spare parts and LCTs for mining operations. Solar panels, inverters, transmission assets and spare parts for power generation.	Sourced from local and/or foreign suppliers
Customers	Importers of nickel ore	China, Indonesia, Japan
	Deliveries of nickel ore and limestone	Palawan and Surigao del Norte
	Power sales to customers with bilateral agreements	Philippines
	Power sales through WESM	Philippines

The Group has other business relationships, primarily through its investments in associates and joint ventures, that are part of the Group's value chain.

Reporting Boundary

The Group has operational control across its subsidiaries, because it has authority to introduce and implement operational policies across them.

As for its associates, the Group does not have any operational control because all decisions, including decisions over operational policies, are made by unanimous consent.

For leased assets for which the Group is a lessee, the Group has operational control over the assets during the lease term. These assets include LCTs, equipment, vehicles and office spaces.

Materiality Assessment

The materiality assessment process was performed in 2022, and the outcome of the process was validated and approved by the Sustainability Committee and the Board.

A two-step materiality process was followed:

- *Step 1*: identify sustainability-related issues that could be reasonably expected to affect the Group's prospects over the short and medium.
- *Step 2*: identify material information - determination of the disclosures which are needed in relation to the sustainability-related issues identified.

The aim of this process was to identify information about sustainability related issues that could reasonably be expected to affect the Group's prospects, and align key issues with the Group's sustainability strategies, strengthen the approach to stakeholder engagement, refine the implementation of commitments and policies toward a sustainable business and community, and set a standard for sustainability reporting.

The Group will continue to enhance the materiality process in the coming years.

Interaction with Material Information in the Consolidated Financial Statements

Sustainability reporting includes within its scope the effects of risks which might not yet be captured in the consolidated financial statements. As a result, the Group might conclude that certain information is material in the context of sustainability reporting, even if such information would not be material to the consolidated financial statements, mainly due to risks and opportunities arising in the value chain and the future-looking nature of sustainability disclosures. For example, the Group has made a commitment to be net zero by 2050, which does not meet the definition of a provision for financial reporting and is therefore not recognized in the Group's consolidated financial statements.

Climate-Related Matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions under pinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- *Useful life of property and equipment*. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- *Impairment of non-financial assets*. The value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption, the Group considered expectations for increased costs of emissions and cost increases due to stricter recycling requirements in the cash flow forecasts in assessing value-in-use amounts.
- *Fair value measurement*. For investment property, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation.

- *Provision for mine rehabilitation and decommissioning*. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of rehabilitation of the Group's mines and decommissioning of power plant operations.

Item 2. PROPERTIES

A. MINING PROPERTIES AND PERMITS

Below is a summary of the Group's mineral agreements and permits, mineral resources and reserves and processing facilities with respect to its mining operations.

RIO TUBA NICKEL MINING CORPORATION

Rio Tuba Mine
MPSA No. 114-98-IV- Amended I - RTN's nickel laterite deposit covering 4,538 hectares, was renewed for another 25 years on December 2, 2021, subject to the conditionality on the issuance of the Certification Precondition from the NCIP. The consent process culminated to MOAs on August 29, 2021 and March 19, 2023 between RTN, the NCIP, and the ICCs/IPs of the Municipality of Bataraza and Rizal, respectively. Furthermore, planned activities within the areas covered by the MOAs were allowed to commence.

MPSA No. 213-2005-IVB for RTN's Limestone Quarry - The MPSA was issued on April 28, 2005 with a validity of 25 years covering 85 hectares. This MPSA covers the Sitio Gotok limestone quarry, whereby limestones are being sold to CBNC and other customers. It has an ongoing application to expand its 13-hectare ECC by another 47 hectares, all within the approved MPSA.

HINATUAN MINING CORPORATION

A. Tagana-an Mine
MPSA 246-2007-XIII - On July 25, 2007, HMC was granted an MPSA covering 774 hectares of mineral land in Hinatuan Island, Barangay Talavera, Tagana-an, Surigao del Norte within Parcel II of the Surigao Mineral Reservation for a period of 25 years renewable for another 25 years subject to mutually agreed upon terms and conditions.

Based on the revised life-of-mine plan, the mine life of the Tagana-an mine is expected to last until 2026. Recent market price improvements allowed HMC to dispose of lower-grade materials that were previously considered non-marketable at a profit, effectively extending the mine's life. Moreover, review of HMC's mineral reserves modifying factors allowed for adjustments to the site's mine production plans which yielded increases in the total mineable reserves. Additional studies regarding the feasibility of shipping out lower-grade ores, as initiated by the Group, are also underway and could potentially further lengthen the mine's life if proven to be feasible.

B. Manicani Mine
MPSA No. 012-92-VIII - The Manicani mine is subject to MPSA No. 012-92-VIII granted on August 13, 1992 for 1,165 hectares. It has a term of 25 years and is renewable for another term not exceeding 25 years subject to mutually agreed upon terms and conditions.

On May 1, 2002, the DENR ordered the suspension of mining operations in Manicani pending a conduct of investigation in view of the complaints of the Roman Catholic Bishop. In a decision dated August 2, 2004, an arbitral panel of the Mines Adjudication Board, MGB Region 8, the MPSA was ordered cancelled. The basis for the decision of the Board was the alleged violation of the ECC. As a result, mining operations in Manicani remain suspended. The mining operations were found by the Board to be causing pollution of the seawater of Manicani Island. A Memorandum of Appeal dated December 23, 2004 was filed by HMC and its MPSA was upheld by the Mines Adjudication Board on September 4, 2009. Incidentally, a Letter of Authority to Dispose Nickel Stockpile was issued by MGB on July 1, 2014. From May to August of 2016, 5 shipments were realized for the disposal of said stockpiles, after which, shipments were suspended by MGB. This left behind almost 900,000 WMT of stockpiles which were already approved for disposal.

On May 23, 2016, HMC applied for the renewal of its MPSA in Manicani which expired on October 28, 2017. On March 2, 2022, the DENR approved the renewal of the MPSA extending the first 25-year term for another 15 years from the date of approval.

On September 26, 2023, HMC received the approval of its Environmental Protection and Rehabilitation Program, which was granted on August 4, 2023. HMC was reminded to allocate ₱22.8 million for the rehabilitation of the stockpile area and deposit an additional ₱12.0 million to its rehabilitation cash fund.

On January 16, 2024, the MGB approved HMC's Manicani nickel project feasibility under MPSA No. 012-92-VIII, allowing the extraction and commercial distribution of nickel and other minerals, subject to compliance with specified conditions.

On March 12, 2024, HMC’s Manicani nickel project transitioned from care and maintenance to commercial mining operations. Following this, HMC’s Manicani operation shipped 231,698 WMT in 2024.

TAGANITO MINING CORPORATION

Taganito Mine

MPSA No. 266-2008-XIII SMR Amended - TMC was granted a MPSA on June 18, 2009 for a period of 25 years subject to renewal as may be mutually agreed upon. The MPSA covers an area of 4,863 hectares located at the Barangays of Hayanggabon, Urbiztondo, Taganito and Cagdianao, Municipality of Claver, Province of Surigao del Norte.

CAGDIANAO MINING CORPORATION

Cagdianao Mine

MPSA No. 078- 97- XIII - On November 19, 1997, East Coast was granted an MPSA for a period of 25 years and renewable upon such terms and conditions as may be mutually agreed upon. The MPSA covers an area of 697 hectares situated at Barangay Valencia, Municipality of Cagdianao, Province of Dinagat Islands, Surigao del Norte.

On the same date, a MOA was executed between CMC, as Operator, and East Coast for a period of 10 years from the effectivity of the MOA whereby East Coast grants CMC the exclusive right to explore, develop and utilize the mineral property covered by the MPSA. On November 19, 2007, the MOA was renewed for 15 years, covering the remaining term of the MPSA. On December 18, 2015, a Supplemental Agreement was executed by CMC and East Coast, providing for, among others, an automatic renewal of the MOA for another 25 years, or from 2022 to 2047.

On March 2, 2022, the DENR approved the renewal of the MPSA No. 078-97-XIII (SMR) for another 25-year term commencing from November 19, 2022 subject to the same terms and conditions provided in the initial 25-year term of the MPSA.

DINAPIGUE MINING CORPORATION

On July 30, 2007, PGMC and the government entered into an MPSA, which allows PGMC to explore, develop and mine nickel ore within the contract area covering 2,392 hectares in the Municipality of Dinapigue, Province of Isabela.

On January 6, 2009, PGMC and DMC executed a Deed of Assignment transferring to DMC all the rights, title and interest in and into the MPSA over the contract area.

Under the MPSA, DMC shall pay the government a 4% excise tax. The MPSA is valid for 25 years from issuance and renewable at the option of DMC, with approval from the government.

CORDILLERA EXPLORATION CO., INC.

A. Marian

The area covers 6,325 hectares in Cordon, Isabela and Diadi, Nueva Vizcaya. It was converted from APSA-000021-II upon execution of a Deed of Assignment with Royalty Agreement by and between Marian and Olympus and CEXCI. The application was denominated as EXPA-000166-II and approved last December 2022 with an area of 5,544 hectares. It was registered in January 2023 and designated as EP000026II. Exploration activities commenced in March 2023 after the presentation to the Provincial Board of Nueva Vizcaya and the signing of the MOA with the DENR regarding the portions of the experimental forest within the tenement. Environmental baseline survey was initially conducted followed by field mapping. Detailed mapping was conducted and continues until end of December 2024.

B. Mankayan

Denominated as EXPA-116-CAR, it is in the Municipalities of Mankayan and Bakun in the Province of Benguet, covering an area of 5,157 hectares. The 2 areas were separated due to the difference in the progress of the FPIC process. CEXCI was previously working on a Motion for Reconsideration in the Mankayan AD after the AD-Wide Decision-Making in December 2021 resulted in a Resolution of Non-Consent. Eventually, CEXCI deferred the FPIC process to give way to the FPIC of the other applicants in Mankayan. FPIC process will resume after the completion of the aforesaid FPICs. CEXCI continues to engage with its stakeholders in Mankayan to gather more support for the project.

The Bakun AD gave their consent during the Consensus Building and Decision Meeting to the proposed exploration project last March 2022. Negotiations for the MOA commenced immediately but were stopped after 2 meetings due to FPIC-related issues raised by some members of the community. CEXCI is continuously engaging the impact communities and the NCIP to allow the resumption of the stalled MOA negotiations. Our engagements through our community facilitators on the ground also ensure that they are aware that our application for exploration is still being pursued.

C. Cervantes

The area covering 6,012 hectares and located in Cervantes, Ilocos Sur is denominated as EXPA-116-I. The MOA negotiations and Strategic Agricultural and Fisheries Development Zones survey were postponed as advised by the LGU of Cervantes. CEXCI continues to engage with the various stakeholders to apprise them of the status of the application. CEXCI is anticipating receiving the report of the validation activities the NCIP has conducted in the first half of 2023. As at December 31, 2024, CEXCI is still waiting for the validation report

D. Mountain Province and Benguet

This covers 3 areas within CAR which were officially converted from AFTA-008 on December 17, 2020 and were denominated as follows: EXPA No. 119 (Besao) with an area of 3,645 hectares in Besao and Tadian, Mountain Province; EXPA No. 120 (Bedbed) covering an area of 2,835 hectares in Mankayan, Benguet and Tadian, Mountain Province; and EXPA No. 121 (Sadanga) covering an area of 5,751 hectares in Bontoc and Sadanga, Mountain Province. The applications have been withdrawn and approved of last February 2023.

E. Aluling

Situated in Cervantes, Ilocos Sur, it covers an area of 2,835 hectares. Its conversion to EXPA has been approved by MGB Region 1 and denominated as EXPA-123-I. CEXCI has deferred its request for the endorsement of the EXPA to the NCIP for CP application until the MOA negotiations related to EXPA-116-I are concluded also in Cervantes.

NEWMINCO PACIFIC MINING CORPORATION

Newminco, which was acquired by CEXCI in December 2015, holds an EP for copper, gold, and related base and precious metals denominated as EP 001-2015-III. It covers an area located in Cabangan, San Felipe, and San Marcelino in the province of Zambales. The decision to acquire Newminco was made following the discovery of outcropping quartz veins, the sampling of which in part returned good assays for gold.

The second year of EP-001-2015-III from first renewal until its expiry was spent on the review of data for the different prospects within the tenement. The second renewal of EP 001-2015-III was registered last February 2023. Advanced processing and interpretation of drone magnetic and gravity data was conducted followed by a hydrogeological study. Detailed mapping, verification mapping and stream sediment sampling was conducted until the first quarter of 2024. These activities lead to the generation of targets for geophysical survey in the northern to northwestern part of the tenement.

B. MINERAL RESOURCES AND RESERVES

As of December 31, 2024, the Group's Total Ore Reserves and Mineral Resources are as follows:

Ore Reserves*						
Ore	**Classification**	**Tonnes (Mwmt)**	**Tonnes (Mdmt)**	**% Ni**	**% Fe**	**Contained Ni (kt)**
TMC						
Saprolite	Proved and	80.38	55.38	1.45	12.04	801
Limonite	Probable	52.95	35.51	1.01	47.33	359
CMC						
Saprolite	Proved and	4.10	2.66	1.44	23.60	38
Limonite	Probable	0.46	0.30	1.12	43.78	3
DMC						
Saprolite	Proved and	33.47	19.90	1.36	19.15	270
Limonite	Probable	73.83	43.62	0.99	42.90	432
HMC – Tagana-an						
Saprolite	Proved and	2.63	1.79	1.39	17.46	25
Limonite	Probable	0.83	0.56	1.00	48.79	6
HMC - Manicani						
Saprolite	Proved and	41.36	28.12	1.53	18.16	430
Limonite	Probable	12.32	8.38	1.09	49.01	91
RTN						
Saprolite	Proved and	35.03	23.85	1.49	18.09	354
Limonite	Probable	33.07	23.32	1.07	35.95	252

Mineral Resources**						
Mineral Resources	**Classification**	**Tonnes (Mwmt)**	**Tonnes (Mdmt)**	**% Ni**	**% Fe**	**Contained Ni (kt)**
TMC						
Saprolite	Measured and Indicated	75.9	52.3	1.32	14.04	691
Limonite		84.0	56.2	0.88	45.80	494
CMC						
Saprolite	Measured and Indicated	7.5	4.9	1.23	20.27	60
Limonite		13.0	8.4	0.85	38.61	72
DMC						
Saprolite	Measured and Indicated	44.01	26.19	1.38	19.10	360
Limonite		95.6	56.5	0.99	43.44	561
HMC - Taganaan Nickel Project						
Saprolite	Measured and Indicated	10.0	6.5	1.29	21.44	84
Limonite		3.4	2.2	0.95	47.34	21
HMC - Manicani Nickel Project						
Saprolite	Measured and Indicated	49.5	33.6	1.51	18.06	507
Limonite		13.3	9.1	1.13	48.94	102
RTN						
Saprolite	Measured and Indicated	31.7	19.4	1.50	13.85	291
Limonite		41.5	28.7	1.20	35.21	344

** The ore reserves estimates were prepared by Engr. Artemio E. Valeroso, Vice President (VP) and Resident Mine Manager - TMC, with Professional Regulation Commission (PRC) number 2641; Engr. Christian Jae R. Gascon, Assistant Vice President (AVP) and Resident Mine Manager - CMC, with PRC number 2873; Engr. Franciso J. Arañes Jr., VP and Resident Mine Manager - HMC Tagana-an, with PRC number 2305; and Engr. Ronelbert A. Suguitan, VP and Resident Mine Manager - RTN, with PRC number 2534. They have sufficient experience as to the type of deposit and mineralization. They have given their consent to the attachment of this statement to the 17-A 2024 Annual Report concerning Ore Reserve Estimation.*

*** The mineral resources estimates were prepared by Kristine Grace C. Victoria, Assistant Vice President - Geology, with PRC number 1721, for TMC, DMC and HMC - Taganaan and Manicani Nickel Project; Angilhiza Marie B. Francisco, Geologist, with PRC number 2252, for CMC; and by Michael Angelo C. Tan, Geologist, with PRC number 1958, for RTN. They are an Accredited Competent Person and a member of the Geological Society of the Philippines. They have sufficient experience as to the type of deposit and mineralization. They have given their consent to the attachment of this statement to the 17-A 2024 Annual Report concerning Mineral Resources Estimation.*

C. PROCESSING FACILITIES

CBNC

Facility	Coral Bay HPAL nickel processing plant
Location	In a Special Economic Zone adjacent to Rio Tuba mine
Ownership	NAC (15.62%; until September 30, 2024) SMM (84.38% until September 30, 2024 and 100% starting October 1, 2024)
Operations	Commissioned in 2005 with design capacity of 10,000 tonnes per year of contained nickel. Capacity doubled to 20,000 tonnes per year of contained nickel in June 2009 and attained annual capacity of 24,000 tonnes in 2010 due to facility expansion.
Technology	HPAL process
Source of ore	Rio Tuba mine, Cagdianao mine and Dinapigue mine
Product	Nickel-cobalt sulfide sold exclusively to SMM

The plant was constructed adjacent to the Rio Tuba mine in an area designated as a Special Economic Zone by the Philippine Export Zone Authority (PEZA). As such, CBNC enjoys tax incentives, including a tax holiday. Most of the limonite ore required by the plant is supplied by RTN from its extensive stockpile and from newly mined ore. RTN also supplies limestone. The plant produces a nickel sulfide precipitate containing approximately 57% nickel and 4% cobalt, which is sold exclusively to SMM for refining at its Nihama refinery. The facility uses proprietary SMM technology under a non-exclusive license.

The Company acquired its 10% equity interest in CBNC, the Philippine's first HPAL nickel processing plant, by way of property dividend distributed by RTN in March 2014. In 2022, the Company purchased additional common shares of CBNC from SMM thereby increasing its equity ownership to 15.62%. SMM holds the remaining 84.38% equity interest. In December 2024, the Company's BOD approved to sell its 15.62% ownership in CBNC to SMM at the projected book value of investment in CBNC as of end of September 2024. Consequently, CBNC ceases to be an associate and the Company's investment in CBNC was reclassified as "Asset held for sale" and no equity gains or losses was recognized starting October 1, 2024. On January 31, 2025, the SPA was signed by the Company and SMM.

<u>THNC</u>

Facility	Taganito HPAL nickel processing plant
Location	In a Special Economic Zone adjacent to the Taganito mine
Ownership.	NAC (10%) SMM (75%) Mitsui and Co., Ltd. (Mitsui; 15%)
Operations.	Commenced commercial operations at full capacity in October 2013; with annual capacity of approximately 30,000 tonnes of mixed nickel-cobalt sulfide over an estimated thirty (30) year project life
Technology	HPAL process
Source of ore	Taganito mine
Product	Nickel-cobalt sulfide sold exclusively to SMM

Following the success of the Coral Bay HPAL facility and considering the stockpile and reserves of limonite ore owned by TMC, SMM conducted a feasibility study in September 2009 on a 30,000 tonnes-per-year HPAL plant to be located adjacent to the TMC mine site. The completion of the study led to the signing of a Memorandum of Understanding (MOU) in September 2009 between NAC, TMC, and SMM to proceed with the project. The Company expects that the plant will use technology similar to that used at the Coral Bay HPAL facility but will be triple the original size of the Coral Bay plant. TMC is expected to supply all the limonite ore required for the plant and the nickel-cobalt sulfide product will be sold exclusively to SMM for refining in Japan.

Pursuant to the Taganito HPAL Stockholders Agreement that NAC entered into on September 15, 2010, the project will be undertaken by THNC, a company that will be jointly owned by NAC (as to 22.5%), SMM (as to 62.5%) and Mitsui (as to 15%). The agreement contains a term sheet with principal terms of an offtake agreement to be entered into between THNC and TMC for the supply of limonite ore. Similar to the Coral Bay HPAL facility, the plant is located in a Special Economic Zone approved by the PEZA and enjoy tax incentives. The operation of the facility provides an additional dedicated customer for limonite ore from our Taganito mine which allows us to benefit from the higher percentage of payable nickel available further downstream in the nickel value chain.

The estimated total project cost is US$1.7 billion, which includes capital expenditures of US$1.6 billion for the plant, working capital and US$100.0 million of interest accrued during the construction phase. Under the terms of the Stockholders Agreement, NAC will be required to guarantee a portion of such debt financing equal to NAC's 22.5% equity interest in THNC. On September 15, 2010, NAC entered into an agreement with SMM whereby SMM will guarantee our pro-rata portion of THNC's loan obligation in exchange for the payment of an annual guarantee service fee to SMM of 1% of our pro-rata share of the outstanding loan obligation.

In 2016, the Company made a strategic decision to reduce its ownership in the Taganito HPAL plant from 22.5% to 10%, the same equity level that the Company have then in the Coral Bay plant. The reduction in the Company's equity was achieved by a sale of shares to the majority owner of the plant and one of the major shareholders, SMM. In line with NAC's equity reduction in THNC, NAC and SMM also agreed to reduce the guarantee service fee rate from 1% to 0.60%.

D. REAL PROPERTIES

TMC owns the following parcels of land located in Surigao City:

1) a parcel of land with a total area of 43,237 square meters in Barangay Rizal and with Transfer Certificate of Title (TCT) No. 162-2011000392; and
2) a parcel of land with a total area of 88,640 square meters in Barangay Ipil and with TCT No. 162-2012000481, which is intended for leasing to THNC in the future

Likewise, HMC owns a parcel of land with a total area of 3,500 square meters located in Barangay Luna, Surigao del Norte under TCT No. 162-2013000096. HMC constructed a building on the said land which is currently being used as a liaison office of the Group's mining companies in Surigao. On February 6, 2025, the HMC's Board approved to sell the whole property including some of the office and machinery equipment.

NAC owns a parcel of land with a total area of more or less 20,000 square meters which is located in Barangay Quezon, Surigao del Norte. NAC constructed its diesel power plant on the said land.

MGPC has purchased some 48 hectares of its geothermal project site in Naujan, Oriental Mindoro.

SISPC purchased 200 hectares land for the project site of its solar power generation facilities in San Isidro, Leyte.

CSPC purchased 10 hectares land where a portion of its solar power plant facilities in Botolan, Zambales will be developed.

E. SERVICE CONTRACTS

The Group's renewable energy companies hold the following service contracts:

Solar Energy Service Contract No. 2013-10-039
On October 31, 2013, JSI entered into a SESC with the DOE. The SESC covers an area of approximately 2,997 hectares in the municipalities of Morong and Hermosa, in the province of Bataan. The SESC is for a period of 25 years, inclusive of a 2-year pre-development stage, and renewable for another 25 years. The government share under the SESC shall be 1% of the gross income from the sale of electricity generated from the solar energy operations.

On January 20, 2021, the DOE issued the Amended Confirmation of Commerciality No. SCC-2015-09-021-B to develop, operate and maintain the 100MW Bataan Solar Power Project (Phase 1 - 7MW; Phase 2 - 25MW; Phase 3A - 30MW and Phase 3B - 38MW).

Solar Energy Operating Contract No. 2021-01-577
On February 3, 2021, JSI entered into a SEOC with the DOE covering an area of 351 hectares, a portion of the area in SESC No. 2013-10-039, also located in Morong and Hermosa, Bataan. JSI secured from DOE a Certificate of Registration as RE Developer of 100MW / 86MW Subic New PV Power Plant Project. As of December 31, 2024, this project is still in the pre-development stage.

Geothermal Renewable Energy Service Contract No. 2016-02-060
GRESC No. 2010-02-013, which covers an approximate area of 3,914 hectares in the 3 barangays of Montelago, Montemayor and Melgar-B in Oriental Mindoro, involves the development of geothermal well clusters and a power plant. The steam extracted from the geothermal wells will power a geothermal power station with an output capacity of at least 20MW. Once completed, the addition of geothermal power into the present mix of Mindoro's electricity sources will have a stabilizing effect on the grid where the entire island is located.

On November 24, 2014, EPI and MGPC entered into a Deed of Assignment for the assignment of EPI's rights and obligations under the GRESC to MGPC. On December 5, 2014, EPI applied with the DOE to transfer the GRESC to MGPC. The DOE approved EPI's application on February 16, 2016 under Certificate of Registration No. 2016-02-060.

The Project is currently at the exploration phase and is expected to have an operating capacity of 40MW. The geothermal plant will supply electricity to Oriental Mindoro and Occidental Mindoro at 20MW capacity each.

On February 26, 2019, MGPC received the Confirmation of Commerciality for the 10MW Project from the Philippine Government, through the DOE.

On May 7, 2024, MGPC received from the DOE a termination letter of the GRESC covering the Montelago Geothermal Power Project to which MGPC responded through a letter of request for reconsideration to reinstate. MGPC's request for reinstatement was granted by the DOE on July 5, 2024.

Solar Energy Service Contract No. 2018-11-491
On November 6, 2019, Total Power Inc. (TPI) and DOE signed SESC No. 2018-11-491 whereby DOE granted TPI the exclusive right to explore, develop and utilize solar energy resources within 810 hectares of land located in San Isidro and Calubian, Leyte.

The SESC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued Certificate of Registration to TPI as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513 otherwise known as the Renewable Energy Act of 2008.

On December 7, 2022, the DOE approved the transition of the SESC from pre-development to development stage with a capacity of 280MW / 227 MW and issued the Certificate of Confirmation of Commerciality No. SCC-2022-22-117 for the Project located in San Isidro, Leyte.

On May 10, 2023, the DOE approved the assignment/transfer of all rights and obligations under the SESC from TPI to SISPC and issued a new Certificate of Registration under the name of SISPC.

Solar Energy Operating Contract No. 2023-10-715
On November 10, 2023, NPPGC and DOE signed SEOC No. 2023-10-715 whereby DOE granted NPPGC the exclusive right to explore, develop and utilize solar energy resources within 280 hectares of land located in Subic, Zambales.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued Certificate of Registration to NPPGC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract No. 2023-12-804
On January 22, 2024, NPPGC and DOE signed SEOC No. 2023-12-804 whereby DOE granted NPPGC the exclusive right to explore, develop and utilize solar energy resources within 53 hectares of land located in Subic, Zambales.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to NPPGC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract No. 2023-12-789
On December 19, 2023, CSPC and DOE signed SEOC No. 2023-12-789 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 102 hectares of land located in San Antonio, Zambales.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract No. 2023-12-790
On December 19, 2023, CSPC and DOE signed SEOC No. 2023-12-790 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 30 hectares of land located in Botolan, Zambales.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract No. 2023-12-795
On January 22, 2024, CSPC and DOE signed SEOC No. 2023-12-795 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 494 hectares of land located in Tuy and Nasugbu, Batangas.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2024-07-903
On July 23, 2024, CSPC and DOE signed SEOC No. 2024-07-903 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 597 hectares of land located in Tuguegarao, Cagayan.

The SEOC has a term of 25 years which may be extended to another 25years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Wind Energy Service Contract 2024-02-379
On March 15, 2024, CSPC and DOE signed WESC No. 2024-02-379 whereby DOE granted CSPC the exclusive right to explore, develop and utilize wind energy resources within 494 hectares of land located in Tuy and Nasugbu, Batangas.

The WESC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2024-04-851
On May 9, 2024, EER 2 and DOE signed SEOC No. 2024-04-851 whereby DOE granted EER 2 the exclusive right to explore, develop and utilize solar energy resources within 106 hectares of land located in Mariveles, Bataan.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to EER 2 as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2024-05-866
On June 26, 2024, EER 2 and DOE signed SEOC No. 2024-05-866 whereby DOE granted EER 2 the exclusive right to explore, develop and utilize solar energy resources within 408 hectares of land located in General Santos City.

The SEOC has a term of 25 years which may be extended to another 25 years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to EER 2 as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

F. LIENS AND ENCUMBRANCES

Except for the property and equipment pledged as collateral for the loans of JSI with Industrial and Commercial Bank of China (ICBC) and Security Bank Corporation (SBC), there were no other property and equipment pledged as collateral for the Group's borrowings as at December 31, 2024.

Item 3. LEGAL PROCEEDINGS

In the ordinary course of the Group's business, its subsidiaries and affiliates are a party to various legal actions that are mainly labor cases that it believes are routine and incidental to the operation of its business.

Asiacrest Marketing Corporation (Asiacrest) - First Integrated Bonding and Insurance Co. (FIBIC) Case
On May 30, 2016, JSI filed a complaint against Asiacrest and FIBIC before the Construction Industry Arbitration Commission (CIAC), docketed as CIAC Case No. 23-2016, for Asiacrest's breach of its EPC Contract for the 100MW solar power plant in Subic. JSI sought to hold Asiacrest liable for amounts not to exceed ₱1,458.0 million. JSI sought to hold FIBIC, being the surety, which secured Asiacrest's performance of its obligation, jointly and severally liable to the extent of the value of the performance bond of ₱727.5 million. On March 10, 2017, the Arbitral Tribunal rendered a final award in JSI's favor. On March 29, 2017, JSI moved for the issuance of a writ of execution with the CIAC.

On March 23, 2017, FIBIC filed a Petition for Review with application for the issuance of a Temporary Restraining Order (TRO) with the Court of Appeals (CA) which was granted on April 10, 2017, conditioned upon FIBIC posting a bond equivalent to the award adjudged against it in the Final Award of CIAC. On April 18, 2017, FIBIC moved to reduce the injunction bond to 1% of the amounts adjudged against it under the Final Award, which was opposed by JSI on May 2, 2017.

In the meantime, the CIAC ordered the issuance of a writ of execution against Asiacrest on May 8, 2017, and against FIBIC on June 13, 2017. On July 10, 2017, the CA granted the Motion of FIBIC to reduce the bond and thereafter, August 10, 2017, issued a TRO to enjoin the execution of the Final Award. The TRO expired on October 9, 2017. On November 29, 2017, the CA denied FIBIC's application for a writ of preliminary injunction.

On December 29, 2017, JSI received FIBIC's Petition for Certiorari with the Supreme Court (SC). FIBIC contests the resolution of the CA denying its application for a writ of preliminary injunction. This Petition for Certiorari was denied by the SC for failure of FIBIC to show any reversible error in the CA Resolution. On June 6, 2018, the SC's resolution became final and executory and recorded in the Book of Entries of Judgments. The CA subsequently issued a Joint Decision on the merits of the Petition for Review of Asiacrest and FIBIC. The Joint Decision dismissing the said Petition for Review and affirmed the Final Award with some modifications (CA Decision). FIBIC filed a Petition for Certiorari in the SC assailing the CA Decision.

As of February 8, 2019, there is no court-issued TRO or writ of preliminary injunction which would serve to enjoin the execution of the Final Award, whether against Asiacrest or FIBIC. However, the Insurance Commission (IC) has placed FIBIC under conservatorship and on July 24, 2018, issued a Notice of Stay Order suspending all payment of claims against FIBIC effective August 3, 2018, except on prior approval by the IC or until further notice. Also, on January 21, 2019, CIAC issued an Order staying the execution of the CIAC Final Award against FIBIC during the effectivity of the Stay Order issued by the IC.

On June 26, 2019, EPI and JSI signed a Deed of Assignment, wherein JSI assigns, transfers, and conveys to EPI, on a non-recourse basis, all its rights, title and interest in and to Asiacrest and FIBIC in partial payment of EPI's advances to JSI, to the extent of ₱514.7 million. As a result of the increased credit risk associated to Asiacrest, EPI provided an allowance for impairment losses on advances to a contractor amounting to ₱514.7 million as at December 31, 2024.

On September 19, 2019, JSI received a copy of the Entry of Judgment issued by the SC. While there is no court-issued TRO or writ of preliminary injunction to stop the execution of a Final Award against either Asiacrest or FIBIC, the IC issued a Notice of Stay Order on July 24, 2018, suspending all payment of claims against FIBIC from August 3, 2018, except on prior approval by the Insurance Commissioner or until further notice. Eventually, the IC placed FIBIC under liquidation and appointed Atty. Lozada-Marquez as FIBIC's appointed liquidator.

On November 27, 2020, EPI submitted its formal claim against FIBIC to the appointed liquidator in the amount of ₱736.2 million. EPI also appealed to the liquidator and the IC to run after the reinsurance companies for the amounts they respectively insured in favor of FIBIC.

On January 17, 2024, Atty. Jose Barcelon replaced the previous appointed liquidator, Atty. Lozada-Marquez, and all the case files relating to JSI's action against FIBIC have been turned over to him for proper action. To this date, JSI's formal claim remains pending.

MGPC's Petition for Interim Measure of Protection

On March 13, 2019, MGPC was involved in a legal case after receiving a Notice of Seller Default from Occidental Mindoro Electric Cooperative, Inc. (OMECO) and, alleging therein that MGPC has failed to comply with its main obligation under the PSA for the supply of 20MW electricity.

As a result of OMECO's threatened termination of the PSA, on June 10, 2019, MGPC filed a Petition for Interim Measure of Protection (Petition) with the Branch 67 of Regional Trial Court (RTC) of Pasig City to forestall the termination of the PSA. After trial, sans presentation by OMECO of its testimonial evidence because it was not ready to present the same, the trial court denied the Petition on the ground that case is arbitrable and should observe the dispute resolution mechanism under the PSA between the parties, thus, MGPC filed a Motion for Reconsideration on the ground that pending any arbitration proceedings the trial court can exercise jurisdiction to grant interim measure of protection to prevent OMECO from terminating the PSA, but the motion for reconsideration was denied per Order dated December 18, 2020. Unsatisfied, on January 28, 2021, MGPC filed a Petition for Review under Rule 19 of A.M. No. 07-11-08-SC, otherwise known as the Special Rules of Court on Alternative Dispute Resolution with the CA, praying for the reversal of the Decision dated November 3, 2020. The petition was raffled to the CA 17th Division. On July 31, 2021, OMECO belatedly filed a Motion to Admit Comment. In response, MGPC filed a Reply on October 11, 2021.

In a Resolution dated April 21, 2022, of the CA directed MGPC to file a Reply to OMECO's Motion to Admit Comment. On May 23, 2022, MGPC filed a Manifestation, noting the previous filing of a Reply on October 11, 2021, and reiterating the arguments made in said Reply.

On December 23, 2022, the CA issued a Resolution stating that the case is now deemed submitted for decision.

In a Decision dated April 20, 2023, the CA denied MGPC's Petition for Review. MGPC opted not to challenge the Decision anymore and the same became final on May 24, 2023.

MGPC's Petition for Indirect Contempt for Disobeying the Temporary Order of Protection (TOP) and Status Quo Order (SQO)

On December 4, 2019, MGPC filed a Petition for Indirect Contempt (Petition) against OMECO for the latter's Competitive Selection Process (CSP) activities for its full load power requirement, which violates the TOP and SQO issued by Branch 67 of the Pasig City RTC.

After trial, the trial court denied the Petition on the ground that the conduct of the CSP by OMECO is not included in the TOP and SQO, thus, MGPC filed a Motion for Reconsideration on February 5, 2021 but was denied per Order of the trial court dated March 4, 2021. On May 24, 2021, MGPC filed its Petition for Certiorari with the CA, challenging the Decision and Order of the Lower Court dated December 16, 2020 and March 4, 2021, respectively. On October 18, 2021, MGPC filed a Manifestation on why the instant petition should not be consolidated with those docketed a CA-G.R. No. 166764 and CA-G.R. SP No. 162890.

On November 3, 2022, MGPC filed its Memorandum praying that its Petition be given due course.

On October 20, 2023, MGPC's Petition for Certiorari dated May 24, 2021, was dismissed by the CA.

OMECO's Petition for Certiorari and Prohibition

In October 2019, OMECO filed with the CA a Petition for Certiorari and Prohibition (Petition) praying for the following: i) nullifying and setting aside the Orders by the Pasig RTC Branch 67 for having been issued without jurisdiction and in blatant contravention to the provisions of Section 43 (u) and Section 78 of the EPIRA; and ii) prohibiting the Pasig RTC Branch 67 from conducting further proceeding in the Petition for Interim Measure of Protection filed by MGPC and/or from enforcing in whatever manner the assailed Orders. On September 25, 2020, MGPC submitted its comment on the Petition. On November 17, 2021, the Court promulgated its Decision, granting OMECO's Petition for Certiorari and Prohibition and setting aside the Orders of the Lower Court that granted MGPC's Application for the issuance of a TOP. On December 13, 2021, MGPC filed a Motion for Reconsideration. On December 22, 2021, the Court issued a Resolution, referring said Motion for Reconsideration to OMECO for comment.

On February 23, 2022, MGPC received OMECO's Comment praying that the Motion for Reconsideration filed by MGPC be denied. On October 11, 2022, the Court issued a Resolution stating that MGPC's Motion for Reconsideration is submitted for resolution.

On April 3, 2023, the CA issued a Resolution denying MGPC's Motion for Reconsideration filed on December 13, 2021. MGPC decided not to contest the Resolution dated April 3, 2023 and pursue the case anymore. As a result, on November 17, 2023, the SC issued an Entry of Judgment.

Petition for Declaration of Nullity of Provincial Ordinance No. 01-2017 Imposing Real Property Tax on Mining Area Covered by MPSA No. 266-2008-XIII-SMR

TMC filed a Petition to declare as null and void Provincial Ordinance No. 01-2017 imposing Real Property Tax on mining area covered by MPSA No. 266-2008-XIII-SMR of TMC for being beyond the taxing authority of the local government. A Joint Motion that parties agree to forego presentation of evidence and just submit respective memoranda since the issues are purely legal was filed with the RTC. The Joint Motion was granted by the court hence, the parties filed their respective Memoranda.

On November 28, 2024, TMC, through counsel, received the RTC's Decision dated October 21, 2024, denied TMC's Petition for lack of merit. On December 12, 2024, TMC filed its Motion for Reconsideration. The province filed its Comment/Opposition dated December 27, 2024. The motion is pending the decision of the RTC.

Petition for Declaration of Nullity of Municipal Ordinance No. 2017-27 Increasing the Business Tax Imposed on Mining Companies from 1% of Gross Receipts to 2% of Gross Receipts

The Petition was filed by TMC to declare the nullity of Claver Municipal Ordinance No. 2017-27 which increased the local business tax imposed on mining companies from 1% to 2% of the gross receipts for being violative of Sections 130 and 191 of the Local Government Code. Section 191 expressly limits any increase in business tax rate to a maximum of 10% of the current tax rate every 5 years. The total business taxes paid under protest by TMC is at ₱461.8 million collectively paid from 2018 to 2024.

At the Pre-Trial Conference held on April 21, 2022, considering the issues are purely legal in nature, the parties moved jointly to file simultaneous Memoranda instead of going through a full-blown trial. The RTC granted the same. TMC timely filed its Memorandum via registered mail on May 23, 2022. On the other hand, the Respondent Municipality of Claver filed a Motion to Admit Memorandum w/ the Memorandum attached thereto 5 months after the deadline set by the RTC, TMC received a copy of the same on October 19, 2022 via electronic mail. As such, TMC filed an Opposition to the Motion to Admit Memorandum on October 27, 2022.

The Respondent Municipality of Claver filed an Urgent Motion to Admit Memorandum without further arguments dated January 27, 2023. On February 2, 2023 hearing, external counsel manifested that an Opposition was filed.

Prior to the filing of the instant Petition to declare Municipal Ordinance No. 2017-27 null and void, TMC filed an appeal of the legality of the said ordinance with the Secretary of Justice of the Department of Justice. The Secretary of Justice did not rule on the appeal within the period required by the rules; hence, the instant Petition was filed with the RTC. Notwithstanding the foregoing, the Secretary of Justice eventually issued a Resolution on the appeal of TMC on March 13, 2022 declaring that Municipal Ordinance No. 2017-27 was null and void. As such, TMC filed a Manifestation with the court on April 20, 2023 stating that a Resolution had been issued by the Secretary of Justice declaring the ordinance as null and void. The RTC has yet to resolve the same.

The Municipality of Claver filed a Joint Supplemental Pleading & Manifestation of Lack of Jurisdiction dated April 22, 2024, to which TMC filed its Comment on May 2, 2024. The RTC has also not resolved the same.

Petition to Recall Strategic Environmental Plan (SEP) Clearance

On December 14, 2014, the Palawan Council for Sustainable Development (PCSD) issued a SEP Clearance in favor of RTN. However, sometime in July 2019, the Environmental Legal Assistance Center, Inc. filed the instant Petition to cancel the SEP Clearance with the PCSD, alleging, among others, that issuance of the SEP Clearance violated the SEP Law, EO 23 and EO 79, and that the South Upper Guintalunan Project of RTN has adverse impacts on the environment. RTN maintains that the SEP Clearance was issued in accordance with the SEP Law and the application for the same went through the stringent evaluation and validation processes of the PCSD. The PCSD has yet to rule upon the same.

Action for Declaration of Nullity of Dinagat Island Provincial Ordinance No. 08-058 Imposing Soil Depletion Tax

This is an action for declaration of nullity of Dinagat Islands Provincial Ordinance No. 08-058 imposing a Soil Depletion Tax (SDT) on mining companies operating in Dinagat Islands equivalent to 1% of the gross receipts filed by CMC. CMC's position is that the SDT is invalid as it is beyond the authority of the provincial government or any LGU to impose being in the nature of an excise tax. This is a limitation on the taxing powers of LGUs expressly provided under Section 133 (h) of the Local Government Code.

On February 12, 2016, CMC filed a Motion to Declare the Respondent in Default because the province failed to file its Answer. The case was archived pursuant to the Order from the RTC dated May 16, 2019. On May 31, 2024, CMC filed a Motion to Reactivate Case With Prayer for Issuance of a TRO and Writ of Preliminary Injunction, seeking to enjoin the province from collecting the SDT from CMC, initiating any action to levy/distraint any of its assets, and/or stopping the operation of CMC for non-payment of the SDT. During the hearing on August 15, 2024, counsel for the province undertook to submit an Affidavit of Undertaking from the Provincial Governor that the province will not initiate or commence any action to stop the operations of CMC. The Affidavit of Undertaking dated August 29, 2024 was filed with the RTC, where the Provincial Governor undertook to desist from doing any act which disallows the CMC's shipping of minerals from and to the Province of Dinagat Islands while the case between CMC and the Province of Dinagat Islands (Civil Action No. 653 for Declaration of Nullity of Ordinance No. 08-058) is pending resolution before the RTC Branch 32 Dinagat Islands". On the same date, the province filed its Answer and Pre-Trial Brief and the RTC issued the following Orders:

a. Status quo ante order
b. Declared the resolution of the prayer for issuance of restraining order moot
c. Admitted the Answer of the Province, and
d. Considered the Motion for Declaration of Default withdrawn.

CMC filed its Pre-Trial Brief dated October 17, 2024. During the pre-trial held on November 14, 2024, the parties were directed to file their respective memoranda. Memorandum on December 16, 2024. The province filed its Memorandum dated December 12, 2024. The RTC has not yet issued any decision.

Collection for Sum of Money for Payment of SDT under Dinagat Island Provincial Ordinance No. 08-058

This is a collection for sum of money case filed by the Province of Dinagat Islands against CMC for payment of the SDT under Provincial Ordinance No. 08-58 for the period June 15, 2009 to October 8, 2014 in the aggregate amount of ₱174 million. CMC is contesting the above assessment on the ground that Ordinance No. 08-58 is null and void for being an ultra vires act of the Province of Dinagat

Islands as it does not have the authority to impose the same in breach of the limitation of its revenue raising power under Section 133(h) of the Local Government Code.

The case is presently archived, and the parties have yet to move on whether it will be reactivated.

In Re: Joint Assessment Conducted at Taganito Mining Corporation, et al.

On September 16, 2016 the DOLE CARAGA Regional Office conducted an assessment at TMC's mine site to ensure its compliance with labor laws, rules, and regulations, which was prompted by a complaint for regularization. On the same date, the Regional Office issued a Notice of Results which noted some deficiencies but did not find TMC to be engaged in labor-only contracting. TMC and all its contractors complied with the required submissions and attended all mandatory conferences, wherein there was neither any question on the legitimacy of its contractors nor a finding of labor-only contracting.

On April 26, 2019, the Regional Office issued the Order finding that TMC is engaged labor-only contracting and required it to regularize 133 workers. TMC filed its Memorandum of Appeal dated May 9, 2019 with the Secretary of Labor (SOLE). On July 2, 2024, the SOLE issued a Resolution upholding the Order of the Regional Office. TMC filed its Motion for Reconsideration arguing, among other things, that the SOLE arbitrarily disregarded the presumption of legitimacy which arises from the registration of contractors with the DOLE and that the findings of the Order of the Regional Office are not supported by evidence on record. On September 19, 2024, SOLE denied TMC's Motion for Reconsideration. TMC filed a Petition for Certiorari with the CA on December 13, 2024 on the following grounds:

a. The SOLE improperly applied the concept of presumptions
b. The SOLE's findings are not supported by evidence on record
c. There is nothing on record which would show that TMC controls the means and methods by which its contractors perform the services for which they were engaged. Neither did TMC hire, discipline, bad/or fire any of its contractors' employees

The Petition has yet to be decided on by the CA.

In Re: Joint Assessment Conducted at Hinatuan Mining Corporation

On July 26, 2017, the DOLE CARAGA Regional Office conducted an assessment at HMC's mine site. On the same date, the Regional Office issued a Notice of Results which noted some deficiencies but did not find HMC to be engaged in labor-only contracting. HMC submitted documents to address the cited deficiencies. During the mandatory conferences, there was no finding of labor-only contracting.

On April 26, 2019, the Regional Office issued the Order declaring HMC as engaged in labor-only contracting and required it to regularize 604 workers. HMC filed its Memorandum of Appeal dated May 14, 2019. On May 10, 2024, the SOLE issued a Resolution granting HMC's Appeal and setting aside the Order of the Regional Office. On July 18, 2024, the DOLE issued an Entry of Judgment declaring the Resolution final and executory.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters covered under this item submitted in 2024 to the security holders for a vote.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A. MARKET INFORMATION

The stock prices for the Parent Company's common equity for the last 3 years, after the effect of stock dividends, are as follows:

	High	Low
2022		
1st Quarter	₱9.52	₱5.07
2nd Quarter	₱8.42	₱6.10
3rd Quarter	₱6.33	₱5.01
4th Quarter	₱5.84	₱4.76
2023		
1st Quarter	₱7.70	₱6.19
2nd Quarter	₱7.07	₱5.72
3rd Quarter	₱6.35	₱5.01
4th Quarter	₱6.48	₱5.00
2024		
1st Quarter	₱5.20	₱3.88
2nd Quarter	₱4.46	₱3.71
3rd Quarter	₱3.80	₱3.09
4th Quarter	₱4.08	₱2.97

The share price of the Parent Company's stocks was at ₱2.40 per share as of February 26, 2025.

B. HOLDERS

The Company has 97 shareholders as of December 31, 2024, with outstanding common shares of 13,931,125,094. The top 20 stockholders of the Company as at December 31, 2024 are as follows:

Name	Citizenship	Shares	% of Ownership
Sumitomo Metal Mining Philippine Holdings Corp. (SMMPHC)	Filipino	3,614,397,887	25.94%
Mantra Resources Corp. (Mantra)	Filipino	3,555,081,802	25.52%
PCD Nominee Corporation (Filipino)	Filipino	2,423,855,755	17.40%
Asiasec Equities Inc.	Filipino	1,830,296,491	13.14%
PCD Nominee Corporation (Non-Filipino)	Foreign	1,265,231,400	9.08%
Nonillion Holding Corp.	Filipino	1,174,000,000	8.43%
Gerard H. Brimo	Filipino	17,057,784	0.12%
Luis Juan L. Virata	Filipino	17,000,720	0.12%
William T. Enrile &/or William R. Enrile II &/or Nelly R. Enrile	Filipino	12,880,000	0.09%
Ricardo Sy Po or Angelita Tan Po or Leonardo Arthur Tan Po	Filipino	3,781,501	0.03%
William T. Enrile or Nelly R. Enrile or Edwin R. Enrile or William R. Enrile II	Filipino	3,000,000	0.02%
Ronaldo B. Zamora	Filipino	2,340,403	0.02%
Megastar Agri-Farming Corporation	Filipino	2,340,000	0.02%
Harvey T. Ang	Filipino	2,000,000	0.01%
Koh Teng Ong Chong	Filipino	1,967,040	0.01%
CHS Capital Holdings Corp.	Filipino	750,000	0.01%
Eva Policar-Bautista	Filipino	658,123	0.00%

Name	Citizenship	Shares	% of Ownership
Rolando R. Cruz	Filipino	614,952	0.00%
Yee Men Siao or Charlene Sarte Yee or Dixie Jill Sarte Yee	Filipino	600,000	0.00%
Jose B. Anievas	Filipino	573,750	0.00%

C. DIVIDENDS

The following table shows the dividends declared and paid to common shareholders for the years ended December 31, 2024, 2023 and 2022:

Cash Dividends

Year	Date			Dividend Per Share	Amount Declared (in millions)
	Declaration	Record	Payment		
Regular					
2024	March 13, 2024	March 27, 2024	April 12, 2024	₱0.08	₱1,114.5
2023	March 14, 2023	March 29, 2023	April 12, 2023	0.17	2,317.2
2022	March 10, 2022	March 24, 2022	April 7, 2022	0.17	2,317.2
Special					
2024	March 13, 2024	March 27, 2024	April 12, 2024	₱0.05	₱696.6
2023	November 9, 2023	November 24, 2023	December 7, 2023	0.07	973.3
2022	March 10, 2022	March 24, 2022	April 7, 2022	0.05	681.5
2022	November 10, 2022	November 24, 2022	December 9, 2022	0.23	3,135.1

NAC declares dividends to shareholders of record, which are paid from its unrestricted retained earnings. The Company's dividend policy entitles holders of shares to receive annual cash dividends of up to 30% of the prior year's recurring attributable net income based on the recommendation of its BOD. Such recommendations will take into consideration factors such as dividend income from subsidiaries, debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments and acquisitions, appropriate reserves and working capital, among others. Although the cash dividend policy may be changed by the BOD at any time, the Company's current intention is to pay holders of its shares annual cash dividends at this ratio. Additionally, in the event that new investments, acquisitions or other capital expenditure plans do not materialize, the BOD plans to review the dividend policy and consider increasing the dividend ratio above 30% of the prior year's recurring net income.

NAC's subsidiaries pay dividends subject to the requirements of applicable laws and regulations and availability of unrestricted retained earnings, without any restriction imposed by the terms of contractual agreements. Notwithstanding the foregoing, the declaration and payment of such dividends depends upon the respective subsidiary's results of operations and future projects, earnings, cash flow and financial condition, capital investment requirements and other factors.

Cash dividends are paid to all shareholders at the same time and within 30 calendar days from the declaration date. Stock dividends are also issued to all shareholders at the same time but subject to shareholder's approval.

D. RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES

No unregistered securities were sold in 2024.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussions and analysis are based on the audited consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, prepared in conformity with Philippine Financial Reporting Standards and accompanying Notes to the Consolidated Financial Statements and should be read in conjunction with the audited consolidated financial statements.

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

Summary Financial Information

The Consolidated Financial Statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 are hereto attached.

The following tables set forth the summary financial information for the 3 years ended December 31, 2024, 2023 and 2022 and as at December 31, 2024, 2023 and 2022:

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Horizontal Analysis			
	2024	2023	2022	Increase (Decrease)		Increase (Decrease)	
		(In Thousand Pesos)		2024 vs 2023	%	2023 vs 2022	%
Revenues	₱22,325,428	₱24,700,467	₱28,003,150	(₱2,375,039)	-10%	(₱3,302,683)	-12%
Costs	(9,822,152)	(10,030,801)	(9,237,117)	(208,649)	-2%	793,684	9%
Operating expenses	(5,701,094)	(5,708,770)	(6,126,572)	(7,676)	0%	(417,802)	-7%
Finance income	695,893	524,065	188,622	171,828	33%	335,443	178%
Finance expenses	(482,786)	(446,701)	(306,783)	36,085	8%	139,918	46%
Equity in net income (loss) of associates	(897,927)	(1,037,821)	942,143	(139,894)	-13%	(1,979,964)	-210%
Other income (charges) - net	(1,556,511)	21,492	841,806	(1,578,003)	-7,342%	(820,314)	-97%
Provision for income tax - net	(1,638,389)	(2,227,996)	(3,429,136)	(589,607)	-26%	(1,201,140)	-35%
Net income	₱2,922,462	₱5,793,935	₱10,876,113	(₱2,871,473)	-50%	(₱5,082,178)	-47%
Net income attributable to:							
Equity holders of the Parent	₱1,521,458	₱3,749,656	₱7,931,150	(₱2,228,198)	-59%	(₱4,181,494)	-53%
Non-controlling interests	1,401,004	2,044,279	2,944,963	(643,275)	-31%	(900,684)	-31%
	₱2,922,462	₱5,793,935	₱10,876,113	(₱2,871,473)	-50%	₱5,082,178)	-47%

Summary of Consolidated Statements of Financial Position

				Horizontal Analysis			
	2024	2023	2022	Increase (Decrease)		Increase (Decrease)	
		(In Thousand Pesos)		2024 vs 2023	%	2023 vs 2022	%
Current assets	₱23,835,707	₱23,488,558	₱20,955,174	₱347,149	1%	₱2,533,384	12%
Noncurrent assets	37,815,094	34,438,251	28,803,868	3,376,843	10%	5,634,383	20%
Total assets	₱61,650,801	₱57,926,809	₱49,759,042	₱3,723,992	6%	₱8,167,767	16%
Current liabilities	₱12,752,199	₱9,990,199	₱4,772,920	₱2,762,000	28%	₱5,217,279	109%
Noncurrent liabilities	4,485,380	4,831,624	4,455,303	(346,244)	-7%	376,321	8%
Non-controlling interests	7,786,697	6,846,207	4,842,184	940,490	14%	2,004,023	41%
Equity attributable to equity holders of the Parent	36,626,525	36,258,779	35,688,635	367,746	1%	570,144	2%
Total liabilities and equity	₱61,650,801	₱57,926,809	₱49,759,042	₱3,723,992	6%	₱8,167,767	16%

	For the Years Ended December 31		
	2024	2023	2022
	(In Thousand Pesos)		
Net cash flows from (used in):			
Operating activities	₱7,477,286	₱8,967,349	₱12,876,402
Investing activities	(8,322,817)	(6,168,808)	(3,898,505)
Financing activities	(1,943,022)	1,867,561	(8,824,192)
Net increase (decrease) in cash and cash equivalents	(2,788,553)	4,666,102	153,705
Cash and cash equivalents, beginning	15,482,465	10,809,026	10,826,806
Effect of exchange rate changes in cash and cash equivalents	241,360	7,337	(171,485)
Cash and cash equivalents, end	₱12,935,272	₱15,482,465	₱10,809,026

RESULTS OF OPERATIONS

Calendar year ended December 31, 2024 compared with calendar year ended December 31, 2023

Revenues
In 2024, the Group reported total revenues of ₱22,325.4 million, representing a decrease of ₱2,375.0 million or 10% compared to ₱24,700.5 million in 2023. This decline was primarily driven by lower nickel ore prices, as a result of an oversupply in the nickel market.

Sale of Ore
The Group's operating mines sold a total of 17.0 million WMT of nickel ore in 2024, reflecting a modest increase of 3% from 16.5 million WMT in the previous year.

Breaking down the ore sales, the Group exported 9.6 million WMT of saprolite and limonite ore in 2024, achieving an average price of $27.34 per WMT, down from $30.59 per WMT for 8.9 million WMT in 2023. Additionally, the Group delivered 7.4 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants in 2024, with prices linked to the LME. The average price realized was $7.65 per pound of payable nickel in 2024 compared to $9.89 per pound of payable nickel for 7.6 million WMT in 2023. When expressed in US$ per WMT, the average prices for these deliveries were $10.50 and $14.66 in 2024 and 2023, respectively.

On a per mine basis, the Group's Taganito mine was the largest contributor, accounting for 50% of total ore sales in 2024, with combined shipments and deliveries totaling 8.6 million WMT (4.1 million WMT of saprolite and/or limonite ore exports and 4.5 million WMT of limonite ore deliveries to the Taganito HPAL plant). This was an increase from 8.2 million WMT in 2023 (3.7 million WMT of saprolite ore exports and 4.5 million WMT of limonite ore deliveries to the Taganito HPAL plant).

The Rio Tuba mine contributed 25% of total ore sales in 2024, comprising 4.2 million WMT (1.8 million WMT of saprolite ore exports and 2.4 million WMT of limonite ore deliveries to the Coral Bay HPAL plant), which was almost the same in 2023 at 1.6 million WMT ore exports and 2.6 million WMT deliveries to the Coral Bay HPAL plant or a total of 4.2 million WMT.

The Hinatuan, Cagdianao, and Dinapigue mines exported 1.7 million WMT, 1.5 million WMT, and 0.5 million WMT of saprolite and limonite ore, respectively, in 2024, compared to 1.6 million WMT, 1.7 million WMT, and 0.3 million WMT, respectively, in 2023. The Cagdianao and Dinapigue mines also delivered 0.5 million WMT of limonite ore to the Coral Bay processing plant in both years.

The realized Peso/US$ exchange rate for ore sales was ₱57.36 in 2024, up 3% from ₱55.78 in 2023.

Sale of Limestone
Rio Tuba's revenue from the sale of limestone increased to ₱194.7 million in 2024, up from ₱175.0 million in 2023. This growth is attributable to an 11% rise in limestone deliveries to CBNC.

Services and Others
Services revenue consists mainly of payments for the hauling, manpower and other ancillary services that CDTN provides to CBNC and other third parties and TMC to THNC, and usage fee charged by TMC to THNC for the use of its pier facility. The Group's revenue from services and others fell by 46%, to ₱1,229.3 million from ₱2,265.1 million. This decline primarily resulted from reduced equipment rental income associated with the completion of CBNC's Tailings Storage Facility (TSF)-3 project in December 2023.

Sale of Power
Revenue from power sales experienced substantial growth, reaching ₱1,342.1 million, a 52% increase from ₱881.5 million in 2023. Although the year-on-year average effective price decreased by 2% from Php5.40/kilowatt hour (kWh) to Php5.30/kWh, generation volume from the Group's solar and diesel power plants more than doubled, increasing by 109%, or 119.0 million kWh, due to a significant increase in overall capacity.

<u>Costs</u>
The Group's total costs decreased slightly by 2%, or ₱208.6 million, from ₱10,030.8 million to ₱9,822.2 million.

Cost of Sales
The cost of sales increased to ₱8,591.0 million in 2024 from ₱7,964.5 million in 2023, driven by a 3% rise in sales volume. Factors influencing cost movements included: 1) longer hauling distances particularly in Taganito and Rio Tuba; 2) a 13% increase in fuel consumption (partially offset by a 2% decline in fuel prices); and 3) higher volume handled by third-party contractors.

Cost of Services
Cost related to services dropped by 59%, from ₱1,550.8 million to ₱628.2 million, following the completion of CBNC's TSF-3 project, resulting in a 44% reduction in the volume of materials handled.

Cost of Power Generation
Cost in power generation rose by 17%, from ₱515.5 million in 2023 to ₱603.0 million in 2024, as a direct consequence of the 109% increase in generation volume.

<u>*Operating Expenses*</u>
The Group's operating expenses remained relatively stable, amounting to ₱5,701.1 million in 2024, slightly decreasing from ₱5,708.8 million in 2023, reflecting a decrease of ₱7.7 million.

Shipping and Loading Costs
Shipping and loading costs increased by 4%, largely due to an 8% increase in ore export volumes. Contributing factors included the: 1) completion of the causeway construction in Dinapigue and the depreciation of the 2 LCTs acquired for Dinapigue in July 2023; 2) a prolonged loading season due to adverse weather; and 3) direct loading activities in Rio Tuba caused by stock unavailability at the pier.

Excise Taxes and Royalties
Excise taxes and royalties decreased by 9%, from ₱1,873.8 million to ₱1,707.3 million, predominantly due to a 3% decline in revenues from nickel ore and limestone sales attributed to lower nickel ore prices.

General and Administrative
General and administrative expenses increased by 5%, rising from ₱1,542.8 million to ₱1,618.2 million. This increase was primarily driven by the: 1) increased personnel costs due to annual merit raises, the hiring of new employees and retirement or severance payments; 2) additional contributions to the NAC Foundation Inc. for health and community programs; and 3) increase in outsourced services particularly software program developers.

Marketing
Marketing expenses, which includes commission and is based on a certain percentage of revenue, decreased by 9% in 2024, reflecting a 5% decline in CMC's revenue from ore sales and adjustment in marketing fee rate, which dropped from 3.5% to 2.5% beginning January 2024.

Finance Income
Finance income surged by 33% to P695.9 million from ₱524.1 million, primarily due to improved net yields from time deposit placements averaging 4.46% in 2024 as against 4.10% in 2023.

Finance Expenses
Finance expenses rose by 8%, reaching ₱482.8 million, up from ₱446.7 million. This increase was attributed to the new loans from ICBC, SBC and Rizal Commercial Banking Corporation (RCBC), as well as a rise in the average foreign exchange rate from P55.63/US$1 to P57.28/US$1.

Equity in Net Loss of Associates,
The Parent Company reported a reduced loss from its equity interests in the two HPAL plants, with a combined loss of ₱897.9 million in 2024 compared to ₱1,037.8 million in 2023, or a 13% improvement. The net losses were driven by lower metal prices for nickel and cobalt year-on-year.

Other Income (Charges) - Net
In 2024, the Group has net other charges of ₱1,556.5 million, a contract to net other income of ₱21.5 million in 2023. The primary drivers were an impairment loss of ₱1,912.3 million on MGPC's geothermal exploration and evaluation assets and a total of ₱202.6 million in input VAT impairments and write-offs. This loss was partially offset by net foreign exchange gains from the Group's US$ denominated net financial assets amounting to ₱411.3 million, a significant recovery from a loss of ₱79.4 million in 2023.

Provision for Income Tax - Net
The Group's net provision for income tax decreased by 26%, even as net income fell by 50%. The smaller reduction can be attributed to higher nondeductible expenses stemming from increased provisions for impairment losses.

Net Income
As a result of the foregoing, the Group reported a consolidated net income of ₱2,922.5 million in 2024, down from ₱5,793.9 million in 2023. After accounting for non-controlling interests, the attributable net income stood at ₱1,521.5 million in 2024, which was 59% lower than ₱3,749.7 million in 2023.

Calendar year ended December 31, 2023 compared with calendar year ended December 31, 2022

Revenues
The Group's total revenues in 2023 was ₱24,700.5 million, lower by ₱3,302.7 million or 12% compared to ₱28,003.1 million in 2022 because of lower nickel ore prices caused by the growth in Indonesian nickel production.

Sale of Ore
The Group's operating mines sold a combined 16.5 million WMT of nickel ore in 2023, or 3% higher than last year's 15.9 million WMT.

Breaking down the ore sales, the Group exported 8.9 million WMT of saprolite and limonite ore to customers at the average price of $30.59 per WMT in 2023 from 8.1 million WMT at $39.39 per WMT in 2022. Likewise, the Group delivered 7.6 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants, the prices of which are linked to the LME, and realized an average price of $9.89 per pound of payable nickel in 2023. This compares to 7.8 million WMT at $11.64 per pound of payable nickel in 2022. Expressed in US$ per WMT, the average price for the deliveries to the 2 HPAL plants were $14.66 and $18.72 in 2023 and 2022, respectively.

On a per mine basis, the Group's Taganito mine accounted for 50% of the total WMT of ore sold in 2023. The mine shipped 3.7 million WMT of saprolite ore and delivered 4.5 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 8.2 million WMT. The comparable figures for 2022 were 3.2 million WMT of saprolite ore and 4.7 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 7.9 million WMT.

The Rio Tuba mine accounted for 25% of the total ore sold in 2023, consisting of 1.7 million WMT of saprolite ore and 2.5 million WMT of limonite ore delivered to the Coral Bay HPAL plant or a total of 4.2 million WMT. The comparable figures for 2022 were 1.5 million WMT and 2.7 million WMT or a total of 4.2 million WMT.

The Group's Hinatuan, Cagdianao, and Dinapigue mines exported saprolite and limonite ore of 1.6 million WMT, 1.7 million WMT, and 0.3 million WMT, respectively, in 2023, and 1.4 million WMT, 1.8 million WMT, and 0.2 million WMT, respectively, in 2022. Aside from the limonite ore deliveries from the Rio Tuba mine, the Group's Cagdianao and Dinapigue mines also delivered limonite ore to the Coral Bay processing plant for a total of 0.5 million WMT and 0.4 million WMT in 2023 and 2022, respectively.

The realized Peso/US$ exchange rate for ore sales was ₱55.78 in 2023, a 2% increase from ₱54.90 in 2022.

Sale of Limestone

Rio Tuba's revenue from sale of limestone went down to ₱175.0 million in 2023 from 215.60 million in 2022 because of the 17% decrease in volume delivered to customers.

Services and Others

Services revenue largely consists of payments made in consideration for hauling, manpower and other ancillary services that CDTN provides to CBNC and other third parties and TMC to THNC, and usage fee charged by TMC to THNC for the use of its pier facility. The Group's revenue from services and others improved by 52% to ₱2,265.1 million from ₱1,490.7 million mainly because of the increase in the volume of materials handled, particularly for CBNC's TSF-3 Project.

Sale of Power

Revenue from the sale of power in 2023 amounted to ₱881.5 million, or 14% higher than last year's ₱773.4 million. Despite the 8% decrease in the year-on-year average effective price, from Php5.55/kWh to Php5.09/kWh, the generation volume of the Group's solar and diesel power plant was higher by 27%, or by 32MW, owing to higher demand, compared to the year prior. A portion of the energy generated was attributable to the completion and energization of Phase 3B, which contributed 38MW starting in the third quarter of 2022.

<u>Costs</u>

The Group's costs went up by 9% or ₱793.7 million, from ₱9,237.1 million to ₱10,030.8 million.

Cost of Sales

The 3% increase in sales volume led to the slight increase in cost of sales from ₱7,931.0 million in 2022 to ₱7,964.5 million in 2023. The movements in the cost of sales were driven by 1) higher fuel consumption by 11%, however, this was partially offset by an average 10% decline in fuel prices; 2) compared to last year, when the mines were still recovering from the impact of typhoon Odette, wherein the Surigao mines experienced almost a month without power due to damaged powerlines caused by typhoon Odette, the Group is operating normally during 2023; and 3) aside from the slight increase in the contractor's rate, the contracted tonnage was also higher in 2023.

Cost of Services

Cost of services rose by 72% to ₱1,550.8 million from ₱902.2 million following the increase in payments made to subcontractors for CBNC's TSF-3 project. Aside from this, the volume of materials handled in 2023 was higher by 26% than last year.

Cost of Power Generation

Cost of power generation went up by 28% to ₱515.5 million in 2023 from ₱403.9 million in 2022 because of higher generation volume, which increased by 27% compared in the year prior, following the completion and energization of Phase 3B in June 2022, which also led to increase in depreciation by 16%.

<u>*Operating Expenses*</u>

The Group's operating expenses amounted to ₱5,708.8 million in 2023 compared to ₱6,126.6 million in 2022, a decrease of ₱417.8 million, or 7%.

Shipping and Loading Costs
Shipping and loading costs were up by 1% since loading started early for some of the mines in 2023 compared to last year, when shipment started late due to inclement weather conditions. Aside from this, the volume of ore export sales increased by 9%.

Excise Taxes and Royalties
Excise taxes and royalties slid by 25% to ₱1,873.8 million from ₱2,486.3 million, mainly on account of the 16% decline in revenue from the sale of nickel ore and limestone as a result of lower nickel ore prices in 2023, and due to the reduction in the royalty rate of CMC to its claim owner, from 8.75% to 2.50%.

General and Administrative
General and administrative expenses increased by 18% from ₱1,306.3 million to ₱1,542.8 million on account of higher taxes due to the settlement of the prior year's deficiency taxes, increase in travel related expenses particularly to/from sites, additional office space rented in line with ongoing renovations and boost in publicity promotions and advertisements. Aside from this, additional expenses were incurred for the risk conference held in Cebu and Manila, for NAC's first sustainability-run event and various employee engagement activities to promote health and wellness.

Marketing
The marketing cost, which includes commission and is based on a certain percentage of revenue, was lower by 31% in 2023. The commission is based on CMC's revenue only, and CMC's revenue from the sale of ore was 27% lower in 2023 compared to last year. Further, shipments subjected to a marketing fee in 2023 were lower by 45% compared to last year.

Finance Income
Finance income significantly improved by 178% to P524.1 million from ₱188.6 million because of the improvements in the net yield of time deposit placements, which averages to 4.10% in 2023, compared to an average of 1.45% in 2022.

Finance Expenses
The Group's finance expenses rose by 46%, to ₱446.7 million from ₱306.8 million, following the increase in the domestic borrowing rate, from a range of 5.25% to 7.50% to a range of 6.59% to 8.19% and additional loans obtained from ICBC, SBC and RCBC. Aside from this, a jump in the foreign exchange rate from an average of P54.50/US$1 to P55.63/US$1 also contributed to the increase.

Equity in Net Loss (Income) of Associates,
The Parent Company registered a loss from its equity interests in the two HPAL plants in the combined amount of ₱1,037.8 million in 2023 against a profit of ₱942.1 million the year prior, or a 210% decrease. The net loss incurred by the HPAL plants was due to lower metal prices for nickel and cobalt year-on-year.

Other Income - Net
The Group's other income - net was at ₱21.5 million in 2023, compared to ₱841.6 million in 2022. The Group recognized net foreign exchange losses from its US$ denominated net financial assets in the amount of ₱79.4 million in 2023, a significant turnaround from foreign exchange gains of ₱1,215.2 million in 2022. However, the decrease in foreign exchange gains was partially offset by the increase in the valuation gains of investments in 2023 by ₱720.2 million. Impairment losses were also recognized in 2023 due to rescissions of operating contracts.

Provision for Income Tax - Net
The Group's net provision for income tax was 35% lower due to lower taxable income base on account of higher deductible expenses from actual exercise of employee stock option shares in 2023.

Net Income
As a result of the foregoing, the Group's consolidated net income was ₱5,793.9 million in 2023 compared to ₱10,876.1 million in 2022. Net of non-controlling interests, our net income was ₱3,749.7 million in 2023, or 53% lower compared to ₱7,931.1 million in 2022.

Calendar year ended December 31, 2022 compared with calendar year ended December 31, 2021

Revenues
The Group's total revenues in 2022 was ₱28,003.1 million, higher by ₱599.0 million or 2% compared to ₱27,404.1 million in 2021 because of higher nickel ore prices buoyed by high demand, favorable exchange rates and higher revenue from services.

Sale of Ore
The Group sold a total of 15.9 million WMT of nickel ore at the weighted average realized price of $29.17 per WMT in 2022, compared to 17.9 million WMT at $29.13 per WMT in 2021. The drop in sales volume was almost in direct proportion to unrealized workable days caused by unfavorable weather that adversely affected the Group's mining operations during the year.

Breaking down the ore sales, the Group exported 8.1 million WMT of saprolite and limonite ore to customers at the average price of $39.39 per WMT in 2022 from 10.8 million WMT at $40.40 per WMT in 2021. Likewise, The Group delivered 7.8 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants, the prices of which are linked to the LME, and realized an average price of $11.64 per pound of payable nickel in 2022. This compares to 7.1 million WMT at $8.35 per pound of payable nickel in 2021. Expressed in US$ per WMT, the average price for the deliveries to the 2 HPAL plants were $18.72 and $12.03 in 2022 and 2021, respectively.

On a per mine basis, the Group's Taganito mine accounted for 50% of the total WMT of ore sold in 2022. The mine shipped 3.2 million WMT of saprolite ore and delivered 4.7 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 7.9 million WMT. The comparable figures for 2021 were 4.3 million WMT of saprolite ore and 4.0 million WMT of limonite ore to the Taganito HPAL plant, or a combined shipment and delivery of 8.3 million WMT.

The Rio Tuba mine accounted for 26% of the total ore sold in 2022, consist of 1.5 million WMT of saprolite ore and 2.7 million WMT of limonite ore delivered to the Coral Bay HPAL plant or a total of 4.2 million WMT. The comparable figures for 2021 were 1.9 million WMT and 2.9 million WMT or a total of 4.8 million WMT.

Shipments from the Group's Hinatuan mine was 1.4 million WMT in 2022 compared to 1.8 million WMT in 2021. On the other hand, the Cagdianao mine shipped 2.1 million WMT in 2022 as against 3.0 million WMT in 2021.

The realized Peso/US$ exchange rate for ore sales was ₱54.90 in 2022, an 11% increase from ₱49.48 in 2021.

Sale of Limestone
Rio Tuba's revenue from sale of limestone went down to ₱215.6 million in 2022 from ₱244.9 million in 2021 because of the 15% decrease in volume delivered to customers.

Sale of Quarry Materials
Starting the last quarter of 2021, TMC discontinued the deliveries of quarry materials to THNC due to MGB's advisory that it will discontinue the issuance of permit to quarry. TMC's last delivery of quarry materials was in October 2021 wherein it delivered 387,677 bank cubic meter and earned ₱151.1 million in revenue.

Services and Others (excluding sale of quarry materials)
The Group's revenue from services and others improved by 131% to ₱1,490.7 million from ₱646.1 million mainly because of the services provided to CBNC's TSF-3 project, which resulted to an increase in the volume of materials handled. Services revenue largely consists of payments made in consideration for hauling, manpower and other ancillary services that RTN and CDTN provide to CBNC and TMC to THNC, and usage fee charged by TMC to THNC for the use of its pier facility.

Sale of Power
Revenue from the sale of power amounted to ₱773.4 million in 2022, higher by 52% from ₱507.9 million in 2021. Energy generated by JSI in 2022 increased by 56%, attributable mainly to the energization and subsequent commercialization of the additional 38MW capacity installed. The average WESM price for 2022 was 36% higher at ₱8.60/kWh compared to 2021 of ₱6.32/kWh. The spikes in global fuel prices in 2022

increased the offer prices of coal and other thermal plants. This factor, coupled with thin supply margin, led to higher WESM prices for the year. On the other hand, PSA average price in 2022 was 10% higher at ₱4.31/kWh compared to 2021 at ₱3.92/kWh. On a combined basis, the average selling price for 2022 is ₱5.31/kWh for both WESM and PSA, or 14% above of last year's ₱4.64/kWh.

Costs
The Group's costs went up by 11% or ₱942.5 million, from ₱8,294.6 million to ₱9,237.1 million.

Cost of Sales
Despite the 11% drop in sales volume caused by the late start of shipment, particularly in the Surigao mines due to unfavorable weather that adversely affected the Group's mining operations, the Group's cost of sales slightly increased by 4% to ₱7,931.0 million in 2022 from ₱7,611.8 million in 2021. The movement in the cost of sales was significantly driven by the spikes in global fuel prices, which led to an increase in fuel costs by 80% based on the average cost per liter.

Cost of Services
Cost of services rose by 181% to ₱902.2 million from ₱321.6 million following the increase in outside services due to payments made to subcontractors for the TSF-3 project of CBNC.

Cost of Power Generation
Cost of power generation went up by 12% to ₱403.9 million in 2022 from ₱361.1 million in 2021 following the completion of Phase 3A of the solar project in June 2021 and Phase 3B in June 2022, which increased depreciation by 18%, and on account of higher energy generated and delivered/sold in 2022.

Operating Expenses
The Group's operating expenses amounted to ₱6,126.6 million in 2022 compared to ₱6,316.5 million in 2021, a decrease of ₱190.0 million, or 3%.

Shipping and Loading Costs
Shipping and loading costs went down by 4% because of the 25% decline in the volume of ore export sales. Compared to last year, shipments for this year started late due to inclement weather conditions, particularly in the Surigao mines. Relative to this, LCT rental, stevedoring, wharfage, and ship loading personnel costs were lower in 2022.

Excise Taxes and Royalties
The Group's excise taxes and royalties slid by 8% to ₱2,486.3 million from ₱2,705.9 million because of the decrease in royalties paid to a claim owner of CMC. CMC's revenue, which was the basis for the royalty payments, was lower by 25% in 2022 compared to last year.

General and Administrative
General and administrative expenses increased by 14% from ₱1,145.9 million to ₱1,306.3 million on account of the initial contribution made to NAC Foundation Inc. and higher taxes due to several inward remittances received and documentary stamp tax, registration, and filings fees for the incorporation of GRHI. Legal fees and other service fees were also incurred in 2022 in relation to the project green metal. Moreover, due to the ease of pandemic restrictions, business costs are starting to normalize.

Marketing
The marketing cost, which includes commission and is based on a certain percentage of revenue, was lower by 18% in 2022. The commission is based on CMC's revenue only, which was 25% lower compared to last year.

Finance Income
The Group's finance income climbed by 16%, to ₱188.6 million from ₱162.1 million, following the increase in the net yield of time deposit placements from an average of 0.55% in 2021 to an average of 2.21% in 2022 for peso placements and 0.15% in 2021 to 2.14% in 2022 for US$ placements. Aside from this, the average principal placements were higher in 2022.

Finance Expenses
The Group's finance expenses rose by 26%, to ₱306.8 million from ₱244.1 million, driven by the increase in the London Inter-Bank Offered Rate (LIBOR) from an average of 0.21% to 1.75% and because of the significant jump in the average foreign exchange rate from ₱50.28/US$1 to ₱54.50/US$1. Likewise, the domestic borrowing rate rose from an average of 5.23% to an average of 5.44% and loan principal grew due to additional loans obtained from ICBC, SBC and TBEA.

Equity in Net Income of Associates,
Owing to the higher LME nickel prices, the Group recognized gains from its equity share in investments in the 2 HPAL plants in the combined amount of ₱942.1 million in 2022 compared to ₱557.9 million in 2021.

Other Income - Net
The Group's other income - net went up by 20% in 2022 to ₱841.6 million from ₱701.6 million in 2021 due to the stronger US$ against the peso, from an average of ₱50.28/US$ in 2021 to ₱54.50/US$ in 2022. The Group recognized net foreign exchange gains from its US$ denominated net financial assets in the amount of ₱1,215.2 million in 2022 compared to ₱558.9 million in 2021. However, the increase was partially offset by the losses on mark-to-market valuation of financial assets amounting to ₱493.3 million in 2022, a major turnaround from gains of ₱69.4 million in 2021. Moreover, a gain amounting to ₱46.4 million was also recognized from the partial disposal of interest in a subsidiary leading to a loss of control.

Provision for Income Tax - Net
The Group's net provision for income tax was 3% higher due to higher taxable income base on account of higher revenue in 2022.

Net Income
As a result of the foregoing, the Group's consolidated net income was ₱10,876.1 million in 2022 compared to ₱10,638.2 million in 2021. Net of non-controlling interests, our net income was ₱7,931.1 million in 2022, slightly higher by 2% compared to ₱7,812.6 million in 2021.

FINANCIAL POSITION

Calendar year as at December 31, 2024 and 2023

As of December 31, 2024, the Group's total assets increased by 6%, rising to ₱61,650.8 million from ₱57,926.8 million at the end of 2023.

Current assets at the close of 2024 recorded a modest rise of 1%, amounting to ₱23,835.7 million compared to ₱23,488.6 million as of the end of 2023. The increase is primarily attributed to the reclassification of an investment in CBNC from noncurrent to current under "Asset held for sale".

Noncurrent assets exhibited a significant improvement of 10%, climbing from ₱34,438.3 million to ₱37,815.1 million. This positive trend is largely due to strategic investments in property and equipment for renewable energy initiatives and the expansion of mining operations, particularly involving new mines.

Current liabilities surged by 28%, escalating from ₱9,990.2 million to ₱12,752.2 million. This rise was driven by new short-term loans secured by EPI from RCBC, specifically intended to finance the SISPC's 240MW San Isidro Solar Power Project and NPPGC's 140MW Cawag Solar Power Project.

On the other hand, noncurrent liabilities decreased by 7%, falling to ₱4,485.4 million from ₱4,831.6 million due repayment of long-term debts and a reduction in pension liabilities, supported by additional contributions made to pension funds in 2024.

The Group's equity, net of non-controlling interests, improved by 1% to ₱36,626.5 million as of December 31, 2024. This growth reflects the Group's sustained profitable operations and increase in translation adjustments affecting the balances of the associates.

Calendar year as at December 31, 2023 and 2022

As at December 31, 2023, the Group's total assets increased by 16% to ₱57,926.8 million from ₱49,759.0 million as of the end of 2022.

Current assets as of the end of 2023 was higher by 12% at ₱23,488.6 million compared to ₱20,955.2 million as of the end of 2022 mainly due to collections of receivables, and disposal of offshore investments.

Noncurrent assets improved by 20% from ₱28,803.9 million to ₱34,438.3 million which was attributable mainly to the acquisitions of property and equipment, including the advances and downpayments made to suppliers, intended for the renewable energy projects and in preparation for the mine operations, particularly of the new mines.

Current liabilities were higher by 109%, from ₱4,772.9 million to ₱9,990.2 million, due to additional short-term loans obtained by EPI from SBC and RCBC to finance the construction of JSI's Phase 4A - 72MW solar project and the Cawag project.

Noncurrent liabilities rose by 8% to ₱4,831.6 million from ₱4,455.3 million due to the additional bank loans obtained by JSI, to finance its Phase 3 solar project and to refinance the shareholder's loan used for Phase 3 expansions, and by DMC, to finance the construction of its permanent causeway. Further, the long-term lease agreement for the use of office space and parking in the head office was renewed and new long-term lease agreements were signed, which led to the recognition of ₱236.3 million lease liability for the right-of-use. There was also adjustment in the provision for mine rehabilitation and decommissioning which further increased the liability by ₱86.8 million as of end of 2023.

The Group's equity net of non-controlling interests as at December 31, 2023 improved by 2% to ₱36,258.8 million due to the Group's continued profitable operations and the issuance of shares upon exercise of stock options, less the impact of the translation adjustments on the balances of the associates and cash dividends paid.

Calendar year as at December 31, 2022 and 2021

As at December 31, 2022, the Group's total assets reduced by 4% to ₱49,759.0 million from ₱51,700.9 million as of the end of 2021.

Current assets as of the end of 2022 was lower by 13% at ₱20,955.2 million compared to ₱24,011.1 million as of the end of 2021 due to acquisitions of additional shares of CBNC from SMM amounting to ₱1,530.3 million and advances or downpayments made for the acquisitions of property and equipment for the Manicani and Dinapigue mining operations and for JSI's Phase 4A of the solar project and other projects of the renewable energy business units.

Noncurrent assets improved by 4% from ₱27,689.8 million to ₱28,803.9 million which was attributable mainly from the favorable results of operations of the Parent Company's associates in 2022, additional shares or investment in CBNC and the impact of foreign exchange in the balances of associates since the associate's reporting currency is in US$.

Current liabilities significantly declined by 60% to ₱4,772.9 million from ₱11,925.0 million following the loss of control of EPI in BGI resulting to the derecognition of the liabilities of BGI in the group consolidation.

Noncurrent liabilities rose by 29% to ₱4,455.3 million from ₱3,446.7 million due to the additional loans obtained by JSI from ICBC, SBC and TBEA for the Phase 3 expansions of the solar project.

The Group's equity net of non-controlling interests as at December 31, 2022 improved by 8% to ₱35,688.6 million due to the Group's continued profitable operations net of cash dividends paid and the impact of the translation adjustments on the balances of the associates.

Noncurrent liabilities slightly rose by 2% to ₱3,446.7 million from ₱3,372.2 million following the adjustments made in the capitalized cost of mine rehabilitation and decommissioning.

The Group's equity net of non-controlling interests as at December 31, 2021 improved by 6% to ₱32,939.8 million due to the Group's continued profitable operations net of cash dividends paid.

CASH FLOWS

Calendar years ended December 31, 2024, 2023 and 2022

The Group reported ₱7,477.3 million net cash flows from operating activities, a decreased from ₱8,967.3 million in 2023 and ₱12,876.4 million in 2022. This drop was primarily due to lower collections from the ore sales, reflecting reduced revenue in 2024, compared to previous years, which was impacted by lower nickel ore prices.

For investment activities, the Group allocated substantial resources to capital expenditures in 2024 totaling ₱8,761.2 million. This investment was primarily directed towards for JSI's 72MW solar project (Phase 4A), DMC's permanent causeway, SISPC's 120MW solar project (Phase 1) and re-fleeting of mining equipment. This marks a significant increase compared to ₱6,353.4 million in 2023 and ₱2,485.0 million in 2022. Consequently, cash flows utilized in investing activities amounted to ₱8,322.8 million in 2024, ₱6,168.8 million in 2023, and ₱3,898.5 million in 2022.

To address various capital requirements in 2024, the Parent Company opted to declare and distribute only regular cash dividends, in contrast to 2023 and 2022, during which special cash dividends were also paid. Additionally, the amount of new loans taken in 2024 was notably lower, totaling ₱1,170.7 million compared to ₱5,218.9 million in 2023 and ₱1,367.7 million in 2022.

As at December 31, 2024, 2023 and 2022, cash and cash equivalents stood at ₱12,935.3 million, ₱15,482.5 million, and ₱10,809.0 million, respectively.

TOP FIVE KEY PERFORMANCE INDICATORS

1) *SALES VOLUME*

The volume of saprolite ore that the Group sells largely depends on the grade of saprolite ore that it mines. The volume of limonite ore that it sells to customers in China and Indonesia largely depends on the demand for NPI and carbon steel in China. PAMCO purchases high-grade saprolite ore that the Group can extract and ship at any given time. With respect to low-grade saprolite and limonite ore, in periods when the Group can extract more ore than it is able to ship, it generally continues its mining operations and stockpiles such ore for sale when demand improves or when prices rise to more attractive levels. As stated above, the volume of the Group's low-grade saprolite and limonite ore sales to Chinese and Indonesian customers is roughly correlated with the LME nickel price, with volume increasing as nickel prices rise. In addition to sales of nickel ore to PAMCO and customers in China and Indonesia, the Group sells limonite ore from its Rio Tuba, Cagdianao and Dinapigue mines to the Coral Bay HPAL facility, and from Taganito mine to the Taganito HPAL facility, in which the Parent Company holds a 10% equity interest. CBNC purchases an amount of limonite ore from the Group sufficient to meet its ore requirements. Currently, the annual capacity of Coral Bay HPAL facility was 24,000 tonnes as a result of the facility's expansion in 2009. The Taganito HPAL facility has an annual capacity of 30,000 tonnes of mixed nickel-cobalt sulfide over an estimated 30-year project life.

Type and Grade of Ore that the Group Mines

The Group realizes higher sales prices for saprolite ore than for limonite ore. Accordingly, the type and grade (which is a factor of nickel content) of the ore that the Group mines affect its revenues from year to year. The quantity of saprolite ore that it mines annually depends on the customer demand and the availability of such ore at its mine sites. The mix between high-and low-grade saprolite ore at the Group's mine sites coupled with its long-term mining plan determines the quantities of each that it extracts on an annual basis. The quantity of limonite ore that it mines on an annual basis depends on the amount of such ore that needs to be removed to extract the saprolite ore, as well as market demand.

In 2024 and 2023, the Group sold an aggregate of 17.0 million WMT and 16.5 million WMT, respectively.

2) TOTAL COST PER VOLUME SOLD

The total cost per volume of ore sold provides a cost profile for each operating mine and allows the Group to measure and compare operating performance as well as changes in per unit costs from year to year.

The total cost includes cost of sale of ore, shipping and loading costs, excise taxes and royalties, general and administrative expenses and marketing incurred by the Group.

The average total cost per volume sold in 2024 is ₱810 per WMT based on aggregate costs of ₱13,783.7 million and a total sales volume of 17.0 million WMT of ore. This compares to ₱803 per WMT in 2023 based on aggregate costs of ₱13,207.9 million and a total sales volume of 16.5 million WMT of ore.

3) ATTRIBUTABLE NET INCOME

Attributable net income represents the portion of consolidated profit for the year, net of income taxes, which is attributable to the Parent Company. This is a relevant and transparent metric of the information contained in the consolidated financial statements. The net income attributable to equity holders of the Parent Company is ₱1,521.5 million in 2024 compared to ₱3,749.7 million in 2023.

4) NUMBER OF HECTARES OF OPEN AREA PER MILLION WMT SOLD

The Group adheres to the principles and practices of sustainable development. The Group is committed to complying and following environmental regulations by implementing best practices in managing environmental impacts of its operations. In 2018, the DENR, through the issuance of DAO 2018-19, prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines and provides limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. The DAO also requires that temporary revegetation be immediately implemented on the disturbed areas. All NAC operating companies are well within the norm of the DENR which is 26 hectares per million WMT sold. In 2024 and 2023, the open hectares per million WMT sold was 16.47 and 17.81, respectively.

5) FREQUENCY RATE

Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize risks to health arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations. The Group measures its safety effectiveness through the Frequency Rate which is the ratio of lost-time accidents to total man-hours worked for the year. In 2024 and 2023, the Group's frequency rate is nil in both years.

OFF-BALANCE SHEET ARRANGEMENTS

Under the Suretyship Agreement executed by and between the Parent Company and SBC on August 4, 2015, the Parent Company, solidarily with EPI, guarantees and warrants to SBC, its assigns and successors-in-interest, prompt and full payment and performance of EPI's obligations to SBC (see Note 14 to the Consolidated Financial Statements).

On August 2, 2021, JSI entered into an Omnibus Loan and Security Agreement to document the syndicated loan with 2 banks as lenders, i.e., ICBC and SBC, with the Parent Company forming part of the Share Collateral Security Grantors and Sponsors together with EPI and TBEA (see Note 14 to the Consolidated Financial Statements).

Item 7. FINANCIAL STATEMENTS

The audited financial statements are presented in Part V, Exhibits and Schedules.

Item 8. INFORMATION ON INDEPENDENT ACCOUNTANTS AND OTHER RELATED MATTERS

The Group's consolidated financial statements have been audited by SyCip Gorres Velayo & Co. (SGV & Co.), a member practice of Ernst & Young Global Limited), independent auditors, as stated in their reports appearing herein.

Ms. Eleanore A. Layug is the Company's current audit partner. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period.

Audit and Audit-Related Fees
For the years 2024, 2023 and 2022, SGV & Co. was engaged primarily to express an opinion on the financial statements of the Parent Company and its subsidiaries.

Non-Audit Services Fees
Non-audit services fees pertain to fees paid to SGV & Co. for the transfer pricing study and seminar fees.

The following table sets out the aggregate fees incurred in 2024 and 2023 for professional services rendered by SGV & Co.:

	2024	2023
	(In Thousands)	
Audit and Audit-Related Services	₱20,133	₱20,674
Non-Audit Services	309	1,890
Total	₱20,442	₱22,564

Audit Committee's Approval of Policies and Procedures
Prior to the commencement of the year-end audit work, SGV & Co. present their program and schedule to the Company's Audit Committee, which include discussion of issues and concerns regarding the audit work to be done. At the completion of the audit works, the Group's audited financial statements for the year are likewise presented by SGV & Co. to the Audit Committee for committee approval and endorsement to the BOD for final approval. The Audit Committee pre-approve the terms of the annual audit services engagement. They also approve, if necessary, any changes in terms resulting from changes in audit scope.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A. LIST OF DIRECTORS, EXECUTIVE OFFICERS AND COMMITTEES OF THE ISSUER

The BOD is principally responsible for the Company's overall direction and governance. The Company's Articles of Incorporation provide for 9 members of the BOD, who shall be elected by the stockholders. At present, 2 of the Company's 9 directors are independent directors. The members of the BOD hold office for 1 year until their successors are elected and qualified in accordance with the By-laws.

DIRECTORS

The following are the present directors of the Company:

Name	Age	Citizenship	Position	Date First Elected	Date Last Elected	No. of Years served as Director
Jose Isidro N. Camacho	69	Philippine National	Chairman of the Board	June 7, 2024	-	8 months
Maria Patricia Z. Riingen	59	Philippine National	Vice Chairman	May 20, 2019	June 7, 2024	6 years
Martin Antonio G. Zamora	52	Philippine National	Executive Director, President, and Chief Executive Officer (CEO)	June 16, 2010	June 7, 2024	14 years
Harvey T. Ang	51	Philippine National	Non-Executive Director	June 3, 2022	June 7, 2024	2 years
Shiro Imai	51	Japanese National	Non-Executive Director	June 30, 2022	June 7, 2024	2 years
Yusuke Niwa	58	Japanese National	Non-Executive Director	August 5, 2021	June 7, 2024	3 years
Leonides Juan Mariano C. Virata	44	Philippine National	Non-Executive Director	June 30, 2022	June 7, 2024	2 years
Florencia G. Tarriela	77	Philippine National	Lead Independent Director	August 4, 2022	June 7, 2024	2 years
James J.K. Hung	56	Taiwanese	Independent Director	June 7, 2024	-	8 months

Certain information on the business and working experience of the Company's Directors and Executive Officers are set out below:

JOSE ISIDRO N. CAMACHO is the Chairman of the Company. He is the Chairman of the Finance Committee and Corporate Governance Committee of the Board. He is currently the Chairman of SunLife of Canada (Philippines), and Chairman of the University of Arts Singapore. He is a Senior Adviser to TPG Capital (Singapore), Neurocredit (Singapore), Paper Excellence Group, and SICPA (Switzerland); a Founding Member of Asia Peace and Reconciliation Council (Thailand), and an Independent Director of Sun Life Grepa Financial Inc., Citadel Pacific Limited, and Trans Diversified Group Inc. He is also the Chairman of Bangko ng Kabuhayan and Diniwid Beach Corp. Mr. Camacho was formerly Managing Director and Vice Chairman for Credit Suisse Asia Pacific. He joined Credit Suisse in March 2005 after a distinguished career in government and international banking. He was appointed Secretary of Finance for the Philippines in 2001, a position he held until November 2003. As Secretary of Finance, he led the country's economic team and supervised the fiscal and financial sectors. Prior to that, he served as Secretary of Energy for the Philippines where he was credited with the successful passage of the country's power sector reform legislation. He was also Chairman of Land Bank of the Philippines, Philippine Deposit Insurance Corporation, Trade Development and Investment Corporation (PhilExim), Home Guaranty Corporation, National Power Corporation (NPC), Power Sector Asset and Liability Management Corporation (PSALM), National Transmission Corporation (Transco), Privatization Council, Capital Market Development Council, and National Credit Council. Prior to joining the government, Mr. Camacho was a Managing Director and Chief Country Officer for the Philippines at Deutsche Bank, AG in Manila. Before Deutsche Bank, he worked for Bankers Trust Company for over 20 years in New York, Japan, Hong Kong, Philippines and Singapore. His last position at Bankers Trust was Head of Investment Banking for Southeast Asia and CEO for Singapore. Mr. Camacho was previously a board member of the National Gallery Singapore (2013-June 2021), the National Heritage Board of Singapore (2007-2013) and Sun Life Malaysia Takaful Bhd (2013-2019) and Sun Life Malaysia Assurance Bhd (2013-2022). He was also formerly a member of the Securities Industry Council of Singapore (2010-2017), the Securities Commission of Malaysia's International Advisory Group (2008-2010) and the ASEAN Capital Markets Forum's Group of Experts (2008-2012), and the Chief Executive Officer of Credit Suisse Singapore (2007-2016). Mr. Camacho obtained his Bachelor's degree in Mathematics (cum laude) from De La Salle University in 1975. He received his MBA with concentration in Finance from Harvard University in 1979. In 2017, He was awarded an Honorary Degree of Doctor of Business Administration from Thailand's Eastern Asia University and was a recipient of Singapore's 2021 Public Service Medal (Pingat Bakti Masyarakat).

MARIA PATRICIA Z. RIINGEN is the Vice Chairman of the Company. She is a member of the Corporate Governance Committee of the Board. She is the Chairman of CDTN, CMC, DMC, LCSLC, Nickel Asia Holdings, Inc. (NAHI), SNMRC, GRHI, CSPC, SASPC, SMSPC, SSPC, and TSWPC. She is the Director and Vice Chairman of RTN, TMC, and HMC. She is likewise the Director of CEXCI, Newminco, EPI, JSI, BHI, MGPC, NPPGC, EER 1, EER 2, EER 3, and EESC. She is also a Trustee of NAC Foundation Inc. (NACFI). She is the President of Manta and Manta Foundation, Inc. and a Director of Mantra. She is currently Chairperson of the Young Presidents' Organization (YPO) Gold Philippines Chapter. Prior thereto, she held various positions with the Western Union Company and was the Senior Vice President and Regional Head for Asia Pacific. Her other previous roles were as Executive Director and a member of the BOD at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble. She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines. Ms. Riingen obtained her Bachelor of Science in Business Administration, major in Marketing, Magna Cum Laude, from the University of the Philippines.

MARTIN ANTONIO G. ZAMORA is the President and CEO of the Company. He is the President of all the mining subsidiaries of the Company and the Chairman of EPI and its subsidiaries. He is the Chairman of the Sustainability Committee and Nominations Committee, and a member of the Finance Committee and Board Risk Oversight Committee of the Board. He is the Chairman of NACFI and RTN Foundation Inc. (RTNFI). Before joining NAC in 2007, Mr. Zamora was the Philippine Country Manager and a Director of UPC Renewables, a global developer, owner and operator of wind farms and solar facilities. Prior to that, he worked for 10 years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV & Co. He received his Bachelor of Science in Management from Ateneo de Manila University, his Master of Business Administration from London Business School, and his Master in Organizational Psychology from INSEAD.

HARVEY ANG has served on the Company's Board since his election on June 3, 2022, and is a member of its Finance Committee. He is also a director of EPI, CDTN CMC, DMC, HMC, NAHI, SNMRC, and LCSLC, and is President of Yeeloofa Development Corporation. Previously, Mr. Ang was Business Development Manager at Exchange Properties Resources Corporation and Export Director at Solid Mills, Inc. His extensive experience spans the real estate, textile, logistics, retail, and marketing industries. He holds a Bachelor of Science in Management from Ateneo de Manila University.

SHIRO IMAI is the Chairman and President of SMMPHC, CBNC, and THNC. He has been with SMM since 1995. Prior to his assignment in the Philippines, he was the Manager of the Copper and Precious Raw Materials Department from June 2016 until September 2019 and served as Chief Representative of SMM's London Office from July 2014 to May 2016. He was also part of Nickel Sales and Raw Materials Department of the Non-Ferrous Metals Division from November 2009, the Sales and Marketing Section of the Advanced Materials Division from February 2001 until October 2009, and the Sales and Marketing Section of the Electronics Division from April 1995 to January 2001. Mr. Imai obtained his Bachelor's degree of Faculty of Economics from Tohoku University in Miyagi, Japan.

YUSUKE NIWA was first elected as a Director on August 5, 2021. He is the General Manager of the Nickel Sales and Raw Materials Department and the Executive Officer/Senior Deputy General Manager of Non-Ferrous Metals Division of SMM. He has more than 30 years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile.

Mr. Niwa is also an incumbent director of the Company's affiliates, THNC, CBNC and NAHI. He obtained his Bachelor of Science degree in Political Science and Economics from Waseda University in Tokyo, Japan.

LEONIDES JUAN MARIANO C. VIRATA was first elected as Director effective June 30, 2022. He is a member of the Sustainability Committee of the Board. Mr. Virata is the CEO of Cavitex Holdings Inc. and the Managing Director of MTV Investment Properties. Prior thereto, he was with Platinum Securities HK from 2006 to 2010. He received his Bachelor of Arts, Major in Philosophy of Religions from University of Pennsylvania.

FLORENCIA G. TARRIELA was first elected as Independent Director on August 4, 2022. She is the Lead Independent Director, Chairman of the Audit Committee, and a member of the Board Risk Oversight, Related Party Transactions, and Corporate Governance Committees of the Board. Ms. Tarriela is a Board Advisor of the Philippine National Bank (PNB), an Independent Director of the LT Group Inc., and a Director of Gozon Development Corporation and Tulay sa Pag-unlad Inc., a microfinance NGO. She is also a liaison director to the Financial Executives Institute's Ethics and Financial Inclusion committees, a fellow of the Institute of Corporate Directors, a GoNegosyo mentor and a member of the Filipina CEO Circle and Women Business Council Philippines. She previously served as Board Chair and Independent Director of PNB for 15 years and Undersecretary for the Department of Finance. She was the first Filipina Vice President in Citibank N.A., President of the Bankers Institute of the Philippines, Director of the Bankers Association of the Philippines, and of the Philippine Bible Society. She has co-authored and compiled several books on ethics, mentorship, and gardening, among others, and continues to be a regular columnist for Manila Bulletin and Business World.

Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in Economics, from the University of the Philippines and Master's degree in Economics from the University of California, Los Angeles.

JAMES J.K. HUNG was first elected as Independent Director on June 7, 2024. He is the Chairman of Board Risk Oversight Committee and a member of Audit Committee, Related Party Transactions Committee, Nominations Committee, and Sustainability Committee of the Board. He is the Chairman of Asia Securities Global Group (Hong Kong) since 1993 and Chairman of ASG Inspiration Laboratory (Singapore) Pte, Ltd. He served as Chairman of Asia Securities Inc. (Taiwan), Independent Director of Security Bank Corporation, director of Franklin Templeton Investment Fund (Luxembourg), Director of Franklin Sealand Fund Management Co. Ltd. (Shanghai, China), and Director of Vietnam Fund Limited (Guernsey). He obtained his Master in Business Administration, major in Finance, from Babson College in Massachusetts, USA.

EXECUTIVE OFFICERS

The Company's Executive Officers, together with its Executive Directors, are responsible for its day-to-day management and operations. The following table sets forth information regarding the Company's Executive Officers.

Name	Age	Citizenship	Position as of December 31, 2024	Position as of February 27, 2025
Jose Bayani D. Baylon	62	Philippine National	Senior Vice President - Sustainability, Risk Management and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer	Senior Vice President - Sustainability, Risk Management and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer
Koichi Ishihara	51	Japanese National	Senior Vice President - Chief Commercial Officer	Senior Vice President - Chief Commercial Officer
Georgina Carolina Y. Martinez	58	Philippine National	Senior Vice President - Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary	Senior Vice President - Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary
Romeo T. Tanalgo	63	Philippine National	Senior Vice President - Chief Security and Aviation Officer	Senior Vice President - Chief Security and Aviation Officer
Maria Angela G. Villamor	59	Philippine National	Senior Vice President - Finance; Chief Financial Officer; Treasurer	Senior Vice President - Finance; Chief Financial Officer; Treasurer
Rolando R. Cruz	64	Philippine National	Vice President - Nickel Mining Business	Vice President - Mining Business
Andre Mikael L. Dy	42	Philippine National	Vice President - Treasury, Investor Relations, and Sales	Vice President - Treasury Investor Relations and Sales
Jeffrey B. Escoto	49	Philippine National	Vice President - Supply Chain Management and Technical Services	Vice President - Supply Chain Management and Technical Services
Christopher C. Fernandez	61	Philippine National	Vice President - Technology and Transformation	Vice President - Technology and Transformation
Patrick S. Garcia	50	Philippine National	Vice President - Internal Audit; Chief Audit Executive	Vice President - Internal Audit; Chief Audit Executive
Ryan Rene C. Jornada	46	Philippine National	Vice President - Corporate and Regulatory Affairs and Community Relations	Vice President - Corporate and Regulatory Affairs and Community Relations
Maria Fatima C. Mijares	57	Philippine National	Vice President - Human Resources	Vice President - Human Resources
Arnilo C. Milaor*	65	Philippine National	Vice President - Nickel Mining Business	N/A
Irene R. Ramos-Salvacion	48	Philippine National	Vice President - Compliance and Corporate Governance; Data Protection Officer	Vice President - Compliance and Corporate Governance; Data Protection Officer
Cynthia E. Rosero	56	Philippine National	Vice President - Mining Center of Excellence and Strategic Planning	Vice President - Mining Center of Excellence and Strategic Planning
Bimbo T. Almonte	43	Philippine National	Assistant Vice President - Health	Assistant Vice President - Health
Salvador C. Cabauatan**	60	Philippine National	Assistant Vice President - Facility Management	N/A

Name	Age	Citizenship	Position as of December 31, 2024	Position as of February 27, 2025
Edwin R. Casiano	52	Philippine National	Assistant Vice President - Mining Business	Assistant Vice President - Mining Business
Remedios M. Collado-Camo	39	Philippine National	Assistant Vice President - Safety, and Environment	Assistant Vice President - Safety, and Environment
Fernando P. Cruz	58	Philippine National	Assistant Vice President - Mining Comptroller	Assistant Vice President - Mining Comptroller
Reynaldo M. Dela Rosa	52	Philippine National	Assistant Vice President - Community Relations	Assistant Vice President - Community Relations
Christian Jae R. Gascon	37	Philippine National	Assistant Vice President - Mining Business	Assistant Vice President - Mining Business
Rodrigo G. Gazmin, Jr.	64	Philippine National	Assistant Vice President - Material Management	Assistant Vice President - Material Management
Philipp D. Ines	58	Philippine National	Assistant Vice President - Mining Business	Assistant Vice President - Mining Business
Marnelle A. Jalandoon	53	Philippine National	Assistant Vice President - Development Operations	Assistant Vice President - Development Operations
Melchor C. Mananes	39	Philippine National	Assistant Vice President - Financial Planning and Analysis	Assistant Vice President - Financial Planning and Analysis
Reynold DG. Mata II	45	Philippine National	Assistant Vice President - Business Development and Strategic Projects	Assistant Vice President - Business Development and Strategic Projects
Christine Joanne C. Navarro	44	Philippine National	Assistant Vice President - Legal	Assistant Vice President - Legal
Edwin P. Nerva	49	Philippine National	Assistant Vice President - Sustainability	Assistant Vice President - Sustainability
Iryan Jean U. Padillo	43	Philippine National	Assistant Vice President - Business Comptroller	Assistant Vice President - Business Comptroller
Jessie N. Pagaran	61	Philippine National	Assistant Vice President - Employee, Labor, and Industrial Relations	Assistant Vice President - Employee, Labor, and Industrial Relations
Teody A. Pascual	60	Philippine National	Assistant Vice President - Service Management	Assistant Vice President - Service Management
Jessie A. Payuyo	49	Philippine National	Assistant Vice President - Mining Comptroller	Assistant Vice President - Mining Comptroller
Kristine Grace C. Victoria	37	Philippine National	Assistant Vice President - Geology	Assistant Vice President - Geology
Charito R. Villena-Co	47	Philippine National	Assistant Vice President - Tax Compliance and Advisory	Assistant Vice President - Tax Compliance and Advisory
Barbara Anne C. Migallos	69	Philippine National	Corporate Secretary	Corporate Secretary

* resigned due to his mandatory retirement effective January 31, 2025.
** ceased to be an officer due to his demise on November 30, 2024.

Information on the business and working experience of our Executive Officers are set out below:

JOSE BAYANI D. BAYLON is the Senior Vice President - Sustainability, Risk Management, and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer of the Company. He is the President of RTNFI and NACFI. He is also a Director of CDTN, CMC, DMC, RTN, LCSLC, SNMRC, EPI, JSI, MGPC, BHI, NPPGC, EER 1, EER 2, EER 3, and EESC. Mr. Baylon has over 3 decades of experience in the field of corporate communications and public affairs. Before joining NAC, he was Vice President and Director for Public Affairs and Communications of The Coca-Cola Export Corporation for 14 years, and prior to that, was executive assistant and speechwriter to Mr. Enrique Zobel at E. Zobel Inc. for 9 years. He was a public affairs commentator at Radio Station DWWW 774 KhZ from 2001 to 2011 and has been contributing opinion pieces to the newspaper Malaya Business Insight since 2001. Mr. Baylon obtained his Bachelor of Arts in Political Science from the University of the Philippines.

KOICHI ISHIHARA is the Senior Vice President - Chief Commercial Officer. He was the Vice President, Officer-in-Charge (OIC), Chief Commercial Officer - Mining Business of the Company from January 1, 2023 until December 31, 2023. He was the Vice President - Mine Services Center from March 10, 2022 until December 31, 2022. He was also the Vice President, Head of the Sales Sector and the Supply Chain and Management Sector from January 1, 2021 until March 9, 2022. Prior to joining NAC in 2011, he was a Manager and Philippine Representative of PAMCO, handling nickel and stainless market analysis and update in Asian countries. He has also supported establishing a Hydro Metallurgical Processing Plant. Mr. Ishihara received his Bachelor in English Language from Kanda University of International Studies, Japan.

GEORGINA CAROLINA Y. MARTINEZ, is the Senior Vice President - Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary of the Company. She is in charge of the compliance function and is responsible for the Company's corporate support services namely, legal, human resources, technology and transformation, and facilities and administration concerns. She is a member of the Board of EPI. Atty. Martinez is also the Corporate Secretary of CDTN, CMC, DMC, HMC, RTN, TMC, LCSLC, SNMRC, NAHI, EPI and the following subsidiaries of EPI namely, JSI, MGPC, NPPGC, BHI, EER 1, EER 2, EER 3, EESC, GRHI and its subsidiaries. She is the Corporate Secretary of NACFI and RTNFI and is the Assistant Corporate Secretary of CEXCI and Newminco. Prior to joining the Company, Atty. Martinez was the Senior Vice President for Legal, Human Resources, and Administration of EPI. She obtained her Juris Doctor from Ateneo de Manila University and is a member of the Philippine Bar. Atty. Martinez has over 30 years of experience in the field of commercial and corporate law.

ROMEO T. TANALGO is the Senior Vice President - Chief Security and Aviation Officer. He is a Trustee of NACFI. He was the Vice President - Internal Security, and Chief Security Adviser until December 31, 2023. He was the consultant of the Company for security matters from May 1, 2019 until his appointment as Vice President on August 6, 2019. He was the Chief of the Armed Forces of the Philippines, North Luzon Command from March 10, 2016 until his retirement on September 4, 2017. Prior thereto, he was appointed as Vice Chief of Staff at Armed Forces of the Philippines on October 20, 2015. He also served as Commandant, Philippine Marine Corps from April 2013 to December 2015. Gen. Tanalgo is a member of the Philippine Military Academy "Matikas" Class of 1983 and obtained his Master in Development Management from the Asian Institute of Management and his Master in Maritime Studies from the University of Wollonong in Australia.

MARIA ANGELA G. VILLAMOR, is the Senior Vice President, Treasurer, and Chief Financial Officer of the Company. She is the Director and Treasurer of CMC, DMC, HMC, RTNFI, CDTN, SNMRC, LCSLC, NAHI, EPI, JSI, MGPC, NPPGC, BHI, EER 1, EER 2, EER 3, and EESC. She is the Trustee and Treasurer of NACFI and RTNFI. She oversees the preparation and management of the Group's operating budgets and is responsible for financial reporting activities. She was the Vice President for Group Comptrollership from May 1 to December 31, 2020 and the Vice President for Internal Audit and the Chief Audit Executive from 2011 to April 30, 2020. Prior to joining NAC in 2011, she was a Senior Director in the Assurance Division of SGV & Co. She also worked as Senior Manager in KPMG UAE. Ms. Villamor obtained her Bachelor of Science in Commerce from the University of San Carlos. She completed the Management Development Program of the Asian Institute of Management.

ROLANDO R. CRUZ is the Vice President - Mining Business of the Company. He is the Senior Vice President - Special Projects of CEXCI. Prior thereto, he was the Vice President - Nickel Mining Business of the Company and was the Senior Vice President - Chief Operating Officer of TMC and CMC from January 1, 2023 to August 7, 2024. He was also the Vice President - Corporate Planning and Revenue Assurance from March 2022 to December 2022, Vice President - Strategic Development and Growth from June 2021 to February 2022, and was the Vice President - Project Development and Research of the Company from 2017 to 2021. Mr. Cruz is a licensed mining engineer in the Philippines with over 40 years of professional experience in both mining operations and project development in gold, copper, chromite, concrete aggregates, nickel, and oil sands deposits using the contour mining and underground bulk mining methods. He has held various positions with firms such as Albian Sands Energy, Inc. (Canada), Berong Nickel Corporation, Concrete Aggregates Corporation, Philex Mining Corporation, and Benguet Corporation. Mr. Cruz obtained his Bachelor of Science in Mining Engineering and Master of Science in Geotechnical Engineering from the Mapua Institute of Technology. He also earned a Post-Graduate Certificate in Strategic Business Economics from the University of Asia and the Pacific. Mr. Cruz placed second in the 1982 Licensure Examinations for Mining Engineers. He is an Accredited Competent Person under the Philippine Mineral Reporting Code (PMRC), a member of the PMRC Committee, and is also one of the two Philippine representatives to the Committee for Mineral Reserves International Reporting Standards.

ANDRE MIKAEL L. DY is the Vice President - Treasury, Investor Relations, and Sales of the Company. He has over 15 years of experience in finance and banking roles, having held various roles in equity sales, banking, venture capital fund management, financial advisory, treasury and investor relations. He was Associate Director Salesperson of CLSA Philippines since 2017 and was recognized as Philippines' Best Salesperson for Asiamoney/Euromoney for 2019 to 2021 and for Institutional Investor magazine's 2021 broker polls. He was instrumental in the distribution of up to US$1.4 billion for various Initial Public Offerings while he was with CLSA. He was instrumental in ensuring the success for the first energy transition mechanism transaction in the Philippines to help accelerate the retirement of coal plants in the Philippines. Prior to joining CLSA, he worked for Citibank N.A. as a product manager for various bank products after graduating from Citi's Management Associate Program.

JEFFREY B. ESCOTO is the Vice President for Supply Chain Management and Technical Services and concurrently as CDTN's Chief Operating Officer and Head of Operations for NAC Diesel Power Plant. Prior thereto, he was Assistant Vice President for Technical Services Sector from September 1, 2019 up to March 15, 2023. Also, he was the Technical Services Division Manager of HMC from 2013 to 2019 and was the Technical Services Group Manager of CMC from 2009 to 2013. He also served as Site Manager of Maxima Machineries, Inc. (Komatsu Equipment Exclusive Distributor) on various mining project sites managing an on-site branch support team in Filminera's Masbate Gold Project from 2008 to 2009, Oceana Gold's Didipio Gold Copper Mining Project in 2008 and in Rapu Rapu Polymetallic Mine Project of Lafayette Mining in Albay from 2005 to 2008. Engr. Escoto obtained his Bachelor's Degree in Mechanical Engineering from the University of Nueva Caceres in Naga City.

CHRISTOPHER C. FERNANDEZ is the Vice President - Technology and Transformation of the Company. He was the Vice President - Process and Technology Innovation. He is a seasoned technology professional with more than 20 years of accumulated executive, managerial and hands-on experience in delivering strategic thought leadership, technology-enabled solutions and transformation to businesses, including Information Technology governance and security, infrastructure, systems, and service management. Before joining the Company, Mr. Fernandez served as Information Technology Head for Makati Medical Center, Armed Forces Police Mutual Benefit Association Inc., G4S Holdings, Inc. Headstrong Philippines, Inc., United Coconut Planters Bank, and Puyat Steel/Sports and Recreation. He obtained his Bachelor of Science in Electronics and Communications Engineering from the University of the East.

PATRICK S. GARCIA is the Vice President - Internal Audit and Chief Audit Executive of the Company. He was the Assistant Vice President - Internal Audit and the Chief Audit Executive of the Company from May 1, 2020 until December 31, 2022. He is responsible for reviewing the Company's organizational and operational controls, risk management policies, and governance. He was previously the Assistant Vice President - Finance of CMC, DMC, and SNMRC. Mr. Garcia joined the Company in March 2007 as Finance Manager and was promoted to Assistant Vice President - Finance in March 2009. Mr. Garcia obtained his Bachelor of Science in Accountancy from the University of Santo Tomas and is a Certified Public Accountant.

RYAN RENE C. JORNADA is the Vice President – Corporate and Regulatory Affairs and Community Relations of the Company. He is also a Director of EPI, and a Director of Nihao, representing NAC to the Board of Nihao. His previous roles in the Company include Head of Public Affairs, Head of Government Relations and Head of Regulatory and Claims Management. Mr. Jornada also served as Assistant Corporate Secretary and Corporate Secretary of the operating companies of NAC. Mr. Jornada is a lawyer by profession. Before joining NAC in 2011, Mr. Jornada was an associate lawyer at Belo Gozon Elma Parel Asuncion and Lucila Law Offices and an Election Assistant of the Commission on Elections. He took up his law degree from the University of Santo Tomas Faculty of Civil Law and his Bachelor’s degree in Political Science from the University of the Philippines in Diliman.

MARIA FATIMA C. MIJARES, Vice President - Human Resources, is a seasoned human resource (HR) professional with over 25 years of experience in HR management, including organizational development, learning and development, leadership development and succession planning, performance and rewards management, and talent acquisition. She was the Senior Director and Chief Human Resource Officer of Ayala Foundation from 2016 until she joined the Company in 2021. She held various positions in the HR departments of SM Retail, Inc., SM Mart, Inc. Genpact Development, Bank of the Philippine Islands, Ayala Land, Inc., Colgate-Palmolive Philippines, Avon Cosmetics, and Mercury Group of Companies. She obtained her Bachelor’s degree in Psychology from the University of Santo Tomas and completed the Leadership Excellence Acceleration Program of Harvard University.

IRENE R. RAMOS-SALVACION is the Vice President - Compliance and Corporate Governance and the Data Protection Officer of the Company. She is the Assistant Corporate Secretary and the Data Protection Officer of CDTN, CMC, DMC, HMC, RTN, TMC, LCSLC, SNMRC, NAHI, NACFI, and RTNFI. She is likewise the Data Protection Officer of CEXCI and Newminco. She has over 20 years of experience as a practicing lawyer and, prior to joining the Company, held various roles as country, regional, and global lead legal counsel handling compliance, corporate governance, contract negotiation, cross-border transactions, data privacy, cybersecurity, labor, and litigation in multinational companies operating in the Philippines and the Asia Pacific. She is a member of the Philippine Bar and obtained her Juris Doctor and Bachelor of Science in Economics, Magna Cum Laude, from the University of the Philippines, Diliman.

CYNTHIA E. ROSERO, Vice President - Mining Center of Excellence and Strategic Projects of the Company. She has over 30 years of experience in the mining industry. She was with RTN for almost 30 years where she started as a Junior Mining Engineer and rose from the ranks until she was appointed as Resident Mine Manager in 2019. She is the Philippines' First Woman Resident Mine Manager in the mining industry and was hailed as the "Most Empowered Woman in Mining" by the MGB - MIMAROPA Region in 2019. She obtained her Bachelor of Science in Mining Engineering from the Cebu Institute of Technology. She also has a Diploma in Metallurgical Engineering Technology (Major in Quality Control) from Mindanao State University - lligan Institute of Technology.

BIMBO T. ALMONTE, is the Assistant Vice President - Health. He was the Assistant Vice President - Occupational Health Sector until December 31, 2023. He served as the Occupational Health Physician, Internal Medicine Specialist and Medical Director of RTNFI Hospital and Occupational Health Physician of RTN, CBNC and affiliated contractors before assuming his current position. He began his career in RTNFI in 2002 as a Medical Technologist Reliever. He is a licensed Medical Technologist and Physician. He obtained his Bachelor of Medical Technology from Far Eastern University - Dr. Nicanor Reyes Memorial Foundation and Doctor of Medicine from Our Lady of Fatima University. He received his specialization in Internal Medicine from St. Luke’s Medical Center Global City and Master in Management in Hospital Administration from Philippine Christian University.

EDWIN R. CASIANO is the Assistant Vice President - Mining Business of the Company. He is also the Resident Mine Manager of DMC. Prior thereto, he served as Mine Operations Manager of HMC for 4 years, and Mine Production Manager for 2 years. He started his career with TMC as a Junior Mining Engineer in 1998. Mr. Casiano obtained his Bachelor of Science in Mining Engineering from Adamson University.

REMEDIOS M. COLLADO-CAMO, is the Assistant Vice President - Safety and Environment. She was the Assistant Vice President - Safety, Health, and Environment until December 31 2023. She previously served the Company as OIC - Industrial Safety Sector Head prior to her promotion. She served RTN in various capacities, including MESH Division Manager, Safety Manager, and IMS Project-in-Charge. Prior thereto, she was employed as a Safety and Health Department Head of Carrascal Nickel Corporation. She is a licensed Mining Engineer. She earned her Bachelor of Science in Mining Engineering from University of the Philippines - Diliman.

FERNANDO P. CRUZ is the Assistant Vice President - Mining Comptroller of HMC, TMC, and DMC. He has over 30 years of professional experience in accounting and finance. He began his career as an Accounting Clerk in RTN and eventually became an Accounting Manager. A Certified Public Accountant, Mr. Cruz obtained his Bachelor of Science in Accountancy from St. Joseph College, Maasin, Southern Leyte.

REYNALDO M. DELA ROSA is the Assistant Vice President - Community Relations of the Company. He is the Executive Director of RTNFI. Prior thereto, he was the Senior Development Communications Specialist/Information, Education and Communication Officer of TMC from March 2010 to July 2012. Mr. Dela Rosa obtained his Bachelor of Arts Major in Philosophy Minor in Social Science from Saint Vincent Ferrer Seminary and his Master of Arts in Public Administration in Palawan State University. He also specialized in Community Relations, Information, Education, and Communication Program and Community Development and is a licensed Career Service Professional.

CHRISTIAN JAE R. GASCON is the Assistant Vice President - Mining Business of the Company. He was the OIC, Resident Mine Manager of CMC since March 10, 2022 and was CMC's Mine Operations Manager before that. He started his career as Cadet Engineer of HMC in 2010. Mr. Gascon obtained his Bachelor of Science in Mining Engineering degree from the University of the Philippines Diliman. He is also a licensed Environmental Planner.

RODRIGO G. GAZMIN, JR., is the Assistant Vice President - Material Management of the Company. He was the Assistant Vice President, the Head of the Purchasing and Supply Chain Management Sector of the Company from January 1, 2021 to March 9, 2022. Prior thereto, he was the Senior Purchasing Manager from July 1, 2011 to December 31, 2020 and was the Purchasing Manager from May 1, 2010 to June 30, 2011. He was a Purchasing Supervisor of RTN from 2003 until 2008, the year he joined the Company. Mr. Gazmin obtained his Bachelor of Science, major in Mechanical Engineering, from Lyceum of the Philippines - Manila and has attended the Management Development Program in Asian Institute of Management in 2015.

PHILIPP D. INES is the Assistant Vice President - Mining Business of the Company. He is the Vice President and Resident Mine Manager of HMC - Manicani. Mr. Ines has over 31 years of experience in the mining industry. He is a Consultant of PAMCO since 2019. Prior to that, he was with the Company's subsidiary, RTN, for 27 years where he started as a Junior Mining Engineer and became its Resident Mine Manager. During his term as Resident Mine Manager, RTN won 2 Presidential Awards at the PMIEA-ANSEC (2015 and 2018) and also won the ASEAN Mineral Awards in 2017. RTN was also able to obtain ISO 14001, ISO, 45001, and ISO 19001 certifications under his leadership. Mr. Ines obtained his Bachelor of Science in Mining Engineering degree from Mapua Institute of Technology.

MARNELLE A. JALANDOON, is the Assistant Vice President - Development Operations of the Company. He was the Assistant Vice President - Business Applications Division of the Company until December 31, 2023. Prior to joining NAC in 2008, Mr. Jalandoon was the Technical Operations Director of Concentrix Technologies, Inc, driving both the Technical Department and the Application Development Teams. He has held various IT positions with Grand International Airways, First Internet Alliance, WebScape, I-Next Internet and PSINET Philippines, garnering more than 20 years' experience in IT Infrastructure and Communications. Mr. Jalandoon obtained his Bachelor of Science in Computer Science degree from the Philippine Christian University.

MELCHOR C. MANANES is the Assistant Vice President - Financial Planning and Analysis of the Company. He was the Senior Manager for Financial Planning and Analysis of the Company until December 31, 2023. Prior thereto, he was a Finance Manager of the Company's subsidiary, CMC, since October 2012. He was also an accounting officer in various SM companies and was an audit associate of SGV & Co. Mr. Mananes is a Certificate Public Accountant. He obtained his Master of Business Administration from the Ateneo Graduate School of Business.

REYNOLD DG. MATA II, is the Assistant Vice President - Business Development and Strategic Projects of the Company. He was the Assistant Vice President - Legal and Business Development, and Chief Compliance Officer of EPI from March 10, 2022 to December 31, 2022. He is a lawyer and a Certified Public Accountant with over 25 years of professional experience in the fields of taxation, litigation, corporate, financial audit, budgeting, and in the power, logistics, and mining industries. He is also a Reservist in the Armed Forces of the Philippines, Reserve Command, Judge Advocate General Services, with the rank of Captain. A member of the Philippine Bar, Mr. Mata obtained his Bachelor of Laws degree from San Beda University and his Bachelor of Science in Accountancy from the same university.

CHRISTINE JOANNE C. NAVARRO, is the Assistant Vice President - Legal of the Company. She was the Group Manager for General Legal Services of the Company from 2018 to March 10, 2022. Prior to joining the Company, she worked as legal counsel of MediaQuest Holdings, Inc. and TV5 Network Inc. She obtained her Bachelor of Arts in European Studies from the Ateneo De Manila University and Bachelor of Laws from University of the Philippines - College of Law. She is also a member of the Integrated Bar of the Philippines.

EDWIN P. NERVA is the Assistant Vice President - Sustainability of the Company. He was the Senior Manager of the Sustainability Sector from November 2021 to December 2022, and Senior Manager of Community Relations from August 2018 to October 2021. He is a seasoned management and community development professional with expertise in sustainability planning, execution and monitoring covering ESG. He has over 10 years of experience as Executive Director of non-profit organization and foundation, managing diverse initiatives, including hospital operations, formal and alternative education, housing, and comprehensive community development programs. He has more than 20 years of experience collaborating with international and local networks of civil society organizations and coalitions. Mr. Nerva obtained his Bachelor of Science in Agriculture, Major in Horticulture degree from the University of the Philippines, Los Baños. He completed his Diploma in Community Development from St. Francis Xavier University, Nova Scotia, Canada and Diploma in Urban and Regional Planning from University of the Philippines Diliman. He is currently completing his requirements for the degree of Master of Science in Environmental Science from University of the Philippines Los Baños.

IRYAN JEAN U. PADILLO, is the Assistant Vice President - Business Comptroller of the Company. She is responsible for the Company's financial reporting and direct supervision of accounting and financial functions. Ms. Padillo is a Certified Public Accountant. Prior to joining the Group in May 2012 as Senior Finance Manager, she was an Associate Director in the Assurance Group and worked as part of the Finance Group of SGV & Co. She obtained her Bachelor of Science in Accountancy from the University of the East.

JESSIE N. PAGARAN is the Assistant Vice President - Employee, Labor and Industrial Relations Division of the Company. He was the Employee Relations Group Manager of the Company from July 1, 2019 until his promotion. He was also HR Manager of CMC from October 2017 to June 2019 and served as Consultant on Permitting and Government Relations, Community Relations, and Labor Relations for several corporations from 2009 to 2017; and served in various capacities in Associated Labor Unions - Trade Union Congress of the Philippines from 1991 to 2015. Mr. Pagaran obtained his Bachelor of Science in Commerce, Major in Accounting from San Beda College and his Bachelor of Laws from Manuel L. Quezon University.

TEODY A. PASCUAL, is the Assistant Vice President - Service Management of the Company. He was the Purchasing Manager of the Company prior to his promotion. He has over 11 years of experience in the field of purchasing as a manager overseeing the purchasing of materials and services to support various operating companies of the Group. Before joining the Company, he was employed as a Production Head of Batong Angono Aggregates Corporation. He is a licensed Electronics and Communications Engineer. He obtained his Bachelor of Science in Electronics and Communications Engineering from University of Santo Tomas.

JESSIE A. PAYUYO, Assistant Vice President - Mining Comptroller of CMC. He was a Senior Finance Manager of the Company until his promotion. Prior to joining the Group in 2021, he was the Finance Controller of Yara Fertilizer Inc. He has over 20 years' experience in the fields of audit, corporate accounting and controllership. He is a licensed Certified Public Accountant. Mr. Payuyo earned his Bachelor of Science in Accountancy from Central Luzon State University.

KRISTINE GRACE C. VICTORIA, is the Assistant Vice President - Geology of the Company. She was the Assistant Vice President - Geology and Quality Assurance of the Company until December 31, 2023. She also served as a Resource Geologist in HMC. Prior thereto, she was employed as the Exploration Geologist of FSMRC/Consolidated Mines Inc. She placed eighth in Geology Licensure Examination and is an Accredited Competent Person for Exploration and Mineral Reporting of Nickel Laterite Deposits with over 15 years of experience in the mineral industry. She is currently serving as the Vice - Head of the Geological Society of the PMRC Committee Secretariat. She obtained her Bachelor of Science in Geology, Cum Laude, from University of the Philippines and Management Development Program from Asian Institute of Management.

CHARITO R. VILLENA-CO is Assistant Vice President - Tax Compliance and Advisory Services and has been a tax management professional for over a decade. Prior to joining the Company, she was Assistant Vice President and Group Tax Head for SM Markets from November 2017 to May 2022. She was also former Country Tax and PEZA Head of Accenture Inc. (Philippines), Head of Tax of Philex Mining Corporation and a Tax Management Executive of PLDT, Inc. She obtained her Bachelor of Science in Business Administration and Accountancy, Cum Laude, and Juris Doctor from the University of the Philippines.

BARBARA ANNE C. MIGALLOS is the Corporate Secretary of the Company and its subsidiary CEXCI. She is the Managing Partner of Migallos and Luna Law Offices and she was a Senior Partner of Roco Kapunan Migallos and Luna from 1986 to 2006. A practicing lawyer since 1980, Ms. Migallos focuses principally on corporate law, mergers and acquisitions, and securities law. She is a Director and Corporate Secretary of Philex Mining and a Director of Mabuhay Vinyl Corporation, both publicly listed companies. She is also Corporate Secretary of PXP Energy Corporation and of Alliance Select Foods International, Inc. both listed companies. She is a Director of Philippine Resins Industries, Inc. and other corporations, and Corporate Secretary of Eastern Telecommunications Philippines, Inc. Ms. Migallos is a professional lecturer at the DLSU College of Law and chairs the Mercantile Law Department.

No director or senior officer of the Company is or has been in the past 2 years, a former employee or partner of the current external auditor.

Also, the Company discloses the transactions of its directors and officers as required by applicable laws and regulations.

B. SIGNIFICANT EMPLOYEES/EXECUTIVE OFFICERS

No single person is expected to make a significant contribution 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.

C. FAMILY RELATIONSHIP

Aside from Mr. Martin Antonio G. Zamora and Ms. Maria Patricia Z. Riingen being siblings, Mr. Harvey T. Ang being the third civil degree relative by affinity of Mr. Martin Antonio G. Zamora, and Mr. Ryan Rene C. Jornada being a fourth civil degree relative by affinity of Mr. Martin Antonio G. Zamora and Ms. Patricia Z. Riingen, none of the Company's Executive Officers are related to each other or to its Directors and substantial Shareholders.

D. INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware, and none of the directors/independent directors and officers has informed the Company, of any of the following events that occurred during the past 5 years and up to the date of this report: (i) any criminal, bankruptcy or insolvency investigations or proceedings; (ii) any conviction by final judgment of any offense punishable by the laws of the Republic of the Philippines or of any other nation or country; (iii) 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 his involvement in any type of business, securities, commodities or banking activities; and (iv) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission 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.

Item 10. EXECUTIVE COMPENSATION AND STOCK OPTION PLAN

The table set out below identifies the Corporation's CEO and 4 most highly compensated executive officers (the "named executive officers") and summarizes their aggregate compensation in 2023 and 2024 and their estimated compensation for 2025. The amounts set forth in the table have been prepared based on what the Company paid for the compensation of its executive officers for the years indicated and what we expect to pay on the ensuing year.

	December 31, 2023			December 31, 2024[2]			December 31, 2025[2] (Estimated)		
	Salary	Bonus	Total	Salary	Bonus	Total	Salary	Bonus	Total
	(In Php Thousands)								
Named executive officers	₱305,095	₱49,260	₱354,355	₱48,711	₱35,597	₱84,308	₱50,917	₱27,538	₱78,455
All other officers and directors as a group unnamed	237,893	96,870	334,763	114,115	54,227	168,342	107,468	43,469	150,937

[1] The named executive officers for the year 2023 are: Gerard H. Brimo (Chairman), Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - Corporate Support and Compliance Services), Rolando R. Cruz (Vice President - Nickel Mining Business) and Rommel L. Cruz (Vice President - Special Projects)
[2] The named executive officers for the year 2024 are: Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - Corporate Support and Compliance Services), Jose Bayani D. Baylon (Senior Vice President - Sustainability, Risk Management and Corporate Affairs), Koichi Ishihara (Senior Vice President - Chief Commercial Officer) and Rolando R. Cruz (Vice President - Nickel Mining Business).
[3] The named executive officers for the year 2025 are: Martin Antonio G. Zamora (President and CEO), Georgina Carolina Y. Martinez (Senior Vice President - Corporate Support and Compliance Services), Jose Bayani D. Baylon (Senior Vice President - Sustainability, Risk Management and Corporate Affairs), Koichi Ishihara (Senior Vice President - Chief Commercial Officer) and Maria Angela G. Villamor (Senior Vice President - Finance).

COMPENSATION OF DIRECTORS

Each of the directors of the Parent Company is entitled to a director's fee for each meeting attended. In addition, the directors who serve in the committees of the BOD are each entitled to a fee for each committee meeting attended.

The table below shows the net compensation of the Company's Directors for each meeting:

Type	Board/ Stockholder's Meeting	Audit Committee Meeting	Board Risk Oversight	Related Party	Corporate Governance/ Nominations	Sustainability Committee	Stock Option
Executive Director	₱25,000	₱-	₱15,000	₱-	₱15,000 to ₱25,000	₱25,000	Yes
Non-executive Director	100,000 to 350,000	25,000	-	50,000	25,000 to 200,000	50,000	Yes, Except for the Non-Filipino Directors
Independent Director	150,000	50,000 to 100,000	50,000 to 100,000	50,000	50,000	50,000	Yes

Currently, there are no arrangements for additional compensation of directors.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

A. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

The following table sets forth the record owners and, to the best knowledge of the BOD and Management of the Company, the beneficial owners of 5% or more of the Company's outstanding common shares as at December 31, 2024:

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
Common Stock	Sumitomo Metal Mining Philippine Holdings Corporation 24th and 25th Floors, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City	Sumitomo Metal Mining Co., Ltd.	Foreign	3,614,397,887	25.94%
Common Stock	Mantra Resources Corporation 30th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City	-	Filipino	3,555,081,802	25.52%
Common Stock	PCD Nominee Corporation (Filipino)	Various stockholders	Filipino	2,423,855,755 (includes the 2,781,740 indirect shares beneficially owned by Ni Capital Corporation constituting 0.02%)	17.40%
Common Stock	Asiasec Equities Inc. 8/F Chatham House, 116 Valero cor. V.A. Rufino Sts., Salcedo Village, Makati City	Ni Capital Corporation	Filipino	1,830,296,491	13.14%
Common Stock	PCD Nominee Corporation (Non-Filipino)	Various stockholders	Foreign	1,265,231,400	9.08%
Common Stock	Nonillion Holding Corporation 2/F Corporate Business Centre, 151 Paseo de Roxas, Makati City	-	Filipino	1,174,000,000	8.43%

B. SECURITY OWNERSHIP OF MANAGEMENT

The beneficial ownership of the Company's outstanding common shares by its directors and executive officers as of December 31, 2024 are as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent
Common Stock	Jose Isidro N. Camacho	1,000 -Direct	Filipino	0.00%
Common Stock	Maria Patricia Z. Riingen	1,000 - Direct	Filipino	0.01%
		910,800 - Indirect		
Common Stock	Martin Antonio G. Zamora	540 - Direct	Filipino	0.04%
		5,515,671 - Indirect		
Common Stock	Harvey T. Ang	2,000,000 - Direct	Filipino	0.09%
		10,625,640 - Indirect		
Common Stock	Shiro Imai	2,023 - Direct	Japanese	0.00%
Common Stock	Yusuke Niwa	2,023 - Direct	Japanese	0.00%
Common Stock	Leonides Juan Mariano C. Virata	100 - Direct	Filipino	0.00%
Common Stock	Florencia G. Tarriela	1 - Direct	Filipino	0.00%
		16,799 - Indirect		
Common Stock	James J.K. Hung	1,000 - Direct	Taiwanese	0.00%
Common Stock	Jose Bayani D. Baylon	40,200 - Indirect	Filipino	0.00%
Common Stock	Koichi Ishihara	-	Japanese	0.00%
Common Stock	Georgina Carolina Y. Martinez	84,000 - Indirect	Filipino	0.00%
Common Stock	Romeo T. Tanalgo	730,435 - Indirect	Filipino	0.01%
Common Stock	Maria Angela G. Villamor	1,047,554 - Indirect	Filipino	0.01%
Common Stock	Rolando R. Cruz	614,952 - Direct	Filipino	0.01%
		1,285,962 - Indirect		
Common Stock	Andre Mikael L. Dy	-	Filipino	0.00%
Common Stock	Jeffrey B. Escoto	499,999 - Indirect	Filipino	0.00%
Common Stock	Christopher C. Fernandez	-	Filipino	0.00%
Common Stock	Patrick S. Garcia	612,419 - Indirect	Filipino	0.00%
Common Stock	Ryan Rene C. Jornada	101,500 - Indirect	Filipino	0.00%
Common Stock	Ma. Fatima C. Mijares	-	Filipino	0.00%
Common Stock	Arnilo C. Milaor	-	Filipino	0.00%
Common Stock	Irene R. Ramos-Salvacion	-	Filipino	0.00%
Common Stock	Cynthia E. Rosero	2,642,972- Indirect	Filipino	0.02%
Common Stock	Bimbo T. Almonte	-	Filipino	0.00%
Common Stock	Remedios Collado-Camo	16,000 - Indirect	Filipino	0.00%
Common Stock	Edwin R. Casiano	-	Filipino	0.00%
Common Stock	Fernando P. Cruz	4,000 - Indirect	Filipino	0.00%
Common Stock	Reynaldo M. Dela Rosa	-	Filipino	0.00%
Common Stock	Christian Jae R. Gascon	-	Filipino	0.00%
Common Stock	Rodrigo G. Gazmin, Jr.	-	Filipino	0.00%
Common Stock	Philipp D. Ines	100,000 - Indirect	Filipino	0.00%
Common Stock	Marnelle A. Jalandoon	-	Filipino	0.00%
Common Stock	Melchor C. Mananes	20,000 - indirect	Filipino	0.00%
Common Stock	Reynold DG Mata II	-	Filipino	0.00%
Common Stock	Christine Joanne C. Navarro	-	Filipino	0.00%
Common Stock	Edwin P. Nerva	50,000 - Indirect	Filipino	0.00%
Common Stock	Iryan Jean Ungson-Padillo	4,500 - Indirect	Filipino	0.00%
Common Stock	Jessie N. Pagaran	-	Filipino	0.00%
Common Stock	Teody A. Pascual	40,000 - indirect	Filipino	0.00%
Common Stock	Jessie A. Payuyo	121,600 - Indirect	Filipino	0.00%
Common Stock	Kristine Grace C. Victoria	-	Filipino	0.00%
Common Stock	Charito R. Villena-Co	-	Filipino	0.00%
Common Stock	Barbara Anne C. Migallos	-	Filipino	0.00%

C. VOTING TRUST HOLDERS OF 5% OR MORE

There is no voting trust holder of 5% or more of the Company's stock.

D. CHANGES IN CONTROL

There are no arrangements which may result in a change in control of the Company.

Item 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

All sales and purchases from related parties are made at prevailing market prices.

Nickel Ore Sale Agreements with PAMCO
The Group supplies saprolite ore to PAMCO. PAMCO is a stockholder of the Parent Company, RTN and TMC. All sales made to PAMCO are transacted at prevailing market prices which are benchmarked to China prices on the basis of a negotiated price per WMT of ore. PAMCO shall pay the Group 80% to 90% of the provisional invoice amount upon receipt of the required documents and pay the final payment of each shipment after the final dry weight and applicable assay have been determined.

Nickel Ore Sale Agreement with PAMCO and Sojitz Corporation (Sojitz)
RTN supplies saprolite ore to PAMCO, wherein PAMCO appointed Sojitz as agent under a sale agreement. RTN and PAMCO shall jointly assess whether the commercial production of ore at the mine is still possible. Unless commercial production becomes impossible due to the exhaustion of ore reserves in the mine, RTN, PAMCO and Sojitz shall renew the agreement with a 5 year term. Currently, the agreement is valid until December 31, 2026. PAMCO owns 36% and Sojitz owns 4% of the outstanding capital stock of RTN.

TMC also entered into an agreement with PAMCO covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on LME. Effective April 2014, ore sales to PAMCO are benchmarked to China prices on the basis of a negotiated price per WMT of ore. The agreement with PAMCO is valid until December 31, 2026.

Nickel Ore Supply Agreement with CBNC
RTN entered into an agreement with CBNC to supply all the limonite ore requirements for the Coral Bay HPAL facility until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. RTN has also entered into an agreement with CBNC to supply limestone. CBNC is the owner of the Coral Bay HPAL facility.

CMC and DMC also entered into separate agreements with CBNC covering the sale of its ore products with a fixed tonnage at specific nickel grade and iron content.

Nickel Ore Supply Agreement with THNC
TMC entered into an agreement with THNC covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on LME.

Service Agreements with CBNC
CDTN entered into various service agreements with CBNC to provide ancillary services, such as materials handling, to the Coral Bay HPAL facility.

Materials Handling Agreement with THNC
On October 7, 2013, TMC and THNC executed an agreement wherein TMC will render services related to the handling, hauling and transport of cargo for THNC. THNC shall compensate TMC based on the prices stipulated in the agreement which are determined on the basis of the weight of the cargo. Payment is collected within 15 days from receipt of TMC's billing.

Power Supply Agreements with Shell Energy Philippines Inc. (SEPI)
JSI
On June 24, 2021, JSI entered into a PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 16MW from the total energy deliveries of the plant on a take and pay basis, for a period of 3 years starting June 26, 2021. The PSA was amended twice, on August 12, 2021 and on October 20, 2021, to reflect additional short-term contracted capacity.

In October 2022, JSI entered into another PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 25MW, starting December 26, 2023 from Sta. Rita Solar Power Project. An additional pro-rata share of 40MW is to be sold and delivered starting on the issuance of ERC's COC for the 100MW Subic New PV Power Project. This agreement is valid for a period of 2.5 years.

SISPC
On January 2, 2024, SISPC entered a PSA with SEPI. Under the terms of the agreement, SISPC is committed to sell and deliver 100% of SISPC's capacity for Phase 1 of the SISPP which is nominally 120MW direct current subject for update by SISPC in accordance with the capacity certification of NGCP and /or ERC. The agreement is for 15 years, and the delivery start date is February 28, 2025.

Memorandum of Understanding with SMM
On September 14, 2009, the Parent Company and TMC entered into a MOU with SMM. Pursuant to the terms thereof, the Parent Company and SMM will move ahead on a joint venture basis to build a nickel-cobalt processing plant (the Project) using the HPAL technology to be located within the TMC's mine in Surigao del Norte, while TMC will supply low-grade nickel ore to the plant over the life of the Project.

The agreement also sets forth the respective rights and obligations of the Parent Company, SMM and Mitsui, including their responsibilities in respect of financing the project investment undertaken by THNC.

Also, under the agreement, the Parent Company, SMM and Mitsui agreed to grant loans to THNC or guarantee the repayment of THNC's obligations in accordance with the financial requirements of THNC and in proportion to their shareholding ratio in THNC of 10%, 75% and 15%, respectively.

The agreement shall terminate upon the dissolution of THNC.

THNC Stockholder's Agreement
On September 15, 2010, NAC, SMM and Mitsui executed a Stockholders Agreement, pursuant to which the parties formed a joint venture company, THNC, to build and operate a plant in Barangay Taganito, Claver, Surigao del Norte for the purpose of producing and selling nickel-cobalt mixed sulfide to be used in the production of electrolytic nickel and electrolytic cobalt.

Pursuant to the Stockholders Agreement, SMM granted THNC a non-exclusive license of technology owned by SMM to produce the products and has undertaken to provide technical assistance to THNC. The Parent Company has undertaken to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the use of the land and infrastructure necessary to produce the products while Mitsui shall assist THNC in procuring materials and equipment necessary for the mine's operations. The Stockholders Agreement shall terminate upon the dissolution of THNC.

The Parent Company, along with the other stockholders of THNC, also agreed to make loans to THNC or guarantee the repayment of THNC's loan obligations in accordance with the financial requirements of THNC, in proportion to their shareholding ratio in THNC.

In a separate agreement dated December 9, 2011, SMM agreed to assume Parent Company's obligation to make loans to or guarantee the repayment of THNC's loan obligations. The Parent Company, in consideration for this agreement, pays SMM an annual guarantee fee of 0.6%, of THNC's outstanding loan obligations.

Loan Guarantee/Substitution Agreement
Under a loan guarantee/substitution agreement between the Parent Company and SMM, the latter agreed to substitute for the Parent Company to make loans or guarantee the repayment of THNC's obligation pursuant to the Stockholders Agreement dated September 15, 2010.

In consideration of the loans and guarantee made by SMM, the Parent Company shall pay to SMM an annual fee equal to 0.6% of the relevant outstanding amount, which is payable every February 21, March 21, August 21, and September 21 of each year.

In case of default, such loan guarantee/substitution agreements will be terminated, and the Parent Company shall provide loans to THNC or guarantee the repayment of THNC's loans payable. Failure to provide such loans or guarantee shall be considered a default under the THNC Stockholders' Agreement.

Throughput Agreement with THNC

On October 4, 2010, TMC and THNC executed a Throughput Agreement wherein TMC will construct the pier facilities within the Taganito Special Economic Zone (TSEZ) pursuant to its role as Developer. The TSEZ is located within the Surigao Mineral Reservation, an area declared for mineral development pursuant to Proclamation 391, under the supervision of the DENR that issued an "Order to Use Offshore Area" dated September 20, 2010 to TMC for the use of such portion of the Surigao Mineral Reservation for the construction of the pier facilities. In relation to this, THNC entered into a Registration Agreement with the PEZA to construct and operate a mineral processing plant within the TSEZ as an Ecozone Export Enterprise.

Under the agreement, TMC will make available the pier facilities and provide certain services to THNC in consideration for usage fees and service fees to be paid by the latter starting April 2011 until 2031, unless terminated earlier. The usage fee amounted to $1.3 million is payable in semi-annual period on or before October 10 and April 10.

THNC also agrees to pay service fee that will be agreed upon by both parties, which shall be billed monthly.

Memorandum of Understanding with SEPI

On February 23, 2022, EPI and SEPI signed a MOU to create a strategic partnership for the purpose of developing a flatform for onshore power projects and the resulting power supply business in the Philippines and to set forth certain basic terms of the understanding reached to date and to serve as a basis for further discussions and negotiations with respect to the project.

Through the above MOU, GRHI was incorporated and registered with the SEC on August 18, 2022. GRHI is 60% owned by EPI and 40% owned by Shell.

Memorandum of Understanding

On September 14, 2009, the Parent Company and TMC entered into a MOU with SMM. Pursuant to the terms thereof, the Parent Company and SMM will move ahead on a joint venture basis to build a nickel-cobalt processing plant (the Project) using the HPAL technology to be located within the TMC's mine in Surigao del Norte, while TMC will supply low-grade nickel ore to the plant over the life of the Project. The cost of the Project is US$1,590.0 million, over a 3-year construction period, which started in the last quarter of 2010. The plant's estimated annual capacity is 51,000 dry metric tons of mixed nickel-cobalt sulfide over an estimated 30-year project life. The MOU provides that the equity share of the Parent Company and SMM shall be between 20%-25% and 75%-80%, respectively.

Subsequently, the Parent Company, SMM and Mitsui entered into the THNC Stockholders' Agreement on September 15, 2010, which contract provides that the Project will be undertaken by THNC, a company that will be jointly owned by the Parent Company, SMM and Mitsui with equity interest of 22.5%, 62.5% and 15.0%, respectively. Pursuant to the THNC Stockholders' Agreement, SMM granted THNC a non-exclusive license of technology owned by SMM to produce the products and agreed to provide technical assistance to THNC. The Company undertook to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the use of the land and infrastructure necessary to produce the products. Mitsui for its part agreed assist THNC in procuring materials and equipment necessary for the plant's operations.

Pursuant to the sale of 12.5% equity interest of the Parent Company in THNC to SMM in October 2016, the shareholding ratio of the Parent Company and SMM is at 10% and 75%, respectively.

The THNC Stockholders' Agreement also sets forth the respective rights and obligations of the Parent Company, SMM and Mitsui, including their responsibilities in respect of financing the project investment undertaken by THNC.

Also, under the THNC Stockholders' Agreement, the Parent Company, SMM and Mitsui agreed to grant loans to THNC or guarantee the repayment of THNC's obligations in accordance with the financial requirements of THNC and in proportion to their shareholding ratio in THNC.

The THNC Agreement shall terminate upon the dissolution of THNC.

Loan Guarantee/Substitution Agreement

Under a loan guarantee/substitution agreement between the Parent Company and SMM, the latter agreed to substitute for the Parent Company to make loans or guarantee the repayment of THNC's obligation pursuant to the Stockholders Agreement dated September 15, 2010.

In consideration of the loans and guarantee made by SMM, the Parent Company shall pay to SMM an annual fee equal to 0.6% of the relevant outstanding amount, which is payable every February 21, March 21, August 21, and September 21 of each year.

In case of default, such loan guarantee/substitution agreements will be terminated, and the Parent Company shall provide loans to THNC or guarantee the repayment of THNC's loans payable. Failure to provide such loans or guarantee shall be considered a default under the THNC Stockholders' Agreement.

Loan Agreements

THNC

On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former an unsecured loan facility amounting to a total of US$35.0 million at a prevailing 180-day British Banker Association LIBOR plus 2% spread, to exclusively finance the construction of the pier facilities within the TSEZ. In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to Term Secured Overnight Financing Rate plus an adjustment of 0.43%.

The interest on the loan is payable semi-annually, on October 10 and April 10. The total principal is payable in semi-annual installments of US$0.9 million starting on October 10, 2011 up to April 10, 2031.

TBEA

In accordance with the Agreement on Shareholders Advances on June 17, 2020, TBEA granted JSI an unsecured term loan facility of a total cumulative principal amount of US$2.2 million to be used for the Phase 3A - 30MW solar project.

On September 23, 2021, NAC, JSI, EPI and TBEA executed the Supplemental Agreement on Shareholder Advances to agree on the shareholder advances for JSI's development of Phase 3B - 38MW. Under the terms of the Supplemental Agreement, TBEA grants JSI a loan facility amounting to US$2.9 million.

The interest on the loan is 5% per annum and the principal loan is payable on June 17, 2025, the maturity date of the loan.

On October 27, 2023, the BOD of JSI approved the conversion of the outstanding loans into equity of JSI.

Lease Agreements

THNC

On October 31, 2013, TMC and THNC executed a lease agreement wherein TMC will lease the land within the TSEZ to the lessee. The TSEZ leased area of approximately 675 hectares is located at Barangays Taganito and Hayanggabon, Claver, Surigao del Norte. The duration of the lease agreement shall be for a period of 20 years starting January 1, 2013; however, rental rate shall be annually agreed by both parties.

Manta

On March 18, 2013, the Group entered into a lease agreement with Manta for its office and parking space. The lease agreement is effective for a period of 5 years starting May 15, 2013, and is renewable subject to negotiation of the terms and conditions and mutual agreement of both parties. The existing lease agreements with Manta are valid until May 14, 2028 and June 30, 2028, and are subject to 5% annual escalation beginning on the second year of the lease.

Memorandum of Agreement with SMM

The Parent Company and SMM entered a MOA to formalize the agreements reached on December 26, 2024 which include:

a. The Parent Company, through RTN and/or other subsidiaries of the Parent Company, shall continue to comply with the obligations set forth in the Stockholder's Agreement by and among SMM, Mitsui, Nissho Iwai Corporation (subsequently merged into Sojitz) and RTN dated July 1, 2002, amended on January 26, 2007 and April 1, 2013, on the establishment and operation of CBNC.
b. All existing contracts between the Parent Company, RTN or any subsidiaries of the Parent Company, and CBNC, including, but not limited to, Infrastructure Agreements, Lease Agreements, and Ore Supply Agreements, shall remain valid and enforceable in their terms even after the sale of CBNC shares.
c. Before April 1, 2025, RTN shall enter into an Addendum to the Ore Supply Agreement with CBNC, covering the period April 1, 2025 to March 31, 2028 based on ore price of US$12 per WMT, including oversized ore; provided, that the LME price is US$13 per pound or less.
d. To handle or resolve matters that are mutually beneficial to them, or that promote cooperation in the conduct of their respective businesses including, but not limited to, decommissioning and removal of CBNC equipment, stable supply of limestone, and future plan of joint projects among others.

The terms of the MOA shall take effect only after the execution of the SPA and it will remain valid unless amended or terminated upon mutual agreement of the parties.

Notes 14, 32 and 38 of the Notes to Consolidated Financial Statements of the Exhibits in Part IV is incorporated hereto by reference.

PART IV – EXHIBITS AND SCHEDULES

Item 13. EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

See accompanying Index to Exhibits as well as the Company's Audited Financial Statements for the recently completed fiscal year. These financial statements are reports from the Corporation's Independent Public Accountant, SGV & Co.

Reports on SEC Form 17-C

The Parent Company filed the following reports on SEC Form 17-C during the year 2024.

Items Reported	Date Reported
Change in Directors and/or Officers	January 3, 2024
Termination of Letter of Intent of NAC to be exclusive mining service contractor for Hallmark Mining Corporation and Austral-Asia Link Mining Corporation MPSAs in Davao Oriental	February 26, 2024
Notice Analysts'/Investors' briefing for financial and operating results during the twelve-month period ended December 31, 2023	March 6, 2024
Amend Change in Shareholdings of Directors and Principal Officers – Change in NIKL Shareholdings of Mr. Philipp D. Ines	March 6, 2024
Approval of the Audited Financial Statement for the fiscal year ended December 31, 2023	March 13, 2024
NAC announces ₱3.7 billion net income for 2023	March 13, 2024
Declaration of Regular Cash Dividends	March 13, 2024
Declaration of Special Cash Dividends	March 13, 2024
Promotion of Gen. Romeo T. Tanalgo (ret.)	March 13, 2024
Notice of Annual Stockholders' Meeting on June 7, 2024	March 13, 2024
Approval of Human Rights Policy and Approval of Information Security Policy	March 13, 2024
Amend - Notice of Annual Stockholders' Meeting on June 7, 2024	May 9, 2024
Approval of unaudited financial statements for the three months ended March 31, 2024	May 14, 2024
NAC announces 202M net income for the first quarter of 2024	May 14, 2024
Approval of the Unaudited Financial and Operating Results for the three-month period ended March 31, 2024	May 14, 2024
Results of the 2024 Annual Stockholders' Meeting	June 7, 2024
Results of Organizational Meeting of the Board of Directors held on June 7, 2024	June 7, 2024
NAC elects Jose Isidro N. Camacho as Chairman and James J.K. Hung as Independent Director	June 7, 2024
Change in NIKL Shareholdings of Mr. Rolando R. Cruz	July 29, 2024
NAC analysts'/investors' briefing for financial and operating results during the six-month period ended June 30, 2024.	August 6, 2024
Change in Designation of Officer, Appointment of Board Committee Members, and Advances to Emerging Power, Inc.	August 7, 2024
Change in designation of Mr. Rolando R. Cruz	August 7, 2024
Press release on the unaudited financial and operating results for the six-month period ended June 30, 2024.	August 7, 2024
NAC announces P1.12B net income for the first half of 2024	August 7, 2024
Approval of the Unaudited Financial and Operating Results for the six-month period ended June 30, 2024	August 8, 2024
Clarification of news report entitled "Nickel Asia's Emerging Power delays 500-MW goal to 2026"	August 9, 2024
Approval of the Unaudited Financial and Operating Results for the six-month period ended June 30, 2024	August 9, 2024

Items Reported	Date Reported
Change in NIKL Shareholdings of Mr. Teody A. Pascual	September 5, 2024
Change in NIKL Shareholdings of Mr. Teody A. Pascual	October 8, 2024
Creation of the Finance Committee	November 13, 2024
NAC announces ₱2.55B net income for first nine of months of 2024	November 13, 2024
NAC analysts'/investors' briefing for financial and operating results during the nine-month period ended September 30, 2024.	November 19, 2024
Demise of Officer	December 2, 2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Taguig on 27 FEB 2025

By:

MARTIN ANTONIO G. ZAMORA
President and Chief Executive Officer

KOICHI ISHIHARA
Senior Vice President - Chief Commercial Officer

MARIA ANGELA G. VILLAMOR
Senior Vice President - Finance and Chief Financial Officer

JOSE BAYANI D. BAYLON
Senior Vice President - Sustainability, Risk Management and Corporate Affairs, Chief Sustainability Officer, and Chief Risk Officer

BARBARA ANNE C. MIGALLOS
Corporate Secretary

Iryan h Padillo
IRYAN JEAN U. PADILLO
Assistant Vice President - Business Comptroller

27 FEB 2025

Subscribed and sworn to before me this _________ day of __________, 2025 affiant (s) exhibiting to me his/their Passport Number, as follows:

Names	Passport/ID No.	Date of Issue	Place of Issue
Martin Antonio G. Zamora	P5236537B	06/18/2020	DFA NCR East
Koichi Ishihara	TZ1403467	01/15/2020	Embassy of Japan in the Philippines
Maria Angela G. Villamor	P9494419B	04/04/2022	DFA Manila
Jose Bayani D. Baylon	P5877285B	11/27/2020	DFA NCR East
Barbara Anne C. Migallos	P7148981A	05/11/2018	NCR South
Iryan Jean U. Padillo	P2919448B	08/31/2019	NCR Central

CHARLENE MAE C. DACARA
Appointment No. 102
Notary Public for and in the City of Taguig City
Until December 31, 2025
Roll No. 74631
PTR No. A-6484823/20 January 2025/Taguig City
MCLE Compliance No. VII-0010815, Until 14 April 2028
28th Floor NAC Tower, 32nd Street, BGC, Taguig City

DOC. NO. 242
PAGE NO. 50
BOOK NO. 3
SERIES OF 2025

NICKEL ASIA CORPORATION

SEC FORM 17-A

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

NICKEL ASIA CORP.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Nickel Asia Corporation and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SGV & Co., the independent auditors, appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JOSE ISIDRO N. CAMACHO
Chairman of the Board

MARTIN ANTONIO G. ZAMORA
President and Chief Executive Officer

MARIA ANGELA G. VILLAMOR
Chief Financial Officer

Signed this 27th day of February 2025.

27 FEB 2025

SUBSCRIBED AND SWORN to before me this 27 FEB 2025 at Taguig City, Philippines, affiants exhibited to me their respective identifications, to wit:

Name	Identification	Date/Place of Issue
Jose Isidro N. Camacho	Passport No. P7938923B	20 Oct. 2021; PE Singapore
Martin Antonio G. Zamora	Passport No. P5236537B	18 June 2020; DFA NCR East
Maria Angela G. Villamor	Passport No. P9494419B	4 Apr. 2022; DFA Manila

Doc. No. 245;
Page No. 50;
Book No. 3;
Series of 2025.

CHARLENE MAE C. DACARA
Appointment No. 102
Notary Public for and in the City of Taguig City
Until December 31, 2025
Roll No. 74631
PTR No. A-6484623/20 January 2025/Taguig City
MCLE Compliance No. VII-0010815, Until 14 April 2028
28th Floor NAC Tower, 32nd Street, BGC, Taguig City

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Nickel Asia Corporation
28th Floor NAC Tower, 32nd Street
Bonifacio Global City, Taguig City

Opinion

We have audited the consolidated financial statements of Nickel Asia Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment testing of geothermal exploration and evaluation assets

As at December 31, 2024, the Group provided full allowance for impairment losses on geothermal exploration and evaluation assets amounting to ₱1.9 billion. These geothermal exploration and evaluation assets pertain to costs incurred for the Montelago Geothermal Project. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, the Group is required to test for impairment the exploration and evaluation assets with indicators of impairment at the end of each reporting period. We considered this as a key audit matter because of the materiality of the amount assessed for impairment and significant management judgment required in assessing the indication of impairment which is influenced by factors including the determination of technical feasibility, results of exploration activities whether there is discovery of geothermal resource that can be produced in commercial quantities and regulatory requirements.

The Group's disclosures about geothermal exploration and evaluation assets are included in Notes 1, 3 and 11 to the consolidated financial statements.

Audit Response

We obtained management's assessment in determining the indication of impairment on the geothermal exploration and evaluation assets. We inspected the contract and agreements, licenses and permits and related developments during the year including the correspondences with regulatory agencies to determine that the period for which the Group has the right to explore in the specific area has not expired. We inspected the summary of the status of the exploration project as of December 31, 2024, as certified by the Group's technical group head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of assets under the Group's accounting policies and in accordance with PFRS 6. We reviewed the management's assessment on the project's ability to operate at a required capacity and inquired on the Group's plans on operations to understand the factors and circumstances which led to the full impairment of the geothermal exploration and evaluation asset. We also reviewed the adequacy of the Group's disclosure, including those that have the most significant effect on the determination of the impairment of geothermal exploration and evaluation assets.

Impairment testing of solar farm and construction in-progress

As of December 31, 2024, the Group's solar farm and the related construction in-progress amounted to ₱15.1 billion. The Group may adversely be affected by the volatility in wholesale electricity prices. In the event that an impairment indicator is identified, the assessment of the recoverable amounts of the solar farm and construction in-progress requires significant judgment and involves estimation and assumptions about future production levels and costs, as well as external inputs such as commodity prices and discount rate. Hence, such assessment is a key audit matter in our audit.

The disclosures in relation to the Group's solar farm and construction in-progress are included in Notes 3 and 9 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include future production levels and costs, as well as external inputs such as commodity prices and discount rate. We compared the key assumptions against the industry benchmark plant life, production reports from operations department, average market price of electricity on Wholesale Electric Spot Market (WESM), current tax laws and Department of Energy regulations, Bangko Sentral ng Pilipinas (BSP) forecasted inflation rate, industry debt ratio and discount rate based on industry weighted average capital cost. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amounts of the solar farm and construction in-progress.

Other Information

Other information consists of the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
Eleanore A. Layug
Partner
CPA Certificate No. 0100794
Tax Identification No. 163-069-453
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10465317, January 2, 2025, Makati City

February 27, 2025

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱12,935,272**	₱15,482,465
Trade and other receivables (Note 5)	**1,390,414**	1,571,932
Inventories (Note 6)	**3,356,296**	3,037,699
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	**1,421,570**	1,291,477
Fair value through other comprehensive income (FVOCI)	**429,188**	469,914
Amortized cost	**100,000**	35,000
Assets held for sale (Note 8)	**1,864,775**	–
Prepayments and other current assets (Note 8)	**2,338,192**	1,600,071
Total Current Assets	**23,835,707**	23,488,558
Noncurrent Assets		
Property and equipment (Note 9)	**26,429,296**	18,692,297
Investments in associates (Note 10)	**3,438,021**	5,484,980
Financial assets at - net of current portion (Note 7):		
FVTPL	**985,979**	968,493
Amortized cost	**275,000**	375,000
Deferred income tax assets - net (Note 35)	**554,613**	439,600
Geothermal exploration and evaluation assets (Note 11)	**–**	1,896,637
Other noncurrent assets (Note 12)	**6,132,185**	6,581,244
Total Noncurrent Assets	**37,815,094**	34,438,251
TOTAL ASSETS	**₱61,650,801**	₱57,926,809
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱4,281,493**	₱2,940,279
Short-term debts (Note 14)	**6,985,614**	5,848,095
Current portion of:		
Long-term debts (Note 14)	**372,149**	345,764
Lease liabilities (Note 33)	**95,693**	54,346
Income tax payable	**401,528**	321,993
Other current liabilities (Note 38j)	**615,722**	479,722
Total Current Liabilities	**12,752,199**	9,990,199
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Note 14)	**2,060,388**	2,341,836
Lease liabilities (Note 33)	**877,441**	779,075
Deferred income (Note 38l)	**29,329**	33,519
Provision for mine rehabilitation and decommissioning (Note 15)	**927,398**	909,551
Deferred income tax liabilities - net (Note 35)	**505,869**	378,923
Pension liability (Note 34)	**84,955**	388,720
Total Noncurrent Liabilities	**4,485,380**	4,831,624
Total Liabilities	**17,237,579**	14,821,823

(Forward)

	December 31	
	2024	2023
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 16)	**₱6,999,974**	₱6,999,974
Additional paid-in capital (Note 16)	**9,205,802**	9,205,802
Share in cumulative translation adjustment (Note 10)	**1,469,552**	869,185
Other components of equity:		
Cost of share-based payment plan (Note 17)	**154,296**	154,296
Asset revaluation surplus	**29,416**	29,799
Net valuation gains (losses) on:		
Forward contracts	**7,659**	–
Financial assets at FVOCI (Note 7)	**(1,226)**	(1,315)
Retained earnings:		
Unappropriated	**18,760,066**	19,000,052
Appropriated (Note 16)	**135,000**	135,000
Treasury stock (Note 16)	**(134,014)**	(134,014)
	36,626,525	36,258,779
Non-controlling Interests (NCI)	**7,786,697**	6,846,207
Total Equity	**44,413,222**	43,104,986
TOTAL LIABILITIES AND EQUITY	**₱61,650,801**	₱57,926,809

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings per Share)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Sale of ore and limestone (Notes 30 and 32)	**₱19,753,960**	₱21,553,863	₱25,739,009
Sale of power (Notes 30 and 38g)	**1,342,128**	881,547	773,448
Services and others (Notes 30 and 32)	**1,229,340**	2,265,057	1,490,693
	22,325,428	24,700,467	28,003,150
COSTS			
Cost of sales (Note 19)	**8,590,973**	7,964,494	7,930,989
Services (Note 20)	**628,157**	1,550,783	902,235
Power generation (Note 21)	**603,022**	515,524	403,893
	9,822,152	10,030,801	9,237,117
OPERATING EXPENSES			
Shipping and loading costs (Note 22)	**2,268,159**	2,173,860	2,161,858
Excise taxes and royalties (Note 23)	**1,707,303**	1,873,845	2,486,312
General and administrative (Note 24)	**1,618,206**	1,542,808	1,306,278
Marketing (Notes 38e and 38k)	**107,426**	118,257	172,124
	5,701,094	5,708,770	6,126,572
FINANCE INCOME (Note 27)	**695,893**	524,065	188,622
FINANCE EXPENSES (Note 28)	**(482,786)**	(446,701)	(306,783)
EQUITY IN NET INCOME (LOSS) OF ASSOCIATES (Note 10)	**(897,927)**	(1,037,821)	942,143
OTHER INCOME (CHARGES) - net (Note 29)	**(1,556,511)**	21,492	841,806
INCOME BEFORE INCOME TAX	**4,560,851**	8,021,931	14,305,249
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 35)			
Current	**1,764,154**	2,224,281	3,604,509
Deferred	**(125,765)**	3,715	(175,373)
	1,638,389	2,227,996	3,429,136
NET INCOME	**₱2,922,462**	₱5,793,935	₱10,876,113
Net income attributable to:			
Equity holders of the parent	**₱1,521,458**	₱3,749,656	₱7,931,150
NCI	**1,401,004**	2,044,279	2,944,963
	₱2,922,462	₱5,793,935	₱10,876,113
Basic/Diluted Earnings Per Share (EPS; Note 18)	**₱0.11**	₱0.27	₱0.58

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	**₱2,922,462**	₱5,793,935	₱10,876,113
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:			
Share in translation adjustment of associates (Note 10)	**706,314**	(624,764)	861,172
Income tax effect	**(105,947)**	93,714	(60,152)
	600,367	(531,050)	801,020
Net valuation gains (losses) on financial assets at FVOCI (Note 7)	**89**	4,619	(9,297)
Income tax effect	**–**	–	–
	89	4,619	(9,297)
Net valuation gains on forward contracts (Note 37)	**14,076**	–	–
Income tax effect	**(3,519)**	–	–
	10,557	–	–
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	**611,013**	(526,431)	791,723
Other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods:			
Remeasurement gains (loss) on pension liability (Note 34)	**112,926**	(153,343)	217,147
Income tax effect	**(28,232)**	38,336	(54,287)
	84,694	(115,007)	162,860
Asset revaluation surplus	**(511)**	(511)	(511)
Income tax effect	**128**	128	128
	(383)	(383)	(383)
Net other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods	**84,311**	(115,390)	162,477
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**695,324**	(641,821)	954,200
TOTAL COMPREHENSIVE INCOME - NET OF TAX	**₱3,617,786**	₱5,152,114	₱11,830,313
Total comprehensive income attributable to:			
Equity holders of the parent	**₱2,179,006**	₱3,145,284	₱8,833,477
NCI	**1,438,780**	2,006,830	2,996,836
	₱3,617,786	₱5,152,114	₱11,830,313

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent									
					Retained Earnings					
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Share in Cumulative Translation Adjustment (Note 10)	Other Components of Equity (Notes 7 and 17)	Unappropriated	Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2023	**₱6,999,974**	**₱9,205,802**	**₱869,185**	**₱182,780**	**₱19,000,052**	**₱135,000**	**(₱134,014)**	**₱36,258,779**	**₱6,846,207**	**₱43,104,986**
Net income	–	–	–	–	**1,521,458**	–	–	**1,521,458**	**1,401,004**	**2,922,462**
Other comprehensive income - net of tax	–	–	**600,367**	**7,365**	**49,816**	–	–	**657,548**	**37,776**	**695,324**
Total comprehensive income	–	–	**600,367**	**7,365**	**1,571,274**	–	–	**2,179,006**	**1,438,780**	**3,617,786**
Cash dividends (Note 16)	–	–	–	–	**(1,811,046)**	–	–	**(1,811,046)**	–	**(1,811,046)**
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	**(504)**	–	–	**(504)**	–	**(504)**
Cash dividends to NCI (Note 31)	–	–	–	–	–	–	–	–	**(1,570,000)**	**(1,570,000)**
Investment of NCI in subsidiaries	–	–	–	–	–	–	–	–	**1,071,710**	**1,071,710**
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	**383**	–	–	**383**	–	**383**
Stock issuance cost	–	–	–	–	**(93)**	–	–	**(93)**	–	**(93)**
Balances at December 31, 2024	**₱6,999,974**	**₱9,205,802**	**₱1,469,552**	**₱190,145**	**₱18,760,066**	**₱135,000**	**(₱134,014)**	**₱36,626,525**	**₱7,786,697**	**₱44,413,222**

See accompanying Notes to Consolidated Financial Statements.

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Share in Cumulative Translation Adjustment (Note 10)	Other Components of Equity (Notes 7 and 17)	Retained Earnings Unappropriated	Retained Earnings Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
	Equity Attributable to Equity Holders of the Parent									
Balances at December 31, 2022	₱6,849,836	₱8,271,900	₱1,400,235	₱547,085	₱18,618,593	₱135,000	(₱134,014)	₱35,688,635	₱4,842,184	₱40,530,819
Net income	–	–	–	–	3,749,656	–	–	3,749,656	2,044,279	5,793,935
Other comprehensive income (loss) - net of tax	–	–	(531,050)	4,236	(77,558)	–	–	(604,372)	(37,449)	(641,821)
Total comprehensive income (loss)	–	–	(531,050)	4,236	3,672,098	–	–	3,145,284	2,006,830	5,152,114
Exercise of stock options (Notes 16 and 17)	150,138	933,902	–	(368,541)	–	–	–	715,499	–	715,499
Cash dividends (Note 16)	–	–	–	–	(3,290,518)	–	–	(3,290,518)	–	(3,290,518)
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	(504)	–	–	(504)	–	(504)
Cash dividends to NCI (Note 31)	–	–	–	–	–	–	–	–	(1,600,000)	(1,600,000)
Investment of NCI in a subsidiary	–	–	–	–	–	–	–	–	1,597,193	1,597,193
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	383	–	–	383	–	383
Balances at December 31, 2023	₱6,999,974	₱9,205,802	₱869,185	₱182,780	₱19,000,052	₱135,000	(₱134,014)	₱36,258,779	₱6,846,207	₱43,104,986

See accompanying Notes to Consolidated Financial Statements.

	Equity Attributable to Equity Holders of the Parent									
					Retained Earnings					
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Share in Cumulative Translation Adjustment (Note 10)	Other Components of Equity (Notes 7 and 17)	Unappropriated	Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2021	₱6,849,836	₱8,271,900	₱599,215	₱507,370	₱16,710,460	₱135,000	(₱134,014)	₱32,939,767	₱3,389,433	₱36,329,200
Net income	–	–	–	–	7,931,150	–	–	7,931,150	2,944,963	10,876,113
Other comprehensive income (loss) - net of tax	–	–	801,020	(9,680)	110,987	–	–	902,327	51,873	954,200
Total comprehensive income (loss)	–	–	801,020	(9,680)	8,042,137	–	–	8,833,477	2,996,836	11,830,313
Cost of share-based payment plan (Note 25)	–	–	–	49,395	–	–	–	49,395	–	49,395
Cash dividends (Note 16)	–	–	–	–	(6,133,883)	–	–	(6,133,883)	–	(6,133,883)
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	(504)	–	–	(504)	–	(504)
Cash dividends to NCI	–	–	–	–	–	–	–	–	(2,080,000)	(2,080,000)
Investment of NCI in a subsidiary	–	–	–	–	–	–	–	–	360,000	360,000
Change due to loss of control over a subsidiary (Note 1)	–	–	–	–	–	–	–	–	175,915	175,915
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	383	–	–	383	–	383
Balances at December 31, 2022	₱6,849,836	₱8,271,900	₱1,400,235	₱547,085	₱18,618,593	₱135,000	(₱134,014)	₱35,688,635	₱4,842,184	₱40,530,819

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱4,560,851**	₱8,021,931	₱14,305,249
Adjustments for:			
Provisions for (reversals of allowance for) impairment losses on (Note 29):			
Geothermal exploration and evaluation assets	**1,912,316**	–	–
Input value added tax (VAT)	**114,896**	69,382	46,040
Project development costs	**20,977**	–	–
Advances and deposits to suppliers and contractors	**18,431**	113,541	18,268
Inventories	**14,741**	10,154	(27,621)
Investment in an associate	**1,935**	–	–
Deferred mine exploration costs	**–**	64,663	630
Depreciation, depletion and amortization (Note 26)	**2,027,952**	2,005,655	1,663,009
Equity in net loss (income) of associates (Note 10)	**897,927**	1,037,821	(942,143)
Interest income (Note 27)	**(627,465)**	(524,065)	(188,622)
Interest expense (Note 28)	**314,940**	318,762	194,042
Unrealized foreign exchange losses (gains) - net (Note 29)	**(281,668)**	(2,735)	163,026
Loss (gain) on (Note 29):			
Write-off of input VAT	**87,699**	723	46,078
Sale of property and equipment	**(52,875)**	(20,493)	(9,682)
Changes in fair value of financial assets at FVTPL	**(25,475)**	(226,857)	493,303
Sale of financial assets at FVOCI	**(1)**	–	1,609
Retirement of property and equipment	**–**	15,243	–
Write-off of prepayments and other current and noncurrent assets	**–**	6,645	–
Write-off of inventories	**–**	2,532	–
Sale of investment in a subsidiary	**–**	–	(46,447)
Movements in:			
Pension liability (Note 34)	**(205,347)**	(221,158)	(12,271)
Deferred income	**(4,190)**	(4,190)	(4,190)
Accretion of interest on:			
Lease liabilities (Notes 28 and 33)	**91,192**	63,704	54,742
Provision for mine rehabilitation and decommissioning (Notes 15 and 28)	**41,801**	31,655	21,196
Long-term payable (Note 28)	**–**	–	307
Dividend income (Notes 7 and 29)	**(55,188)**	(29,634)	(37,168)
Effect of change in estimate on provision for mine rehabilitation and decommissioning (Notes 15 and 29)	**–**	(7,601)	–
Cost of share-based payment plan (Note 25)	**–**	–	49,395
Operating income before working capital changes	**8,853,449**	10,725,678	15,788,750
Decrease (increase) in:			
Trade and other receivables	**240,633**	1,131,742	(1,161,398)
Inventories	**(333,338)**	(618,161)	(151,361)
Prepayments and other current assets	**(756,552)**	(438,531)	1,424,130
Increase in trade and other payables	**1,157,713**	694,228	728,921
Net cash generated from operations	**9,161,905**	11,494,956	16,629,042
Income taxes paid, including application of creditable withholdings taxes	**(1,684,619)**	(2,527,607)	(3,752,640)
Net cash flows from operating activities	**7,477,286**	8,967,349	12,876,402

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES (Note 39)			
Acquisitions of:			
Property and equipment (Note 9)	**(₱8,761,215)**	(₱6,353,447)	(₱2,485,040)
Financial assets at (Note 7):			
FVTPL	**(1,438,862)**	(2,098,148)	(3,643,300)
FVOCI	**(77,569)**	(160,969)	(550,113)
Proceeds from sale or redemption of:			
Financial assets at:			
FVTPL	**1,363,868**	4,153,130	5,093,617
FVOCI	**118,385**	143,649	1,213,516
Amortized cost	**35,000**	50,000	–
Property and equipment	**58,477**	25,792	9,692
Interest received	**581,184**	525,246	180,744
Increase in:			
Other noncurrent assets	**(241,594)**	(2,469,663)	(2,447,058)
Geothermal exploration and evaluation assets (Note 11)	**(15,679)**	(14,319)	(32,382)
Dividends received (Note 7)	**55,188**	29,921	292,132
Additional investment in an associate	**–**	–	(1,530,313)
Net cash flows used in investing activities	**(8,322,817)**	(6,168,808)	(3,898,505)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 39)			
Payments of:			
Cash dividends (Notes 16 and 31)	**(3,206,550)**	(4,891,022)	(10,189,387)
Interest	**(658,068)**	(432,666)	(157,689)
Long-term debts (Note 14)	**(329,347)**	(253,431)	(168,117)
Principal portion of lease liabilities (Note 33)	**(102,944)**	(75,761)	(59,739)
Debt issue cost, short-term debts	**(24,382)**	(11,171)	(5,993)
Stock issuance cost	**(93)**	–	–
Long-term payable	**–**	–	(7,000)
Proceeds from availment of:			
Short-term debts, net of debt issue costs (Note 14)	**1,110,255**	4,331,718	–
Long-term debts, net of debt issue costs (Note 14)	**60,397**	887,202	1,367,733
Investment of NCI in subsidiaries	**1,071,710**	1,597,193	360,000
Increase in other current liabilities	**136,000**	–	36,000
Proceeds from exercise of stock options	**–**	715,499	–
Net cash flows from (used in) financing activities	**(1,943,022)**	1,867,561	(8,824,192)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,788,553)**	4,666,102	153,705
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**15,482,465**	10,809,026	10,826,806
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (Note 29)	**241,360**	7,337	(171,485)
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱12,935,272**	₱15,482,465	₱10,809,026

See accompanying Notes to Consolidated Financial Statements.

1. **Corporate Information**

Nickel Asia Corporation (NAC; the ultimate parent company, parent company) was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 2008. The Parent Company is primarily engaged in investing in and holding of assets of every kind and description and wherever situated, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of mining of all kinds of ore, metals, and minerals and in the business of generation, transmission, distribution, and supply of electricity to cities and other localities and to the public in general.

The common shares of the Parent Company were listed on the Philippine Stock Exchange (PSE) on November 22, 2010.

The registered office address of the Parent Company is on the 28th floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City.

The Subsidiaries

Hinatuan Mining Corporation (HMC)
HMC was registered with the SEC on October 9, 1979, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Hinatuan Island, Surigao del Norte and Manicani Island, Eastern Samar.

Cagdianao Mining Corporation (CMC)
CMC was registered with the SEC on July 25, 1997, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Valencia, Municipality of Cagdianao, Province of Dinagat Islands.

Dinapigue Mining Corporation (DMC)
DMC was registered with the SEC on October 9, 1998, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, exploitation, and mining of metallic and non-metallic minerals, including, but not limited to, nickel, iron, cobalt, chromite, and other associated mineral deposits in Dinapigue, Isabela. DMC started its commercial operation in 2022.

Samar Nickel Mining Resources Corporation (SNMRC)
SNMRC was registered with the SEC on March 11, 2010, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of mineral ores. As at February 27, 2025, SNMRC has not yet started commercial operations.

CDTN Services Company Inc. (CDTN)
CDTN was registered with the SEC on December 21, 2020, is a 100% owned subsidiary of the Parent Company and is primarily engaged in general engineering construction, contracting and machinery, and supply sales business in all its phases, extend and receive any contracts or assignments or contracts related thereto or connected therewith, and manufacture and furnish building materials and supplies. It is also engaged in the handling of materials in connection with construction or manufacturing, warehousing, distribution or disposal activities, or other similar activities.

Coral Pearl Developments Limited (CPDL)
CPDL was incorporated on June 18, 2019 in the British Virgin Islands (BVI) under the BVI Business Companies Act 2004, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the leasing of aircraft.

La Costa Shipping and Lighterage Corporation (LCSLC)
LCSLC was registered with the SEC on October 23, 1992, is a 100% owned subsidiary of the Parent Company through HMC and is primarily engaged in the chartering out of Landing Craft Transport (LCT) and providing complete marine services. In May 2014, the Board of Directors (BOD) of LCSLC authorized the sale of all its LCTs to HMC. In April 2024, LCSLC acquired a fast craft.

Falck Exp Inc. (FEI)
FEI was registered with the SEC on November 22, 2005, is an 88% owned subsidiary of the Parent Company through HMC, CMC and Taganito Mining Corporation (TMC), and is primarily engaged in the business of exploring, prospecting and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. On August 8, 2014, the BOD of FEI approved the immediate dissolution of FEI. Thereafter, the liquidation process commenced and as a result, FEI changed from going concern to liquidation basis of accounting. On November 17, 2016, the termination of FEI's registration with the Bureau of Internal Revenue (BIR) was approved. Final dissolution will take place after the approval of FEI's application with the SEC. As at February 27, 2025, FEI is still waiting for the approval of the SEC.

Cordillera Exploration Co., Inc. (CEXCI)
CEXCI was registered with the SEC on October 19, 1994, is a 71.25% owned subsidiary of the Parent Company and is primarily engaged in the business of large-scale exploration, development, and utilization of mineral resources. CEXCI has several mining properties at various stages of exploration. As at February 27, 2025, CEXCI is currently not engaged in any development or commercial production activities.

Newminco Pacific Mining Corporation (Newminco)
Newminco was registered with the SEC on October 9, 2006, is a 71.25% owned subsidiary of the Parent Company through CEXCI, and is primarily engaged in the exploration, mining, development, utilization, extraction, beneficiation and marketing of minerals and mineral resources. As at February 27, 2025, Newminco is currently not engaged in any development or commercial production activities.

Taganito Mining Corporation
TMC was registered with the SEC on March 4, 1987, is a 65% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Claver, Surigao del Norte. TMC also provides services which involve the handling, hauling and transportation of materials required in the processing operations of Taganito HPAL Nickel Corporation (THNC).

Rio Tuba Nickel Mining Corporation (RTN)
RTN was registered with the SEC on July 15, 1969, is a 60% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Rio Tuba, Municipality of Bataraza, Palawan.

Emerging Power Inc. (EPI)
EPI was registered with the SEC on October 16, 2007, is a 91.03% owned subsidiary of the Parent Company and is primarily engaged in the renewable energy business.

Mindoro Geothermal Power Corporation (MGPC)
MGPC was registered with the SEC on May 7, 2014, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business. On November 24, 2014, by virtue of a Deed of Assignment of rights and obligations of EPI under Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013, MGPC acquired the exclusive rights to explore, develop and exploit geothermal resources covering a geothermal field in the municipality of Naujan, Oriental Mindoro. The transfer of GRESC No. 2010-02-013 to MGPC was approved by the Department of Energy (DOE) on February 16, 2016.

On February 26, 2019, MGPC received from the Philippine Government, through the DOE, the Confirmation of Commerciality for the 10-megawatt (MW) project.

MGPC is currently in the exploration phase, with an anticipated operating capacity of 40MW. The geothermal power plant aims to supply electricity to the Mindoro Island grid.

On May 7, 2024, MGPC received from the DOE a termination letter of GRESC No. 2010-02-013 covering the Montelago Geothermal Power Project, to which MGPC responded requesting reconsideration to reinstate. On July 5, 2024, the DOE granted the reinstatement of the GRESC and approved the proposed five (5)-Year Work Program of MGPC.

Biliran Holdings Inc. (BHI)
BHI was registered with the SEC on July 31, 2015, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of infrastructure, power generation, real estate, manufacturing, trading, and agribusiness and to pay for other evidence of indebtedness or securities of this or any other corporation.

Northern Palawan Power Generation Corporation (NPPGC)
NPPGC was registered with the SEC on July 5, 2017, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and in producing and generating electricity, as well as engaging in agrovoltaic business to utilize viable areas of land, and processing fuels alternative for power generation.

NPPGC is the developer and owner of the following ground-mounted solar photovoltaic (PV) farm projects: 1) Cawag Solar Power Project located in Subic, Zambales and covered by the Solar Energy Operating Contract (SEOC) No. 2023-10-715; and 2) Nazareno Solar Power Project located in Hermosa, Bataan and covered by the SEOC No. 2023-12-804. As at December 31, 2024, the Cawag Solar Power Project is in the development stage while the Nazareno Solar Power Project is in the pre-development stage.

Emerging Energy Resources 1, Inc. (EER 1)
EER 1 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at February 27, 2025, EER 1 is in the pre-operating stage.

Emerging Energy Resources 2, Inc. (EER 2)
EER 2 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on

the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected.

EER 2 is the developer and owner of the following ground-mounted solar PV farm projects:
1) Cabcaben Solar Power Project located in Mariveles, Bataan and covered by the SEOC No. 2024-04-851; and 2) Sinawal Solar Power Project located in General Santos City and covered by the SEOC No. 2024-05-866 with the DOE. As at February 27, 2025, both projects are in the pre-development stage.

Emerging Energy Resources 3, Inc. (EER 3)
EER 3 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing, generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at February 27, 2025, EER 3 is in the pre-operating stage.

Emerging Energy Saver Corporation (EESC)
EESC was registered with the SEC on February 2, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the energy business and carry on the business of producing, generating and storing electricity and processing fuel alternative for power generation. As at February 27, 2025, EESC is in the pre-operating stage.

Jobin-SQM, Inc. (JSI)
JSI was registered with the SEC on January 6, 2010, wherein the Parent Company has 38% direct ownership and 47.34% indirect ownership through EPI. JSI is primarily engaged in the power business, including but not limited to power generation, power trading and supply to retail customers and end users. JSI was acquired by EPI on September 11, 2015, and commenced operation in May 2016.

On May 13, 2022, the Department of Environment and Natural Resources (DENR) granted the request of JSI to increase its capacity, from 150MW to 200MW, and area, from 800 hectares to 815 hectares, located at Mt. Sta. Rita, Subic Bay Freeport Zone (SBFZ).

In relation to this, the construction of Phase 4A - 72MW of the Solar Project started in November 2022. In February 2024, Phase 4A - 72MW has been completed and delivering power to the grid under testing and commissioning phase. Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.

As at February 27, 2025, JSI has a total capacity of 172MW, where 72MW is in testing and commissioning phase and 100MW is in commercial operation.

Greenlight Renewables Holdings, Inc. (GRHI)
GRHI was registered with the SEC on August 18, 2022, is a 54.62% owned subsidiary of the Parent Company through EPI. GRHI is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. GRHI is the joint venture of EPI and Shell Overseas Investments B.V. (Shell).

San Isidro Solar Power Corp. (SISPC)
SISPC was registered with the SEC on February 28, 2022, is a 54.62% owned subsidiary of the Parent Company through EPI. SISPC is primarily engaged in harnessing solar energy and producing and generating electricity from solar energy and other renewable energy sources.

SISPC is the developer and owner of the San Isidro Solar Power Project, a ground-mounted solar PV farm located in San Isidro, Leyte and covered under a Solar Energy Service Contract (SESC) No. 2018-11-491 with the DOE. SISPC was acquired by GRHI on June 30, 2023. SISPC is currently in the development and construction stage.

Casilagan Solar Power Corporation (CSPC)
CSPC was registered with the SEC on May 9, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. CSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected.

CSPC is the developer and owner of the following ground-mounted solar PV farm projects: 1) San Antonio Solar Power Project located in San Antonio, Zambales and covered by SEOC No. 2023-12-789; 2) San Juan Solar Power Project located in Botolan, Zambales and covered by SEOC No. 2023-12-790; 3) Tuy Solar Power Project located in Tuy and Nasugbu, Batangas and covered by SEOC No. 2023-12-795; and 4) Libag Sur Solar Power Project located in Tuguegarao, Cagayan and covered by SEOC No. 2024-07-903. In addition, CSPC is also the developer and owner of Tuy Wind Power Project located in Tuy and Nasugbu, Batangas and covered by Wind Energy Service Contract (WESC) No. 2024-02-379. As at February 27, 2025, all solar and wind power projects under CSPC are in the pre-development stage.

SanJuan Solar Power Corporation (SSPC)
SSPC was registered with the SEC on July 26, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at February 27, 2025, SSPC has not yet started commercial operations.

Sta. Maria Solar Power Corporation (SMSPC)
SMSPC was registered with the SEC on July 26, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SMSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at February 27, 2025, SMSPC has not yet started commercial operations.

Tuy Solar and Wind Power Corp. (TSWPC)
TSWPC was registered with the SEC on September 13, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. TSWPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at February 27, 2025, TWSPC has not yet started commercial operations.

San Antonio Solar Power Corp. (SASPC)
SASPC was registered with the SEC on September 14, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SASPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at February 27, 2025, SASPC has not yet started commercial operations.

Manta Baguio Properties Corp. (MBPC)
MBPC was registered with the SEC on May 31, 2018, is a 54.62% owned subsidiary of the Parent Company through EPI. MBPC is primarily engaged in the real estate business, realty development

and other allied activities. EPI acquired 60% ownership in MBPC from Manta Equities Inc. (Manta) in November 2024. As at February 27, 2025, MBPC has not yet started commercial operations.

Authorization for the Issuance of the Consolidated Financial Statements
The consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were authorized for issuance by the Parent Company's BOD on February 27, 2025.

2. Basis of Preparation and Consolidation, Statement of Compliance and Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVTPL, at FVOCI, forward contracts receivable and assets held for sale which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company and its subsidiaries' (collectively referred to as the Group) functional and presentation (or reporting) currency, except CPDL whose functional and reporting currency is in United States dollar (US$). All amounts are rounded to the nearest thousand (₱000), except when otherwise indicated.

Basis of Consolidation
The consolidated financial statements include the balances of the subsidiaries and equity share in the net income or losses of associates:

	Principal Place of Business	Principal Activities	Effective Ownership 2024	Effective Ownership 2023
Subsidiaries				
HMC	Philippines	Mining and Services	**100.00%**	100.00%
CMC	Philippines	Mining	**100.00%**	100.00%
DMC	Philippines	Mining	**100.00%**	100.00%
SNMRC	Philippines	Mining	**100.00%**	100.00%
CDTN	Philippines	Services	**100.00%**	100.00%
CPDL	BVI	Services	**100.00%**	100.00%
LCSLC [a]	Philippines	Services	**100.00%**	100.00%
EPI	Philippines	Renewable Energy (RE) Developer	**91.03%**	86.29%
MGPC [b]	Philippines	RE Developer	**91.03%**	86.29%
BHI [b]	Philippines	Services	**91.03%**	86.29%
NPPGC [b]	Philippines	Power Generation	**91.03%**	86.29%
EER 1 [b]	Philippines	Power Generation	**91.03%**	–
EER 2 [b]	Philippines	Power Generation	**91.03%**	–
EER 3 [b]	Philippines	Power Generation	**91.03%**	–
EESC [b]	Philippines	Power Generation	**91.03%**	–
FEI [c]	Philippines	Mining	**88.00%**	88.00%
JSI [d]	Philippines	Power Generation	**85.34%**	82.87%
CEXCI	Philippines	Mining	**71.25%**	71.25%
Newminco [e]	Philippines	Mining	**71.25%**	71.25%
TMC	Philippines	Mining and Services	**65.00%**	65.00%
RTN	Philippines	Mining	**60.00%**	60.00%
GRHI [b,f]	Philippines	Services	**54.62%**	51.77%
SISPC [b,h]	Philippines	Power Generation	**54.62%**	51.77%
CSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
SSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
SMSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
TSWPC [b]	Philippines	Power Generation	**54.62%**	51.77%

(Forward)

	Principal Place of Business	Principal Activities	Effective Ownership 2024	2023
SASPC [b]	Philippines	Power Generation	**54.62%**	51.77%
MBPC [b,i]	Philippines	Real estate	**54.62%**	–
Associates				
Biliran Geothermal Incorporated (BGI) [b,g]	Philippines	Power Generation	**40.96%**	38.83%
THNC	Philippines	Manufacturing	**10.00%**	10.00%
Coral Bay Nickel Corporation [j] (CBNC; see Note 10)	Philippines	Manufacturing	–	15.62%

(a) Indirect ownership through HMC
(b) Indirect ownership through EPI
(c) Indirect ownership through HMC, CMC and TMC
(d) Direct ownership of 38% and indirect ownership through EPI of 47.34%
(e) Indirect ownership through CEXCI
(f) Incorporated on August 18, 2022; a joint venture of EPI and Shell
(g) Partially disposed on December 20, 2022
(h) Acquired by GRHI on June 30, 2023
(i) Acquired by EPI in November 2024 at 60% ownership
(j) Reclassified to "Asset held for sale" as of September 30, 2024

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to Philippine Accounting Standards (PAS) 1, *Classification of Liabilities as Current or Noncurrent*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before financial reporting date will affect a liability's classification as current or noncurrent.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standards and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of Exchangeability*

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of income
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

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

- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

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

Material Accounting Policy Information

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the financial reporting period. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing as at the date of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. All differences are taken to "Other income (charges) - net" in the consolidated statement of income.

As at the end of the financial reporting period, the statement of financial position of associates and a subsidiary (whose functional currency is other than the Philippine peso) is translated into the presentation currency of the Group (the Philippine peso) using the rate of exchange prevailing at the end of the financial reporting period and the consolidated statement of income is translated using the weighted average exchange rate for the year. The exchange differences arising from the translation are recognized in other comprehensive income. Upon disposal of such associate or subsidiary, the component of other comprehensive income relating to that associate or subsidiary will be recognized in the consolidated statement of income.

Fair Value Measurement

The Group measures financial instruments at fair value at each end of the financial reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

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

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business at the end of the financial reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounted cash flow analysis or other valuation models.

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

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

Date of Recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

Financial Assets
Initial Recognition, Classification and Measurement of Financial Instruments
Financial assets are classified, at initial recognition, as subsequently measured at FVTPL, at FVOCI and at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one (1) year or less, are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's senior management and the BOD, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Subsequent Measurement
For purposes of subsequent measurement, the Group's financial assets are classified in the following categories:
- Financial assets at FVTPL
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at amortized cost (debt instruments)

Financial Assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated statement of income. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flow that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

This category includes debt and equity investments which the Group had not irrevocably elected to classify at FVOCI (see Note 7). Dividends on equity investments are recognized under "Other income - net" in the consolidated statement of income when the right of payment has been established (see Notes 7 and 29).

Financial Assets at FVOCI (Debt Instruments)
The Group measures debt instruments at FVOCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the consolidated statement of income.

The Group's debt instruments at FVOCI include investments in quoted debt instruments such as government and corporate bonds and other similar investments (see Note 7). The Group does not hold equity instruments measured at FVOCI.

Financial Assets at Amortized Cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, investments in government and corporate bonds, mine rehabilitation fund (MRF), restricted cash, and Social Development Management Program (SDMP) funds (see Notes 4, 5, 7 and 12).

Impairment of Financial Assets

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

Financial assets migrate through the following three (3) stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL. For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the twelve (12)-months after the financial reporting date are recognized.

Stage 2: Lifetime ECL - not credit-impaired. For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized, and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Determining the Stage for Impairment

At each financial reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the financial reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a twelve (12)-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to twelve (12)-month ECL.

For cash and cash equivalents, the Group applies a general approach in calculating ECLs. The Group recognizes a loss allowance based on either a twelve (12)-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its cash and cash equivalents since initial recognition.

The Group computes ECLs using the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) for trade receivables. The Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each end of the financial reporting period.

The Group's debt instruments at FVOCI and at amortized cost comprise of quoted bonds and government securities that are graded in the investment category by either Standard and Poor's, Moody's, Bloomberg or Fitch (collectively referred to as the Credit Rating Agencies), whichever is applicable, and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a twelve (12)-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are ninety (90) days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group writes off a financial asset measured at amortized cost, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

The Group writes off an account when all the following conditions are met:

- the asset is past due for over ninety (90) days, or is already an item-in-litigation with any of the following:
  a. no properties of the counterparty could be attached
  b. the whereabouts of the counterparty cannot be located
  c. it would be more expensive for the Group to follow-up and collect the amount, hence the Group has ceased enforcement activity, and
  d. collections can no longer be made due to insolvency or bankruptcy of the counterparty.
- expanded credit arrangement is no longer possible;
- filing of legal case is not possible; and
- the account has been classified as 'Loss'.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "passthrough" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. In that case, the Group also recognizes an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

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

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

The Group's financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost and as derivatives designated as hedging instruments in an effective hedge. The Group has no financial liabilities classified as at FVTPL.

Subsequent Measurement
Financial Liabilities at Amortized Cost
This category pertains to financial liabilities that are not held for trading, not derivatives, or not designated at FVTPL upon the inception of the liability. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any issue cost, and any discount or premium on settlement. The EIR amortization is included under "Finance expenses" in the consolidated statement of income.

This accounting policy applies primarily to the Group's trade and other payables, short-term and long-term debts, lease liabilities, and other obligations that meet the above definition (excluding government payables and other liabilities that are covered by other accounting standards, such as income tax payable and pension; see Notes 13, 14 and 33).

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income.

Derivative Financial Instruments and Hedge Accounting
Initial Recognition and Subsequent Measurement
The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group hedges are classified as cash flow hedges or hedging the exposure to variability in cash flows that is attributable to foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash Flow Hedges
The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income under "Net valuation gains on forward contracts", while any ineffective portion is recognized immediately in the consolidated statement of income. The "Net valuation gains on forward contracts" is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges for its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized under “Other income (charges) - net”.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in other comprehensive income and accumulated in a separate component of equity under “Net valuation gains on forward contracts”.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the consolidated statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Inventories
Inventories, including the long-term stockpile inventory, are valued at the lower of cost or net realizable value (NRV). Cost is determined using the moving average production cost during the year for beneficiated nickel ore (saprolite and limonite) and limestone exceeding a determined cut-off grade. The NRV of beneficiated nickel ore and limestone is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Periodic ore inventory survey is performed to determine the volume of ore inventory.

For materials and supplies, cost is determined using the moving average method and composed of purchase price, transport, handling, and other costs directly attributable to its acquisition. The NRV of materials and supplies is the current replacement cost. Any provision for inventory losses is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision or obsolescence.

Assets Held for Sale
The Group classifies noncurrent assets as held for sale if the carrying amount of the asset will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the assets and the sale expected to be completed within one (1) year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the consolidated statement of financial position.

VAT

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset and presented as part of "Prepayments and other current assets" in the consolidated statement of financial position. Input VAT which: (1) may be utilized against output VAT, if any, beyond twelve (12) months from the end of the financial reporting period; or (2) are being claimed for refund or as tax credits from the taxation authorities are presented as part of "Other noncurrent assets" in the consolidated statement of financial position. Input VAT is stated at cost less any impairment in value.

Property and Equipment

The Group's property and equipment consists of land and land improvements, mining properties and development costs, machinery and equipment, solar farm, buildings and improvements, right-of-use (ROU) assets, transmission lines and substations, and construction in-progress that do not qualify as investment properties.

Property and equipment, except land, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, amortization and depletion and accumulated impairment loss, if any. The initial cost of property and equipment consists of its purchase price including import duties and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment. When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. Land is carried at cost less any accumulated impairment loss.

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

Construction in-progress represents work under construction and is stated at cost. Construction in-progress is not depreciated until such time that the relevant assets are completed and available for use. This also includes interest incurred on borrowed funds during the construction period.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

Category	Number of Years
Land improvements	5
Machinery and equipment	2-15
Solar farm	5-40
Buildings and improvements	2-25
Transmission lines and substations	10-40

Mining properties and development costs include the capitalized cost of mine rehabilitation and decommissioning and other development costs necessary to prepare the area for operations. Depletion of mining properties is calculated using the unit-of-production method based on the estimated economically recoverable reserves to which they relate to or are written-off if the property is abandoned. Development costs are depreciated using the straight-line method over the estimated useful life of the asset of twenty (20) to thirty (30) years.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are amortized on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term of two (2) to fifty (50) years. ROU assets are subject to impairment.

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

The assets' estimated recoverable reserves, residual values, if any, useful lives and depreciation, amortization and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation, amortization and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. If there is an indication that there has been a significant change in depreciation, amortization and depletion rate, useful life, or residual value of an asset, these are revised prospectively to reflect the new expectations.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

The asset revaluation surplus which arose from the acquisition of the controlling interest in RTN in August 2006, relates to the land and building and improvements. The said assets, which are part of the Group's property and equipment, were revalued in connection with the acquisition, and the revalued amounts were subsequently treated as the deemed cost. The related and applicable depreciation on these assets is transferred periodically to retained earnings.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

Borrowing Cost
Borrowing costs directly attributable to the development of the Group's projects that necessarily take a substantial period to get ready for its intended use are capitalized. Borrowing costs consist of interest on borrowed funds used to finance the construction of the asset and other financing costs that the Group incurs in connection with the borrowing of funds. The capitalization of the borrowing cost as part of the cost of the asset: (a) commences when the expenditures and borrowing costs are being incurred during the construction and related activities necessary to prepare the asset for its intended use are in progress; and (b) ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. Capitalized borrowing costs are based on the applicable borrowing rate agreed in the agreement.

Investments in Associates
The aggregate of the Group's share of profit or loss of an associate is shown in the statement of income outside operating profit and represents profit or loss after tax. In case of losses, the Group's share of profit or loss is only recognized to the extent of the cost of investment.

If the ownership interest in an associate is reduced, but the investment continuous to be an associate, the Group shall reclassify to the consolidated statement of income the proportionate gain or loss that had previously been recognized in other comprehensive income relating to the reduction in ownership interest if that gain or loss would be required to be reclassified to consolidated statement of income on the disposal of the related asset.

Geothermal Exploration and Evaluation Assets
The Group follows the full cost method of accounting for its geothermal exploration and evaluation assets determined based on each service contract. Under this method, all exploration costs relating to each service contract are accumulated and deferred under "Geothermal exploration and evaluation assets" account in the consolidated statement of financial position pending the determination of whether the wells have proved reserves. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and related administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in the consolidated statement of income when incurred.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when the management decides to use the unproductive wells, for recycling or waste disposal.

Once the technical feasibility and commercial viability of the project to produce proved reserves have been established and appropriate regulatory approvals have been obtained, the geothermal exploration and evaluation assets are reclassified to property and equipment.

Geothermal exploration and evaluation assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the consolidated statement of income in the year the item is derecognized.

Geothermal exploration and evaluation assets also include interest on borrowed funds that are directly attributable to the construction and development of the Group's projects.

Deferred Mine Exploration Costs
Expenditures for the acquisition of property rights are capitalized. Expenditures for mine exploration work prior to drilling are charged to operations. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), costs or expenditures subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. Upon the start of commercial operations, such costs are transferred to property and equipment. Capitalized amounts may be written down if future cash flows, including potential sales proceeds related to the property, are projected to be less than the carrying value of the property. If no mineable ore body is discovered, capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value. Costs incurred during the start-up phase of a mine are expensed as incurred. Ongoing mining expenditures on producing properties are charged against earnings as incurred. Major development expenditures incurred to expose the ore, increase production, or extend the life of an existing mine are capitalized.

Project Development Costs
Project development costs are expensed as incurred until management determines that the project is technically, commercially, and financially viable, at which time project development costs are capitalized. Project's viability generally occurs in tandem with management's determination that a project should be classified as an advanced project as evidenced by a favorable system impact study, interconnection agreements, or when project financing is in place.

Following initial recognition of the project development cost as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortization and any accumulated impairment losses. Amortization of the asset begins when the development of the energy projects is complete, and the asset is available for use. It is amortized using the straight-line method over the period of expected future benefit. During the period in which the asset is not yet available for use, the project development costs are tested for impairment annually, irrespective of whether there is indication of impairment.

Impairment of Nonfinancial Assets
Inventories
The Group determines the NRV of inventories at each end of the financial reporting period. If the cost of the inventories exceeds its NRV, the asset is written down to its NRV and impairment loss is recognized in the consolidated statement of income in the year the impairment is incurred. In the case when NRV of the inventories increased subsequently, the NRV will increase the carrying amounts of inventories but only to the extent of their original acquisition costs.

Property and Equipment and Nonfinancial Prepayments and Other Current and Noncurrent Assets
The Group assesses at each end of the financial reporting period whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset

or cash generating unit (CGU) is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. The fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less the costs of disposal, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. These calculations are corroborated by valuation multiples or other available fair value indicators. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs to. Impairment losses are recognized in the consolidated statement of income.

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

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

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:
- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- When a service contract where the Group has participating interest in is permanently abandoned; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, either from successful development or by sale.

Geothermal exploration and evaluation assets and deferred mine exploration costs are reassessed for impairment on a regular basis.

<u>Other Current Liabilities</u>
Other current liabilities pertain to deposits for future stock subscription which represents advance payments from stockholders for the subscription of future issuance of shares.

The Group classifies its deposits for future stock subscription as a separate account under equity if and only if, all the following elements are present as at the end of the financial reporting period:
- There is a lack of or insufficiency in unissued authorized capital stock;
- The BOD and stockholders have approved the proposed increase in authorized capital stock; and
- An application for the approval of the proposed increase in authorized capital stock has been presented for filing or has been filed with the SEC.

If any or all the foregoing elements are not present, the deposits for future stock subscription shall be recognized and included as a separate line item under liabilities in the consolidated statement of financial position.

Leases

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

Lease Liabilities

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

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

Short-term Leases and Leases of Low-value Assets

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

Group as a Lessor

Leases where the Group retain substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of the financial reporting period and adjusted to reflect the current best estimate. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of "Finance expenses" in the consolidated statement of income.

Provision for Mine Rehabilitation and Decommissioning
The Group records the present value of the estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines, and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized as part of "Finance expenses" in the consolidated statement of income. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and provision for mine rehabilitation and decommissioning when they occur. When rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each end of the financial reporting period and the cost is charged to the consolidated statement of income.

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

MRF, which also includes the Final Mine Rehabilitation and Decommissioning Fund, committed for use in satisfying environmental obligations are included within "Other noncurrent assets" in the consolidated statement of financial position.

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

The cost of equity-settled transaction is determined by the fair value at the date when the grant is made using the Black Scholes-Merton model. The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at the end of each financial reporting period until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest.

The charge or credit in the consolidated statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and are recognized in "Personnel costs".

No expense is recognized for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted EPS.

Treasury Stock
Own equity instruments that are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue, or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the "Additional paid-in capital".

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

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

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

From time to time, the Group recognizes contract liabilities in relation to its sale of ore which are sold under free-on-board (FOB) incoterms, whereby a portion of the cash may be received from the customer before the loading of ore is completed.

Revenue from Contracts with Customers
The Group is principally engaged in the business of producing beneficiated nickel ore and limestone, rendering of services, and generating revenue from sale of power. Revenue from contracts with customers is recognized when control of the goods is transferred, or services is rendered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

- *Sale of Beneficiated Nickel Ore and Limestone*
  For the sale of beneficiated nickel ore and limestone, the enforceable contract is each purchase order, which is an individual, short-term contract. Purchase orders are executed through an Addendum to the master supply agreements with customers. While there are master supply agreements with customers that set out the general terms and conditions governing any sales that occur, they do not contain any minimum volumes.

The Group's sale of ore allows price adjustment provision where final ore price shall be based on the results of the final assay exchange with customer. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue is recognized when control passes to the customer, which occurs at a point in time when the ore is physically and completely transferred onto a vessel except in the case of deliveries to CBNC and THNC, which occurs at the time the ore passes into the ore preparation hopper of the respective plants. The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received.

- *Sale of Power*
  Revenue from sale of power primarily pertains to sale of electricity to Independent Electricity Market Operator of the Philippines, Inc. (IEMOP), which are traded through Philippine Wholesale Electricity Spot Market (WESM) and to customers with bilateral agreements.

  For the sale of power to IEMOP, the enforceable contract is the Market Participation Agreement together with the WESM Rules that implement the provisions of the Electric Power Industry Reform Act of 2001, its Implementing Rules and Regulations and other related laws. For the sale of power to customers with bilateral agreements, the enforceable contract is the Power Supply Agreement (PSA).

  The performance obligation is the sale of power since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

  The Group concluded that revenue should be recognized over time since the customer simultaneously receives and consumes the benefits as the Group supplies power.

  The sale of power to IEMOP provides an unspecified quantity of energy. The unit price for the sale of power is determined at each trading interval of each day while the unit price for its bilateral agreements is at a fixed rate based on the PSAs with customers. Such provisions under PFRS 15 give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty are subsequently resolved. The application of constraint on variable consideration resulted in the same revenue recognition under PAS 18.

- *Sale of Services*
  Revenue from rendering of services is recognized when services are rendered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services. The performance obligations are satisfied, and payment is generally due upon completion and billing of the services. Revenue is recognized over time and units of delivery output method is the measure of progress since the customer obtains the benefit from the Group's performance based on the quantities and volume of materials handled each month.

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

Dividend
Dividend income is recognized when the Group's right to receive payment is established.

Rental
Revenue is recognized on a straight-line basis over the term of the lease agreement.

Other Income
Revenue is recognized as they are earned.

Cost and Expense Recognition
Costs and expenses, finance expenses and other charges are generally recognized when the expense arises, incurred, or accrued in the appropriate period.

Costs
Costs are incurred in the normal course of business and are recognized when incurred. They comprise mainly of the cost of goods sold, which is provided in the period when goods are delivered, and the cost of services, which is provided in the period when the related service has been rendered.

Pension Costs
The net defined benefit liability or asset is the aggregate of the present value of the pension liability at the end of the financial reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:
- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as pension costs under "Personnel costs" in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to consolidated statement of income in subsequent periods. Remeasurements recognized in other comprehensive income after the initial adoption of Revised PAS 19 were closed to retained earnings.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

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

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

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

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses, to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except:

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

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

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

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

Deferred income tax relating to items recognized outside the consolidated statement of income is recognized outside the consolidated statement of income. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Business Segments
For management purposes, the Group is organized into operating segments (mining, power, and services) according to the nature of the products and the services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The segment locations are the basis upon which the Group reports its primary segment information for the mining segment. Financial information on business segments is presented in Note 40.

Events After the End of the Financial Reporting Period
Post year-end events that provide additional information about the Group's position at the end of the financial reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. **Significant Accounting Judgments, Estimates and Assumptions**

The consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The judgments, estimates and assumptions are based upon management's evaluation of relevant facts and circumstances as at the end of the financial reporting period. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

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

Determining Functional Currency
Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Parent Company and its subsidiaries, except CPDL, has been determined to be the Philippine peso. The functional currency is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences labor, material, and other costs of providing goods and services.

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

Some of the criteria include, but are not limited to the following:
- The level of capital expenditure compared to construction cost estimates;
- Completion of a reasonable period of testing of the property and equipment;
- Ability to produce ore in saleable form; and
- Ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation or depletion commences. The Group has various nickel projects that started commercial operations and moved into the production stage, such as DMC's Dinapigue in 2022, and HMC's Manicani and RTN's South Upper Guintalunan nickel projects in 2024 (see Notes 9 and 12).

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

Determining Whether Significant Influence Exists
The Parent Company recognized its ownership interest in THNC, CBNC and BGI as investments in associates. In accordance with the provisions of PAS 28 (2011), *Investments in Associates and Joint Ventures*, the existence of significant influence by an entity is usually evidenced in one or more of the following ways:
- Participation in policy-making processes through its representation on the BOD; or
- Material transactions between the entity and its investee such as the supply of all the nickel ore and/or limestone requirement of the investee and/or the use of the subsidiaries' land and infrastructure necessary to produce the products of the investee.

Due to the nature of the Parent Company's involvement in THNC, CBNC and BGI and other various factors, the Parent Company assessed that significant influence exists (see Note 10).

In November 2024, the Parent Company formalize its plan to sell its 15.62% equity share in CBNC to Sumitomo Metal Mining Co., Ltd. (SMM) at the projected book value of investment in CBNC as of end of September 2024 to which SMM agreed and accepted. As a result, CBNC ceases to be an associate and the Parent Company's investment in CBNC was reclassified as "Asset held for sale". The Share Purchase Agreement (SPA) pertaining to the sale was signed on January 31, 2025.

The Parent Company also owns 25% ownership interest in Eurasian Consolidated Minerals Pty Ltd (ECM) which was recognized as financial assets at FVTPL. The Parent Company assessed that no significant influence exists due to:
- Absence of material transactions between ECM and the Parent Company;
- No interchange of managerial personnel; and
- Non-participation of the Parent Company in the policy-making process, as the group of shareholders that holds the majority ownership of the investee operates without regard to the views of the Parent Company.

Determining Indicators of Impairment on Investments in Associate
Impairment review on investments in associates is performed when events or changes in circumstances indicate that the carrying value exceeds its fair value. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the investment is written down to its recoverable amount. Consequent to the Parent Company's plan to sell all its equity share in CBNC to SMM, an impairment loss on investment in an associate amounting to ₱1.9 million was recognized in 2024, and nil for 2023 and 2022 (see Note 29). The carrying values of the Group's investments in associates amounted to ₱3,438.0 million and ₱5,485.0 million as at December 31, 2024 and 2023, respectively (see Note 10).

Determining the Timing for Reclassification as Asset Held for Sale
The Parent Company's BOD approved to sell its 15.62% ownership in CBNC to SMM. The BOD considered that investment in CBNC met the following criteria to be classified as held for sale for the following reasons:
- Investment in CBNC was available for immediate sale and could be sold to SMM in its current condition;
- The actions to complete the sale were initiated in September 2024 and completed on February 10, 2025;
- The buyer is SMM and negotiations were at an advanced stage as at December 31, 2024, with a formal letter of intent having been agreed between the Parent Company and SMM in November 2024.

Determining Capitalizability of Geothermal Exploration and Evaluation Assets and Deferred Mine Exploration Costs
Careful judgment by management is applied when deciding whether the recognition requirements for geothermal exploration and evaluation assets and deferred mine exploration costs relating to the Group's geothermal and mining projects have been met. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding specific geothermal and ore reserves. This is necessary as the economic success of exploration is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the information available at the end of each financial reporting period.

Determining Applicability of International Financial Reporting Interpretations Committee (IFRIC) 12, Service Concession Arrangements on the SESC and PSA with Customers
An arrangement would fall under IFRIC 12 if the two conditions below are met:
a) the grantor controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price, and
b) the grantor controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

The infrastructure used for its entire useful life ('whole of life assets') is within the scope of IFRIC 12 if the arrangement meets the conditions in (a).

Based on management's assessment, the SESC, SEOC and PSAs entered by JSI are outside the scope of IFRIC 12 since JSI controls the significant residual interest in the properties at the end of the concession term through ownership (see Notes 38g and 38h). For the PSA of the Parent Company with Surigao Del Norte Electric Cooperative, Inc. (SURNECO), management assessed that it is also outside the scope of IFRIC 12 since SURNECO does not control or regulate the services of the Parent Company in using the power plant including its pricing (see Note 38g).

Operating Lease - Parent Company as the Lessor
In accounting for its PSA with SURNECO, the Group's management has made a judgment that the PSA is an arrangement that contains a lease (see Note 38g). The Parent Company has not transferred substantially all the risks and rewards incidental to the ownership of the power plant principally by virtue of its right to control the capacity of power plant and its right to transfer the power plant at the end of the PSA for no consideration. Accordingly, the Group accounted for the agreement as an operating lease. The capital recovery fee billed to SURNECO, based on the terms of the PSA, is recorded as operating revenue under "Sale of power" in the consolidated statements of income.

Determining the Lease Term of Contracts with Renewal and Termination Options - Group as Lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options (see Note 33). The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customization to the leased asset).

The renewal periods for the lease of the land and buildings and improvements are not included as part of the lease term as this is not reasonably certain to be exercised. Furthermore, the periods covered by termination options, if any, are included as part of the lease term only when they are reasonably certain not to be exercised.

Identifying the Enforceable Contract
<u>Sale of Beneficiated Nickel Ore</u>
The Group made an irrevocable and firm commitment to sell nickel ore on FOB of mother vessel terms, while the buyer made an irrevocable and firm commitment to purchase the quantity of the beneficiated nickel ore under the terms and conditions specified and agreed upon in the contract.

Throughout the year, the parties executed addendums to the contract to deliver nickel ore with quantity and specifications indicated therein.

The Group executed a sales contract with Pacific Metals Co., Ltd. (PAMCO), where the former expressed its wish to sell to the latter all beneficiated nickel saprolite ore which meets the specifications as stated in the contract. The Group also executed sales contracts with its major customers to sell beneficiated nickel saprolite or limonite ore with specifications stated explicitly in the contracts.

While there are master supply agreements with customers that set out the general terms and conditions governing any sales that occur, they do not contain any minimum volumes. Therefore, for the above arrangements, the enforceable contracts have been determined to be the annual and long-term contracts and the addendums thereon.

Sale of Limestone
RTN executed a long-term contract with its customers that sets out the general terms and conditions governing each sale of limestone that occurs. The enforceable contracts have been determined to be the long-term contracts.

Identifying Performance Obligations
The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if: i) each distinct good or services in the series are transferred over time, and ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

With regard to the sale of beneficiated nickel ore and limestone, the Group and its buyers agree to respectively sell and purchase a specific quantity of nickel ore and limestone during the term of the sales contracts. This performance obligation is a promise to transfer to the buyer distinct goods (i.e., nickel ore and limestone) that shall be satisfied at a point in time. It is capable of being distinct since the customers can benefit from it in conjunction with other readily available resources. It is distinct within the context of the sales contracts because it is not integrated, not highly interdependent on or highly interrelated with other promised services in the contract. The obligation is to transfer beneficiated nickel ore and limestone which shall be satisfied once the control to the goods has been transferred to the buyer at a point in time.

With regard to the sale of services and power, it is considered a performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the rendering of services and the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

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

The Group's sale of power to IEMOP provides unspecified quantity of energy and unspecified unit price that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The expected value method of estimation takes into account a range of possible outcomes while the most likely amount is used when the outcome is binary. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration given the large range of possible outcomes.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are to be fully constrained based on its historical experience (i.e., volume and unit price), the range of possible outcomes (i.e., unspecified quantity of energy and unspecified unit price), and the unpredictability of other factors outside the Group's influence.

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

The sale of ore and limestone is satisfied at a point in time. All risk of loss, damage, or destruction respective of the ore delivered shall progressively pass to the buyer at the time the ore passes over the rail and into the vessel while risk of loss and damage for the limestone delivered passed to the buyer at the time the good is delivered to the buyer's plant. In the case of deliveries to CBNC and THNC, title, risk of loss and damage passed to the buyer at the time the ore passes into the ore preparation hopper of the respective plants.

For rendering of services, it is satisfied over time since the customer obtains the benefit simultaneously with the Group's performance of services. The fact that another entity would not need to re-perform the handling services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group concluded that revenues from sale of power are to be recognized over time since customers simultaneously receive and consume the benefits as the Group supplies power.

Determining the Group's Business Model in Accounting for Financial Assets
The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective (see Note 2). The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flow. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's senior management and the BOD, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

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

- *Quantitative Criteria.* The borrower is more than ninety (90) days past due on its contractual payments, which is consistent with the Group's definition of default.
- *Qualitative Criteria.* The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
  a. The borrower is experiencing financial difficulty or is insolvent;
  b. The borrower is in breach of financial covenant(s);
  c. An active market for that financial asset has disappeared because of financial difficulties;
  d. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty;
  e. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
  f. Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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

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

Determining Significant Increase in Credit Risk
The criteria for determining whether credit risk has increased significantly vary and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than ninety (90) days past due. Days past due are determined by counting the number of days from the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the related party/customer.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria can identify significant increase in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes ninety (90) days past due; and
- there is no unwarranted volatility in loss allowance from transfers between twelve (12)-month PD (stage 1) and lifetime PD (stage 2).

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria, or which are less than ninety (90) days past due, are considered to have a low credit risk. The provision for ECL for these financial assets is based on a twelve (12)-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to twelve (12)-month ECL.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty as at the end of the financial reporting period, that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Estimating Ore Reserves

Ore reserves are estimates of the volume of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth, and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying values of property and equipment, provision for mine rehabilitation and decommissioning, recognition of deferred income tax assets and depreciation and depletion charges.

The Group also makes estimates and assumptions regarding a number of economic and technical factors, such as production rates, grades, production and transport costs and prices. These economic and technical estimates and assumptions may change in the future in ways that affect the quality and quantity of the reserves. The Group reviews and updates estimates as required, but at least annually, to reflect actual production, new exploration data or developments and changes in other assumptions or parameters. These estimates will change from time to time to reflect mining activities, analyses of new engineering and geological data, changes in ore reserve and mineral resource holdings, modifications of mining plans or methods, changes in nickel or limestone prices or production costs and other factors.

In 2024, there was a change in the ore reserves used in calculating the depletion rates used for the depletion of mining properties and development cost. The change was based on the latest Philippine Mineral Reporting Code - Competent Person Technical Report dated in June 2024 (as of December 31, 2022 cut-off reserve) compared to the Annual Mineral Reserve Inventory Report (AMRIR) dated March to April 2023 (as of December 31, 2022 cut-off reserve) for CMC, DMC and HMC and AMRIR dated February 2024 (as of December 31, 2023 cut-off reserve) for TMC. On the other hand, HMC Manicani was based on the AMRIR dated February 2025 and RTN on the AMRIR dated March 2024 (as of December 31, 2023 cut-off reserve).

Estimating Recoverability of Geothermal Exploration and Evaluation Assets, Deferred Mine Exploration Costs and Project Development Costs

The Group assesses the recoverability of geothermal exploration and evaluation assets, deferred mine exploration costs and project development costs by determining the technical feasibility, success of exploration activities and discovery of resources that can be produced in commercial quantities.

PFRS Accounting Standards requires that an impairment review be performed when certain impairment indicators are present. The Group determines the fair value of geothermal exploration and evaluation assets, deferred mine exploration costs and project development costs, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. The Group makes estimates and assumptions in determining the present value of estimated future cash flows expected to be generated from the continued use of the assets. The Group is required to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

An impairment loss is recognized and charged to earnings if the discounted expected future cash flows are less than the carrying amount. The recoverable amount is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

In 2024, as a result of the re-evaluation done, technical findings indicated that the mass flow rate of the existing wells of MGPC is below the minimum flow rate required for a typical organic rankine cycle power generation unit. Consequent to this, MGPC provided a full allowance for impairment losses on its geothermal exploration and evaluation assets amounting to ₱1,912.3 million in 2024 and nil in 2023 and 2022. The carrying values of geothermal exploration and evaluation assets amounted to nil and ₱1,896.6 million as at December 31, 2024 and 2023, respectively (see Note 11).

No impairment loss was recognized in 2024 and 2023 on deferred mine exploration costs. Deferred mine exploration costs, included in “Other noncurrent assets” in the consolidated statements of financial position, amounted to ₱440.1 million and ₱675.4 million as at December 31, 2024 and 2023, respectively (net of allowance for impairment losses of ₱208.9 million as at December 31, 2024 and 2023; see Note 12).

In 2024, the Group recognized a provision for impairment losses on project development costs amounting to ₱21.0 million and nil in 2023 and 2022 (see Note 29). Project development costs, included in “Other noncurrent assets” in the consolidated statements of financial position, amounted to ₱137.7 million, net of allowance for impairment losses of ₱21.0 million, and ₱268.4 million as at December 31, 2024 and 2023, respectively (see Note 12).

Estimating Allowance for Impairment Losses on Mining Properties and Development Costs, Solar Farm and Construction In-Progress

The Group is adversely affected if there’s a continuous decline in wholesale electricity prices and metal prices. If an impairment indicator is identified, the assessment of the recoverable amount of the mining properties and development costs, solar farm and construction in-progress related to solar farms, requires significant judgment and is based on assumptions. The carrying values of the Group’s mining properties and development costs, solar farm and construction in-progress recorded under property and equipment as at December 31, 2024 and 2023 are disclosed in Note 9 to the consolidated financial statements.

The factors that the Group considers important which could trigger an impairment review include the following:

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

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements. These assumptions include future production levels and costs, as well as external inputs such as commodity prices and discount rate. The recoverable amount is sensitive to the discount rate used as well as the expected future cash inflows.

An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to the consolidated statement of income if the expected discounted future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. As at December 31, 2024 and 2023, the Group has not provided any allowance for impairment losses on its mining properties and development costs, solar farm and construction in-progress as the recoverable amount of these assets is greater than their carrying amount.

Estimating Allowance for ECL on Trade and Other Receivables
The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every end of the financial reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

Estimating Allowance for Impairment Losses on Inventories
The Group maintains allowance for inventory losses at a level considered adequate to reflect the excess cost of inventories over their NRV. NRV tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metals prices at the end of the financial reporting period, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile and the number of contained nickel ore ounces based on assay data. Stockpile tonnages are verified by periodic surveys. The NRV test for materials and supplies is also performed annually and it represents the current replacement cost. Increase in the NRV of inventories will increase the cost of inventories but only to the extent of their original production or acquisition costs.

As at December 31, 2024 and 2023, inventories, including long-term stockpile inventory, carried at lower of cost or NRV amounted to ₱3,356.3 million and ₱3,069.9 million, respectively (net of allowance for impairment losses of ₱31.2 million and ₱68.3 million, respectively; see Notes 6 and 12).

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

The carrying values of nonfinancial prepayments and other current assets amounted to ₱2,338.2 million and ₱1,600.1 million as at December 31, 2024 and 2023, respectively, while nonfinancial other noncurrent assets amounted to ₱4,872.8 million and ₱5,540.0 million as at December 31, 2024 and 2023, respectively (see Notes 8 and 12).

The allowance for impairment losses on the Group's nonfinancial prepayments and other current assets amounted to ₱150.6 million and ₱82.6 million as at December 31, 2024 and 2023, respectively (see Note 8). The allowance for impairment losses on the Group's nonfinancial other noncurrent assets as at December 31, 2024 and 2023 amounted to ₱1,078.9 million and ₱994.1 million, respectively (see Note 12).

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

The Group's lease liabilities amounted to ₱973.1 million and ₱833.4 million as at December 31, 2024 and 2023, respectively (see Note 33). The incremental borrowing rate used in 2024 ranges from 5.25% to 16.36% and in 2023 from 5.25% to 9.03%.

Estimating Provision for Mine Rehabilitation and Decommissioning
The Group assesses its provision for mine rehabilitation and decommissioning annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the provision. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided.

The provision at the end of the financial reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognized in the consolidated statement of financial position by adjusting the rehabilitation assets and liability. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of income.

Provision for mine rehabilitation and decommissioning amounted to ₱927.4 million and ₱909.6 million as at December 31, 2024 and 2023, respectively (see Note 15).

Estimating Pension Costs
The cost of defined benefit retirement as well as the present value of the pension liability is determined using actuarial valuations. The actuarial valuation involves making various assumptions, as described in Note 34. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, defined benefit pension liability are highly sensitive to changes in these assumptions. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit pension liability. All assumptions are reviewed at each end of the financial reporting period. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Group's pension liability.

As at December 31, 2024 and 2023, pension asset included under "Other noncurrent assets" in the consolidated statements of financial position amounted to ₱16.5 million and ₱18.0 million, respectively, and pension liability amounted to ₱85.0 million and ₱388.7 million, respectively (see Notes 12 and 34).

Estimating Recoverability of Deferred Income Tax Assets
The Group reviews the carrying amounts of deferred income tax assets at each end of the financial reporting period and reduces the amounts to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Group has net deferred income tax assets amounting to ₱554.6 million and ₱439.6 million as at December 31, 2024 and 2023, respectively (see Note 35).

As at December 31, 2024 and 2023, the Group has temporary difference amounting to ₱7,560.4 million and ₱2,720.5 million, respectively, for which no deferred income tax assets were recognized because it is more likely than not that the carryforward benefits will not be realized in the future (see Note 35).

Determining Fair Values of Financial Instruments
Where the fair values of financial assets and liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities are carried at its fair value (see Note 37).

Determining Fair Values of Assets Held for Sale
In determining the fair value of assets held for sale, valuations were derived from valuations made by independent parties. In the case of the land, buildings and improvements, valuation was based on the recent sales of similar properties in the same area and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. For investment in CBNC, it was subjected to an independent valuation and fairness opinion by an external independent party. The assets held for sale which is determined at the lower of the carrying amount and fair value less costs to sell amounted to ₱1,864.8 million and nil as at December 31, 2024 and 2023, respectively (see Notes 8 and 10).

The fair values of the Group's assets held for sale were measured using Level 2 category.

4. Cash and Cash Equivalents

	2024	2023
Cash on hand and with banks	**₱4,025,632**	₱4,380,179
Short-term cash investments	**8,905,392**	11,100,453
Cash under managed funds	**4,248**	1,833
	₱12,935,272	₱15,482,465

Interest income from cash and cash equivalents amounted to ₱551.8 million, ₱467.9 million and ₱128.5 million in 2024, 2023 and 2022, respectively (see Note 27).

5. Trade and Other Receivables

	2024	2023
Trade		
Related parties (see Note 32)	**₱573,014**	₱923,562
Third parties	**283,153**	213,315
Amounts owed by related parties (see Note 32)	**264,225**	228,838
Interest receivable	**67,368**	22,330
Advances to officers and employees	**38,313**	44,098
Forward contracts receivables (see Note 37)	**14,076**	–
Others		
Third parties	**109,576**	90,257
Related parties (see Note 32)	**71,380**	98,275
	1,421,105	1,620,675
Less allowance for ECL	**30,691**	48,743
	₱1,390,414	₱1,571,932

The movements of allowance for ECL follows:

2024	**Trade**	**Others**	**Total**
Balances at January 1	**₱36,131**	**₱12,612**	**₱48,743**
Write-off	**(14,999)**	**–**	**(14,999)**
Foreign exchange adjustments	**(9,197)**	**–**	**(9,197)**
Provisions (see Note 29)	**6,247**	**51**	**6,298**
Reversals (see Note 29)	**–**	**(154)**	**(154)**
Balances at December 31	**₱18,182**	**₱12,509**	**₱30,691**

2023	Trade	Others	Total
Balances at January 1	₱21,195	₱12,612	₱33,807
Provision (see Note 29)	14,999	–	14,999
Foreign exchange adjustments	(63)	–	(63)
Balances at December 31	₱36,131	₱12,612	₱48,743

Trade receivables are noninterest-bearing and are generally collectible on seven (7) to sixty (60)-days' terms, except for the usage fee billed to THNC which is collected on a semi-annual basis.

Amounts owed by related parties are noninterest-bearing with no fixed maturities and are generally collectible on demand.

Interest receivable is derived from short-term cash investments placed in various local/foreign banks, which are collectible upon maturity, and from debt securities, which are collectible quarterly or semi-annually.

Advances to officers and employees are noninterest-bearing and are generally subject to liquidation or collectible through salary deduction.

Other receivables are noninterest-bearing with no fixed maturity and are generally collectible on demand.

6. Inventories

	2024	2023
Beneficiated nickel ore and limestone, at cost	**₱2,648,760**	₱2,261,124
Materials and supplies		
At NRV	**660,979**	423,422
At cost	**46,557**	353,153
	₱3,356,296	₱3,037,699

The movements of allowance for impairment losses on materials and supplies inventories follows:

	2024	2023
Balances at January 1	**₱68,286**	₱58,132
Write-off	**(51,836)**	–
Provisions (see Note 29)	**14,741**	10,154
Balances at December 31	**₱31,191**	₱68,286

As at December 31, 2024 and 2023, there was no allowance for impairment losses provided for the cost of beneficiated nickel ore and limestone, while the cost of materials and supplies provided with allowance for impairment losses amounted to ₱692.2 million and ₱491.7 million, respectively.

Costs of inventories charged as expense amounted to ₱9,566.9 million, ₱8,777.9 million and ₱8,637.8 million in 2024, 2023 and 2022, respectively (see Notes 19, 20, 21, 22 and 24).

7. Financial Assets at FVTPL, at FVOCI and at Amortized Cost

	2024			2023		
	Financial Assets at			Financial Assets at		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Quoted instruments						
Debt securities	**₱1,387,954**	**₱429,188**	**₱375,000**	₱1,256,855	₱469,914	₱410,000
Equity securities	**321,308**	**–**	**–**	301,674	–	–
Unquoted equity instruments	**698,287**	**–**	**–**	701,441	–	–
	₱2,407,549	**₱429,188**	**₱375,000**	₱2,259,970	₱469,914	₱410,000

The Group's financial assets pertain to investments in shares of stocks of various local and foreign public and private companies, mutual funds, golf club shares and debt securities which are either unquoted or at quoted market prices. Quoted and unquoted instruments are carried either at fair market value or at amortized cost (for debt instruments) as at the end of the financial reporting period.

The movements in financial assets follow:

	2024			2023		
	Financial Assets at			Financial Assets at		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Balances at January 1	**₱2,259,970**	**₱469,914**	**₱410,000**	₱4,119,775	₱447,975	₱460,000
Additions	**1,438,862**	**77,569**	**–**	2,098,148	160,969	–
Disposals	**(1,363,868)**	**(118,384)**	**–**	(4,153,130)	(143,649)	–
Redemption	**–**	**–**	**(35,000)**	–	–	(50,000)
Effect of changes in foreign exchange rate (see Note 29)	**47,110**	**–**	**–**	(31,680)	–	–
Net valuation gains on financial assets	**25,475**	**89**	**–**	226,857	4,619	–
Balances at December 31	**2,407,549**	**429,188**	**375,000**	2,259,970	469,914	410,000
Less noncurrent portion	**985,979**	**–**	**275,000**	968,493	–	375,000
Current portion	**₱1,421,570**	**₱429,188**	**₱100,000**	₱1,291,477	₱469,914	₱35,000

The movements in the unquoted equity instruments designated as financial assets at FVTPL follows:

	2024	2023
Cost	**₱195,367**	₱195,367
Net cumulative valuation gains:		
Balances at January 1	**506,074**	318,939
Net valuation gains (losses) on financial assets	**(3,154)**	187,135
Balances at December 31	**502,920**	506,074
Fair value of assets at December 31	**₱698,287**	₱701,441

The movements in "Net valuation losses on financial assets at FVOCI" presented as a separate component of equity follows:

	2024	2023
Balances at January 1	**(₱1,315)**	(₱5,934)
Movements recognized in equity:		
Gains recognized in equity	**90**	4,619
Reclassification adjustments for income included in the consolidated statements of income (see Note 29)	**(1)**	–
Valuation gains taken into the consolidated statements of comprehensive income - net of tax	**89**	4,619
Balances at December 31	**(₱1,226)**	(₱1,315)

Dividend income from equity securities amounted to ₱55.2 million, ₱29.6 million and ₱37.2 million in 2024, 2023 and 2022, respectively, of which ₱15.3 million in 2024, 2023 and 2022 relates to dividends coming from investments in unquoted equity securities (see Note 29), while interest income from debt securities amounted to ₱54.0 million, ₱30.6 million and ₱35.6 million in 2024, 2023 and 2022, respectively (see Note 27).

The Group did not recognize any provision for ECL on its financial assets at FVOCI and at amortized cost in 2024, 2023, and 2022.

8. Assets Held for Sale and Other Current Assets

a) Assets Held for Sale

	2024	2023
Investment in CBNC	**₱1,853,411**	₱–
Land, buildings and improvements	**11,364**	–
	₱1,864,775	₱–

Investment in CBNC
In 2024, the Parent Company's BOD approved to sell its 15.62% ownership in CBNC to SMM, provided that the purchase price for such sale shall be subject to an independent valuation and fairness opinion by an external independent party appointed by the Parent Company. In accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations,* and after meeting all the criteria to classify an asset as held for sale, the Parent Company reclassified its investment in CBNC under "Asset held for sale" at fair value less cost to sell amounting to ₱1,853.4 million which is lower against the carrying amount of ₱1,855.3 million as of September 30, 2024. The fair value was determined based on an independent valuation conducted in 2025.

Relative to the above, the Parent Company recognized an allowance for impairment losses on its investment in CBNC amounting to ₱1.9 million in 2024 and nil in 2023 and 2022 (see Note 29).

On January 31, 2025, the Parent Company and SMM executed a SPA wherein SMM agreed to purchase all the Parent Company's 91,796,875 shares in CBNC, representing 15.62% of the outstanding capital stock of CBNC, at a purchase price of ₱1,855.0 million, payable in cash on closing date set on February 10, 2025. SMM, at its discretion, may pay the purchase price in US$ in an equivalent amount based on the spot rate of exchange on closing date. The purchase price was confirmed to be a fair price based on an independent valuation review performed by an external independent party.

Land, buildings and improvements
On February 6, 2025, the BOD of HMC approved to sell certain assets, including land and land improvements and office and machinery equipment, located in Surigao City and was previously used as a liaison office for the mines in Surigao. Relative to this, these assets were reclassified under "Assets held for sale" and no depreciation and amortization were recognized thereafter.

These assets are carried at its net carrying amount of ₱11.4 million as at December 31, 2024. Management is committed to sell the assets within the next twelve (12) months, subject to terms that are expected to be favorable under current market conditions.

b) *Other Current Assets*

	2024	2023
Input VAT (net of allowance for impairment losses of ₱150.0 million and ₱80.9 million as at December 31, 2024 and 2023, respectively)	**₱1,740,946**	₱1,012,977
Prepaid insurance and others	**299,444**	245,089
Prepaid taxes	**215,313**	160,600
Advances and deposits to suppliers and contractors (net of allowance for impairment losses of ₱0.5 million and ₱1.7 million as at December 31, 2024 and 2023, respectively)	**80,252**	179,168
Tax credit certificates	**2,237**	2,237
	₱2,338,192	₱1,600,071

Input VAT represents the VAT passed on from purchases of applicable goods and services which can be recovered as tax credit against future output VAT from the sale of goods and/or services of the Group.

Prepayments are amortized within three (3) to twelve (12) months from the end of the financial reporting period.

Prepaid taxes include certificates of creditable withholding taxes for services rendered to other parties which can be recovered as tax credits against certain future tax liabilities of the Group.

Advances and deposits to suppliers and contractors include security deposits and payments made in advance to suppliers and contractors which will be offset against future billings upon the delivery of goods and/or completion of services.

Tax credit certificates are tax refunds that can be used by the Group.

9. Property and Equipment

	2024								
	Land and Land Improvements	Mining Properties and Development Costs	Machinery and Equipment	Solar Farm	Buildings and Improvements	ROU Assets - Land, Building and Improvements	Transmission Lines and Substations	Construction In-progress	Total
Cost:									
Balances at January 1	**₱292,207**	**₱2,027,691**	**₱14,017,317**	**₱6,045,742**	**₱4,582,479**	**₱805,213**	**₱940,843**	**₱4,045,502**	**₱32,756,994**
Additions	**583,033**	**–**	**1,242,957**	**–**	**505,023**	**151,465**	**–**	**6,430,202**	**8,912,680**
Capitalized borrowing cost (see Note 14)	**–**	**–**	**–**	**–**	**27,020**	**–**	**–**	**400,571**	**427,591**
Adjustment for capitalized cost of mine rehabilitation and decommissioning (see Note 15)	**–**	**(23,954)**	**–**	**–**	**–**	**–**	**–**	**–**	**(23,954)**
Disposals	**–**	**–**	**(1,301,333)**	**–**	**(17,683)**	**–**	**–**	**–**	**(1,319,016)**
Transfers/reclassification	**(34,165)**	**446,705**	**146,337**	**–**	**389,018**	**–**	**–**	**(576,834)**	**371,061**
Balances at December 31	**841,075**	**2,450,442**	**14,105,278**	**6,045,742**	**5,485,857**	**956,678**	**940,843**	**10,299,441**	**41,125,356**
Accumulated depreciation, depletion and amortization:									
Balances at January 1	**23,966**	**501,084**	**8,893,651**	**1,019,205**	**3,284,386**	**91,961**	**250,444**	**–**	**14,064,697**
Depreciation, depletion and amortization (see Note 26)	**–**	**50,513**	**1,274,643**	**228,122**	**330,791**	**65,075**	**39,997**	**–**	**1,989,141**
Disposals	**–**	**–**	**(1,295,730)**	**–**	**(17,684)**	**–**	**–**	**–**	**(1,313,414)**
Transfers/reclassification	**(23,966)**	**–**	**(1,449)**	**(5,939)**	**(13,010)**	**–**	**–**	**–**	**(44,364)**
Balances at December 31	**–**	**551,597**	**8,871,115**	**1,241,388**	**3,584,483**	**157,036**	**290,441**	**–**	**14,696,060**
Net book values	**₱841,075**	**₱1,898,845**	**₱5,234,163**	**₱4,804,354**	**₱1,901,374**	**₱799,642**	**₱650,402**	**₱10,299,441**	**₱26,429,296**

	2023								
	Land and Land Improvements	Mining Properties and Development Costs	Machinery and Equipment	Solar Farm	Buildings and Improvements	ROU Assets - Land, Building and Improvements	Transmission Lines and Substations	Construction In-progress	Total
Cost:									
Balances at January 1	₱292,893	₱1,933,254	₱13,839,356	₱3,434,430	₱4,649,220	₱701,999	₱940,843	₱2,416,212	₱28,208,207
Additions	–	–	3,145,240	–	67,388	236,295	–	3,140,819	6,589,742
Capitalized borrowing cost (see Note 14)	–	–	–	–	–	–	–	212,736	212,736
Adjustment for capitalized cost of mine rehabilitation and decommissioning (see Notes 15 and 29)	–	94,437	–	–	–	–	–	–	94,437
Disposals	–	–	(2,008,235)	–	(144,102)	(133,081)	–	–	(2,285,418)
Transfers/reclassification	(686)	–	(959,044)	2,611,312	9,973	–	–	(1,724,265)	(62,710)
Balances at December 31	292,207	2,027,691	14,017,317	6,045,742	4,582,479	805,213	940,843	4,045,502	32,756,994
Accumulated depreciation, depletion and amortization:									
Balances at January 1	23,280	456,630	9,578,725	816,232	3,141,740	166,112	210,447	–	14,393,166
Depreciation, depletion and amortization (see Note 26)	–	44,454	1,316,981	228,122	291,533	56,475	39,997	–	1,977,562
Disposals	–	–	(1,999,161)	–	(133,103)	(130,626)	–	–	(2,262,890)
Transfers/reclassification	686	–	(2,894)	(25,149)	(15,784)	–	–	–	(43,141)
Balances at December 31	23,966	501,084	8,893,651	1,019,205	3,284,386	91,961	250,444	–	14,064,697
Net book values	₱268,241	₱1,526,607	₱5,123,666	₱5,026,537	₱1,298,093	₱713,252	₱690,399	₱4,045,502	₱18,692,297

Construction in-progress includes borrowing cost of ₱400.6 million in 2024, ₱212.7 million in 2023, and ₱15.1 million in 2022 (see Note 14). It also includes capitalizable development costs on the construction and development of the Group's solar power projects which are currently ongoing (see Note 38o).

Except for the property and equipment pledged as collateral for the loans of JSI with Industrial and Commercial Bank of China (ICBC) and Security Bank Corporation (SBC), with net book value of ₱9,487.5 million and ₱9,006.9 million as at December 31, 2024 and 2023, respectively, there were no other property and equipment pledged as collateral for the Group's borrowings (see Note 14).

Depreciation on the excess of the fair value of the assets acquired from RTN over their corresponding book values transferred to retained earnings amounted to ₱0.4 million in 2024, 2023 and 2022.

10. Investments in Associates

	2024	2023
THNC	**₱3,438,021**	₱3,185,309
CBNC (see Note 8)	–	2,299,671
BGI	–	–
	₱3,438,021	₱5,484,980

The movements in investments in associates follows:

	2024				2023			
	THNC	**CBNC**	**BGI**	**Total**	THNC	CBNC	BGI	Total
Balances at January 1	**₱1,974,700**	**₱2,254,722**	**₱1,384**	**₱4,230,806**	₱1,974,700	₱2,254,722	₱1,384	₱4,230,806
Accumulated equity in net earnings (losses):								
Balances at January 1	**930,329**	**(697,342)**	**(1,384)**	**231,603**	1,144,949	124,436	39	1,269,424
Equity in net loss	**(395,406)**	**(502,521)**	–	**(897,927)**	(214,620)	(821,778)	(1,423)	(1,037,821)
	534,923	**(1,199,863)**	**(1,384)**	**(666,324)**	930,329	(697,342)	(1,384)	231,603
Share in cumulative translation adjustment:								
Balances at January 1	**280,280**	**742,291**	–	**1,022,571**	802,736	844,599	–	1,647,335
Movements	**648,118**	**58,196**	–	**706,314**	(522,456)	(102,308)	–	(624,764)
	928,398	**800,487**	–	**1,728,885**	280,280	742,291	–	1,022,571
Less allowance for impairment losses (see Notes 8 and 29)	–	**(1,935)**	–	**(1,935)**	–	–	–	–
	3,438,021	**1,853,411**	–	**5,291,432**	3,185,309	2,299,671	–	5,484,980
Reclassification (see Note 8)	–	**(1,853,411)**	–	**(1,853,411)**	–	–	–	–
Balances at December 31	**₱3,438,021**	**₱–**	**₱–**	**₱3,438,021**	₱3,185,309	₱2,299,671	₱–	₱5,484,980

The share in cumulative translation adjustment of associates is gross of deferred income tax liability of ₱259.3 million and ₱153.4 million as at December 31, 2024 and 2023, respectively (see Note 35).

THNC

THNC, a private entity that is not listed on any public exchange, was incorporated, and registered with the Philippine SEC on August 22, 2008. THNC is engaged in the manufacture and export of nickel/cobalt mixed sulfide, nickel hydroxide and any or all ingredient and products and by-products, wherein TMC has a Nickel Ore Supply Agreement to supply all the limonite ore requirements of the Taganito High Pressure Acid Leach (HPAL) facility. TMC also provides services related to the handling, hauling and transportation of materials required in the processing operations of THNC. THNC started commercial operations in October 2013.

THNC's financial statements are stated in US$ and translated at the closing rate of ₱57.84 and ₱55.37 per US$1 as at December 31, 2024 and 2023, respectively, for assets and liabilities accounts, historical rates for equity accounts and average rate of ₱57.28 and ₱55.63 per US$1, respectively, for the statement of income accounts for the years then ended.

The following are the summarized financial information of THNC as at and for the years ended December 31, 2024 and 2023:

	2024	2023
Current assets	**₱9,641,847**	₱10,130,400
Noncurrent assets	**85,809,296**	82,950,911
Current liabilities	**(62,973,160)**	(58,191,619)
Noncurrent liabilities	**(478,813)**	(437,384)
Net assets	**₱31,999,170**	₱34,452,308

	2024	2023
Revenue	**₱22,957,976**	₱29,198,030
Expenses	**(26,912,036)**	(31,344,231)
Net loss	**(3,954,060)**	(2,146,201)
Other comprehensive income - net	**–**	–
Total comprehensive loss - net	**(₱3,954,060)**	(₱2,146,201)

CBNC

CBNC, a private entity that is not listed on any public exchange, was incorporated, and registered with the Philippine SEC on April 4, 2002. CBNC is engaged in the manufacture and export of nickel/ cobalt mixed sulfide wherein RTN has a Nickel Ore Supply Agreement to supply all the limonite ore requirements of the Coral Bay Hydro Metallurgical Processing Plant facility. The agreement provides that it will terminate until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. Additionally, CMC and DMC have existing ore supply contracts with CBNC. Aside from supplying ore and limestone, CDTN also provides ancillary services to Coral Bay HPAL facility.

On October 3, 2022, the Parent Company purchased an additional 33,046,875 common shares of CBNC from SMM for a total consideration of US$25.9 million, equivalent to ₱1,530.3 million. The acquisition by the Parent Company of additional CBNC shares increased its equity ownership in CBNC from 10% to 15.62%.

In December 2024, the Parent Company's BOD approved to sell its 15.62% ownership in CBNC to SMM at the projected book value of investment in CBNC as of end of September 2024. Consequently, CBNC ceases to be an associate and the Parent Company's investment in CBNC was reclassified as "Asset held for sale" and no equity gains or losses was recognized starting October 1, 2024 since the actions to complete the sale were initiated in September 2024 (see Note 8). On January 31, 2025, the SPA was signed by the Parent Company and SMM.

CBNC's financial statements are stated in US$ and translated at the closing rate of ₱56.03 and ₱55.37 per US$1 as at September 30, 2024 and December 31, 2023, respectively, for assets and liabilities accounts, historical rates for equity accounts and average rate of ₱57.00 and ₱55.63 per US$1, respectively, for the statement of income accounts for the periods then ended.

The following are the summarized financial information of CBNC as at September 30, 2024 and December 31, 2023 and for the period ended September 30, 2024 and for the year ended December 31, 2023:

	September 30, 2024	December 31, 2023
Current assets	**₱7,315,015**	₱9,575,998
Noncurrent assets	**18,869,316**	19,537,498
Current liabilities	**(1,953,224)**	(2,161,625)
Noncurrent liabilities	**(424,337)**	(301,421)
Net assets	**₱23,806,770**	₱26,650,450

	September 30, 2024	December 31, 2023
Revenue	**₱9,990,547**	₱16,141,873
Expenses	**(13,206,683)**	(21,401,252)
Net loss	**(3,216,136)**	(5,259,379)
Other comprehensive income - net	**–**	–
Total comprehensive loss - net	**(₱3,216,136)**	(₱5,259,379)

BGI

BGI, a private entity that is not listed on any public exchange, was incorporated, and registered with the Philippine SEC on October 31, 2007. The principal activities of BGI are to explore, exploit, discover, develop, extract, dig and drill for, produce, utilize, refine, treat, process, transport, store, market, sell, use, supply, experiment with, distribute, manufacture, or otherwise deal in, any substance, minerals or otherwise, which by itself or in contribution with other substances generate or emanate heat or power and to enter into and perform service contracts including geothermal services. On December 28, 2014, BGI received from the Philippine Government through the DOE the Confirmation of Commerciality for the Biliran Geothermal Project. Starting March 2024, BGI is under testing and commissioning phase.

On December 20, 2022, BHI sold a portion of its shareholdings in BGI, equivalent to 461,250 common shares or 15% interest in BGI, for ₱0.5 million. After the sale, BHI's equity ownership in BGI decreased from 60% to 45%, resulting in a loss of control in BGI in 2022. The Group reported the investment in BGI under investment in associates in the consolidated financial statements as at December 31, 2024 and 2023.

On February 16, 2024, BGI secured the updated Provisional Certificate of Approval to Connect from Biliran Electric Cooperative (BILECO) and a Clearance to Energize from the National Grid Corporation of the Philippines (NGCP). On June 13 and 14, 2024, BGI conducted the Grid Compliance Testing activities of BGI's geothermal plant and obtained the Final Certificate of Approval to Connect to BILECO on July 15, 2024. As at December 31, 2024, BGI is in testing and commissioning phase.

The following are the summarized financial information of BGI as at and for the years ended December 31, 2024 and 2023:

	2024	2023
Current assets	**₱21,719**	₱13,107
Noncurrent assets	**5,133,482**	5,123,728
Current liabilities	**(16,114)**	(18,365)
Noncurrent liabilities	**(5,596,958)**	(5,561,571)
Net liabilities	**(₱457,871)**	(₱443,101)

	2024	2023
Income	**₱20,972**	₱76
Expenses	**(35,743)**	(3,476)
Net loss	**(14,771)**	(3,400)
Other comprehensive income - net	**–**	–
Total comprehensive loss - net	**(₱14,771)**	(₱3,400)

In 2024, 2023 and 2022, the unrecognized equity in net losses of BGI amounted to ₱6.0 million, ₱0.1 million and nil, respectively.

11. Geothermal Exploration and Evaluation Assets

	2024	2023
Balances at January 1	**₱1,896,637**	₱1,882,318
Additions	**15,679**	14,319
	1,912,316	1,896,637
Less allowance for impairment losses (see Note 29)	**(1,912,316)**	–
Balances at December 31	**₱–**	₱1,896,637

Geothermal exploration and evaluation assets represent the accumulated costs incurred in connection with the exploration and development activities for the Montelago Geothermal Project. The recovery of these costs depends upon determination of technical feasibility, success of exploration activities and discovery of geothermal resources that can be produced in commercial quantities.

In 2024, in relation to the reinstatement of MGPC’s GRESC, MGPC has re-evaluated the Project with the assistance of a third-party expert by conducting field examinations and evaluation of previous technical reports and studies. As a result of the re-evaluation done, technical findings indicated that the mass flow rate of each existing well is approximately eighteen (18) tons/hour which is below the minimum flow rate required for a typical organic rankine cycle power generation unit which indicates that the Project may not be economically viable due to low mass flow and the power generation potential is very limited.

Relative to this, in 2024, the Group recognized provision for impairment losses on the “Geothermal exploration and evaluation assets” amounting to ₱1,912.3 million which is attributable to the actual carrying amount of MGPC’s assets amounting to ₱1,704.5 million and to the goodwill recognized and allocated to this asset upon the acquisition of EPI in 2015 amounting to ₱207.8 million.

12. **Other Noncurrent Assets**

	2024	2023
Advances and deposits to suppliers and contractors - net of current portion (see Note 38o)	**₱3,595,926**	₱3,808,627
Input VAT - net of current portion	**1,283,403**	1,308,797
MRF	**913,141**	834,470
Deferred mine exploration costs (see Note 3)	**648,947**	884,297
Restricted cash	**245,497**	110,330
Project development costs (see Note 3)	**158,716**	268,375
Intangibles	**114,413**	79,987
SDMP funds	**100,714**	96,477
Advance royalties (see Note 38e)	**55,904**	55,904
Advances to claimowners (see Note 38e)	**47,710**	47,710
Pension asset (see Note 34)	**16,486**	18,016
Long-term stockpile inventory	**–**	32,224
Others	**30,179**	30,138
	7,211,036	7,575,352
Less allowance for impairment losses	**1,078,851**	994,108
	₱6,132,185	₱6,581,244

The movements of allowance for impairment losses follows:

2024	**Advances and deposits to suppliers and contractors**	**Deferred mine exploration costs**	**Input VAT - net of current portion**	**Project development costs**	**Total**
Balances at January 1	**₱668,142**	**₱208,886**	**₱117,080**	**₱–**	**₱994,108**
Provisions (see Note 29)	**17,964**	**–**	**45,802**	**20,977**	**84,743**
Balances at December 31	**₱686,106**	**₱208,886**	**₱162,882**	**₱20,977**	**₱1,078,851**

2023	Advances and deposits to suppliers and contractors	Deferred mine exploration costs	Input VAT - net of current portion	Project development costs	Total
Balances at January 1	₱554,601	₱144,223	₱80,243	₱–	₱779,067
Provisions (see Note 29)	113,541	64,663	69,382	–	247,586
Write-off	–	–	(6,449)	–	(6,449)
Reclass	–	–	(26,096)	–	(26,096)
Balances at December 31	₱668,142	₱208,886	₱117,080	₱–	₱994,108

Advances and deposits to suppliers and contractors represent payments made in advance to suppliers and contractors which will be offset against future billings upon the delivery of goods and/or completion of services. This includes the advances made to Asiacrest Marketing Corporation (Asiacrest) which is related to the Engineering Procurement Construction Contract for the 100MW solar power plant in Subic. As at December 31, 2024, there was a pending case against Asiacrest and First Integrated Bonding and Insurance Co. (FIBIC). On June 26, 2019, JSI assigned all its rights, title and interest on the advances made to Asiacrest in partial payment of the advances made by EPI to JSI. JSI and EPI have assessed the current financial position of Asiacrest and FIBIC and the increase in the credit risk associated to advance payment it has made to Asiacrest. As a result, an allowance for impairment losses amounting to ₱514.7 million was recognized as at December 31, 2024 and 2023.

Input VAT - net of current portion includes the unamortized portion of input VAT on purchase of capital goods spread evenly over the life of the capital goods or five (5) years, whichever is shorter. The balance is recoverable in future periods or by way of application for VAT refund.

MRF, which includes the Final Mine Rehabilitation and Decommissioning Fund, is the amount deposited in local bank accounts established by the Group in compliance with the requirements of the Philippine Mining Act of 1995 as amended by DENR Administrative Order No. 2005-07. The MRF is earmarked for physical and social rehabilitation of areas and communities affected by mining activities and for research on the social, technical, and preventive aspects of rehabilitation. Any disbursement in the MRF should be authorized by the MRF Committee, the external overseeing body charged with the duties of managing, operating, monitoring, and looking after the safety of the MRF. The MRF earns interest at the respective bank deposit rates. Interest income from MRF amounted to ₱19.9 million, ₱17.0 million and ₱6.0 million in 2024, 2023 and 2022, respectively (see Note 27).

Deferred mine exploration costs include mining rights of ₱92.8 million as at December 31, 2024 and 2023. In 2024, upon start of commercial operation of HMC's Manicani and RTN's South Upper Guintalunan nickel projects, deferred mine exploration costs amounting to a total of ₱446.7 million was reclassified to mining properties and development costs under "Property and equipment" (see Note 9).

Restricted cash pertains to funds restricted to withdrawal for specified purposes. It includes the debt service reserve account of JSI to cover its long-term debts with ICBC and SBC.

Project development costs pertain to the development cost incurred for various projects of EPI and its subsidiaries such as payments in relation to service contract applications, training and development assistance, contracted services for land surveys, permits and licenses, insurances, and other expenses necessary to develop a project.

Intangibles include computer software licenses and cost of right-of-way which are subject to amortization over a certain period. In 2024, 2023 and 2022, the amortization of intangibles amounted to ₱38.8 million, ₱28.1 million and ₱60.0 million, respectively (see Note 26).

The SDMP funds shall be used for the sustainable development of the host and neighboring communities of the mine site. The programs are intended for health, education, livelihood, public utilities and socio-cultural preservation. Its implementation is under audit, monitoring and evaluation of the Mines and Geosciences Bureau (MGB). Interest income from SDMP funds amounted to ₱0.1 million in 2024, 2023 and 2022 (see Note 27).

Advance royalties pertain to royalty payments to claimowners.

Advances to claimowners represent advance royalty payments to La Salle Mining Exploration Company (La Salle) and Kepha Mining Exploration Limited Company (Kepha).

13. **Trade and Other Payables**

	2024	2023
Trade		
Third parties	**₱2,080,090**	₱1,325,144
Related party (see Note 32)	**241**	977
Accrued expenses		
Third parties	**705,831**	678,453
Related party (see Note 32)	**9,525**	8,963
Retention fees payable (see Note 38o)	**601,125**	47,919
Government payables:		
Excise taxes and royalties payable	**161,413**	125,635
Withholding taxes payable	**150,095**	185,837
Fringe benefit taxes (FBT) and other taxes payable	**40,095**	3,208
Output VAT	**34,346**	88,134
Contract liabilities	**162,019**	–
Dividends payable	**157,125**	–
Interest payable (see Note 32)	**46,284**	45,890
Deferred income	**5,215**	5,215
Other payables	**128,089**	424,904
	₱4,281,493	₱2,940,279

Trade, accrued expenses and other payables are noninterest-bearing and are generally settled within one (1) year. Accrued expenses substantially consist of contractor's fees, trucking and stevedoring services, hauling and rental expenses, guarantee service fees and others which are usual in the business operations of the Group.

Retention fees payable pertain to the amount retained by the Group from its suppliers/contractors and will be paid after the completion of project constructions.

Government payables include withholding taxes which are normally settled within ten (10) to fifteen (15) days after the end of each reporting month or thirty (30) days after the end of each reporting quarter, output VAT payable which are normally settled within twenty (25) days after the end of the quarter, and FBT which are normally settled within thirty (30) days after the end of the reporting quarter on which the fringe benefits are granted to the recipients. Excise tax payable is settled within fifteen (15) days after the end of the quarter when the beneficiated nickel ore and limestone were shipped. Royalties are paid on or before the deadline agreed with the MGB or other parties.

Contract liabilities pertain to the advance payment received by the Group from their customers for the sale of ore.

Dividends payable refer to the remaining cash dividends to be paid by TMC to PAMCO and Sojitz Corporation (Sojitz) on January 31, 2025. The amount is net of final withholding tax.

Interest payable on loans is settled based on the agreed payment terms.

14. **Short-term and Long-term Debts**

Short-term debts

Short-term debts of EPI are as follows:

	2024	2023
SBC	**₱3,498,648**	₱3,495,641
Rizal Commercial Banking Corporation (RCBC)	**3,486,966**	2,352,454
	₱6,985,614	₱5,848,095

SBC

SBC granted a ₱3,500.0 million loan facility to EPI which is secured by a continuing suretyship of the Parent Company (see Note 38a). The proceeds of the loans were used by EPI to settle at maturity dates the promissory notes under the original SBC loan facility, and to finance the construction of JSI's Phase 4A - 72MW Solar Project and for working capital requirements. The original SBC loan was obtained to fund EPI's investments and working capital requirements.

Details of the drawdowns are as follows:

2024

Drawdown Dates	Maturity Dates	Interest Rate*	Amount	Debt Issue Costs
June 27, 2024	**June 22, 2025**	**6.50% to 7.75%**	**₱300,000**	**₱1,320**
January 24, 2024	**January 17, 2025**	**6.50% to 7.50%**	**1,200,000**	**8,852**
February 5, 2024	**January 30, 2025**	**6.50% to 7.50%**	**1,500,000**	**11,096**
March 25, 2024	**March 20, 2025**	**6.50% to 7.75%**	**500,000**	**3,114**
			₱3,500,000	**₱24,382**

2023

Drawdown Dates	Maturity Dates	Interest Rate*	Amount	Debt Issue Costs
July 3, 2023	June 27, 2024	5.75% to 7.75%	₱300,000	₱2,220
January 26, 2023	January 24, 2024	5.50% to 7.50%	1,200,000	8,951
February 10, 2023	February 5, 2024	7.75%	1,500,000	11,096
March 31, 2023	March 25, 2024	7.75%	500,000	3,699
			₱3,500,000	₱25,966

** Interest rates are subject to monthly repricing*

The carrying amount of short-term debts of EPI with SBC, net of unamortized debt issue cost, follows:

	2024	2023
Balances at January 1	**₱3,500,000**	₱1,500,000
Drawdowns (see Note 39)	**3,500,000**	3,500,000
Payments (see Note 39)	**(3,500,000)**	(1,500,000)
	3,500,000	3,500,000
Less unamortized debt issue cost	**(1,352)**	(4,359)
Balances at December 31	**₱3,498,648**	₱3,495,641

Debt issue costs pertain to documentary stamp tax and other transaction costs incurred in connection with the availment of the loans. These were deducted from the proceeds of the loans and were amortized using the EIR method.

The movements of the unamortized debt issue costs as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at January 1	**₱4,359**	₱1,734
Additions	**24,382**	25,966
Amortization	**(27,389)**	(23,341)
Balances at December 31	**₱1,352**	₱4,359

Interest expense on SBC loans in 2024, 2023 and 2022 are summarized below:

	2024	2023	2022
Interest on loans	**₱250,985**	₱247,720	₱77,400
Amortization of debt issue costs	**27,389**	23,341	11,343
	₱278,374	₱271,061	₱88,743

The capitalized borrowing costs pertaining to short-term debts with SBC amounted to ₱159.4 million in 2024, ₱145.5 million in 2023, and nil in 2022 (see Note 9).

The Term Loan Agreement of EPI with SBC provides for restrictions with respect to creation or permission to exist any mortgage or pledge, lien or any encumbrance on all free assets owned or acquired by EPI. Also, the Term Loan Agreement restricts EPI to assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any other person, firm or corporation; participate or enter into any merger or consolidation; sell, lease, dispose or convey all or substantially all of EPI's assets; make advances or loans to any of the affiliates, subsidiaries, stockholders, directors and officers except in compliance with formally established and existing fringe benefit program of EPI; suspend its business operation or dissolve its affairs; and to enter into any credit or loan agreement or arrangement with any creditor under such terms and conditions that would place SBC in an inferior position risk-wise, vis-a-vis such other creditors. Moreover, the Term Loan Agreement provides for certain conditions, which include, among others, prompt disclosure in writing of any material change in EPI's financial position and conduct of its operations or any substantial change in its management or ownership, conduct operations in accordance with sound business practice, maintenance and preservation of corporate existence, and prompt payment of all taxes, assessment, and other governmental charges due. As at December 31, 2024 and 2023, EPI has been compliant with the covenants contained in the loan facility and agreements.

RCBC
RCBC granted a ₱3,500.0 million loan facility to EPI to fund the following projects: 1) SISPC's 240MW San Isidro Solar Power Project; and 2) NPPGC's 140MW Cawag Solar Power Project. The principal and interest are payable one (1) year after drawdown.

Details of the drawdowns are as follows:

Drawdown Dates	Maturity Dates	Interest Rate	Amount	Debt Issue Costs
2024				
August 28, 2024	**August 15, 2025**	**6.60% to 6.65%**	**₱2,364,000**	**₱17,342**
April 1, 2024	**March 27, 2025**	**6.65%**	**1,136,000**	**8,403**
			₱3,500,000	**₱25,745**
2023				
August 29, 2023	August 28, 2024	6.65%	₱2,364,000	₱17,487

The carrying amount of short-term debts of EPI with RCBC, net of unamortized debt issue cost, follows:

	2024	2023
Balances at January 1	**₱2,364,000**	₱–
Drawdown (see Note 39)	**3,500,000**	2,364,000
Payment (see Note 39)	**(2,364,000)**	–
	3,500,000	2,364,000
Less unamortized debt issue cost	**(13,034)**	(11,546)
Balances at December 31	**₱3,486,966**	₱2,352,454

The movements of the unamortized debt issue costs as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at January 1	**₱11,546**	₱–
Additions	**25,745**	17,487
Amortization	**(24,257)**	(5,941)
Balances at December 31	**₱13,034**	₱11,546

Interest expense on RCBC loans, which were all capitalized as borrowing cost, in 2024, 2023 and 2022 are summarized below (see Note 9):

	2024	2023	2022
Interest on loans	**₱216,897**	₱54,149	₱–
Amortization of debt issue costs	**24,257**	5,941	–
	₱241,154	₱60,090	₱–

Long-term debts

Long-term debts of the following subsidiaries are as follows:

	2024	2023
JSI	**₱1,271,810**	₱1,434,712
TMC	**657,987**	726,731
DMC	**502,740**	526,157
	2,432,537	2,687,600
Less noncurrent portion:		
JSI	**1,090,410**	1,265,362
TMC	**556,758**	629,833
DMC	**413,220**	446,641
	2,060,388	2,341,836
Current portion	**₱372,149**	₱345,764

JSI Loans

ICBC and SBC

On August 2, 2021, JSI, ICBC and SBC entered into an Omnibus Loan and Security Agreement (OLSA), with NAC, EPI and TBEA International Engineering Co., Ltd. (TBEA) as Share Collateral Security Grantors and Sponsors. Pursuant to the OLSA, ICBC and SBC granted term loan facilities to JSI amounting to ₱1,600.0 million, payable in two Tranches (Tranche A for ₱1,250.0 million and Tranche B for ₱350.0 million), that will be used by JSI to partially refinance the shareholder's loans used for Phase 3A and 3B expansions.

Interest is fixed, which shall be the higher of the sum of the applicable benchmark rate (or the average of the applicable seven (7)-year Bloomberg Evaluated Pricing Service of Bloomberg LP (or BVAL) benchmark tenor) plus the credit spread, divided by the interest premium factor; and the minimum interest rate divided by the interest premium factor. Principal and interest are payable quarterly for a period of seven (7) years commencing on September 28, 2022 until June 28, 2029.

Details of the drawdown follows:

Tranche	Drawdown Date	Maturity Date	Interest Rate	Amount	Debt Issue Costs
A	June 28, 2022	June 28, 2029	6.59%[1]	₱1,250,000	₱31,899
B	April 28, 2023	June 28, 2029	8.20%[2]	350,000	–
				₱1,600,000	₱31,899

[1] *Fixed interest rate from June 28, 2022 to June 28, 2024; thereafter repriced at 7.75%*
[2] *Fixed interest rate from April 28, 2023 to June 28, 2024; thereafter repriced at 7.75%*

At any time after the fifth (5th) year of the loan, JSI may prepay all or any portion of the outstanding loan subject to certain conditions and by paying the prepayment penalty.

The loan is secured by a chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

The OLSA provides certain debt covenants, but are not limited to the following:
1) Debt service coverage ratio (DSCR) is at least equal to the maintenance DSCR, subject to testing at each DSCR testing date;
2) Debt-to-equity (DE) ratio does not exceed the maintenance DE, subject to testing at each DE testing date;
3) To create, permit or enter into any loan facility agreement secured or to be secured by a lien of the whole or any portion of its present and future assets other than any permitted lien;
4) To incur any indebtedness for the purpose of paying dividends on its preferred shares;
5) To enter into any investment, joint venture, partnership or similar business combination or arrangement in relation to the project or otherwise;
6) To pay dividends to its shareholders, repay any shareholder loans and make any other payment to shareholders or its affiliates under any project document;
7) To sell or dispose any assets;
8) To withdraw from the debt service reserve account, except in accordance with the financing documents.

As at December 31, 2024 and 2023, JSI has been compliant with the covenants contained in the OLSA.

The carrying amounts of long-term debts of JSI with ICBC and SBC, net of unamortized debt issue cost, follows:

	2024	2023
Balances at January 1	**₱1,457,585**	₱1,240,500
Drawdowns	**–**	350,000
Payments	**(169,350)**	(132,915)
	1,288,235	1,457,585
Less unamortized debt issue cost	**(16,425)**	(22,873)
Balances at December 31	**1,271,810**	1,434,712
Less noncurrent portion	**1,090,410**	1,265,362
Current portion	**₱181,400**	₱169,350

The movements of the unamortized debt issue costs as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at January 1	**₱22,873**	₱28,844
Amortization	**(6,448)**	(5,971)
Balances at December 31	**₱16,425**	₱22,873

Interest expense on ICBC and SBC loans of JSI in 2024, 2023 and 2022 are summarized below:

	2024	2023	2022
Interest on loans	**₱103,658**	₱99,348	₱42,529
Amortization of debt issue costs	**6,448**	5,971	3,055
	₱110,106	₱105,319	₱45,584

The capitalized borrowing costs pertaining to this loan amounted to nil in 2024 and 2023, and ₱8.1 million in 2022.

TBEA
In accordance with the Agreement on Shareholders Advances on June 17, 2020, TBEA granted JSI an unsecured term loan facility of a total cumulative principal amount of US$2.2 million to be used for the Phase 3A - 30MW Solar Project.

On September 23, 2021, NAC, JSI, EPI and TBEA executed the Supplemental Agreement on Shareholder Advances to agree on the shareholder advances for JSI's development of Phase 3B - 38MW. Under the terms of the Supplemental Agreement, TBEA grants JSI a loan facility amounting to US$2.9 million.

Total payments for the loan in 2023 amounted to ₱33.8 million. On October 27, 2023, the BOD of JSI approved the conversion of the outstanding loans amounting to ₱143.0 million into equity of JSI.

Details of the drawdowns are as follows:

Phase	Drawdowns	Drawdown Date	Maturity Date	Interest Rate	Amount	Debt Issue Costs
3A	First	July 23, 2020	June 17, 2025	5.00%	₱60,806	₱456
	Second	August 27, 2020	June 17, 2025	5.00%	24,127	181
	Third	November 23, 2020	June 17, 2025	5.00%	10,761	81
	Fourth	February 26, 2021	June 17, 2025	5.00%	13,422	101
3B	First	January 17, 2022	June 17, 2025	5.00%	124,861	937
	Second	June 20, 2022	June 17, 2025	5.00%	25,902	194
					₱259,879	₱1,950

Interest expense on TBEA loans of JSI in 2024, 2023 and 2022 are summarized below:

	2024	2023	2022
Interest on loans	**₱–**	₱6,803	₱10,118
Amortization of debt issue costs	**–**	968	778
	₱–	₱7,771	₱10,896

The capitalized borrowing costs pertaining to this loan amounted to nil in 2024 and 2023, and ₱7.0 million in 2022.

TMC Loan
On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former an unsecured loan facility amounting to a total of US$35.0 million at a prevailing one hundred eighty (180)-day British Banker Association London Inter-Bank Offered Rate (LIBOR) plus 2.00% spread, to exclusively finance the construction of the pier facilities within the Taganito Special Economic Zone (TSEZ). In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to Term Secured Overnight Financing Rate (TSOFR) plus an adjustment of 0.43%.

The interest on the loan is payable semi-annually, on October 10 and April 10. The total principal is payable in semi-annual installments of US$0.9 million starting on October 10, 2011 up to April 10, 2031.

The carrying amounts of long-term debt of TMC with THNC follows:

	2024	2023
Balances at January 1	**₱726,731**	₱829,355
Payments	**(75,546)**	(75,546)
Effect of changes in foreign exchange rate (see Note 29)	**6,802**	(27,078)
Balances at December 31	**657,987**	726,731
Less noncurrent portion	**556,758**	629,833
Current portion	**₱101,229**	₱96,898

Interest expense pertaining to this loan in 2024, 2023 and 2022 amounted to ₱54.1 million, ₱56.2 million and ₱32.9 million, respectively (see Notes 28 and 32).

The Omnibus Agreement provides for restriction with respect to creation, assumption, incurrence, and permission to exist any lien upon the pier facilities and all TMC's other real rights over the same except as permitted under the Omnibus Agreement. Also, the Omnibus Agreement provides for certain conditions which include, among others, maintenance and preservation of TMC's corporate existence, rights, privileges and licenses, prompt submission of written notice to THNC of any and all litigations and administrative arbitration proceedings before any Governmental authority affecting TMC, prompt payment of all amounts due under the loan documents and maintenance of all Governmental approvals necessary to perform the obligations. As at December 31, 2024 and 2023, TMC is in compliance with the restrictions.

DMC Loan
SBC granted an ₱843.0 million loan facility to DMC to finance the construction of its permanent causeway. Interest is based on quarterly floater for seven (7) years using Bangko Sentral ng Pilipinas overnight lending facility rate plus the credit spread. Interest is payable monthly for a period of seven (7) years commencing on the initial drawdown date until maturity.

Details of the drawdowns are as follows:

Drawdown Dates	Maturity Dates	Interest Rate**	Amount	Debt Issue Costs
August 16, 2023	August 16, 2030	6.82% to 7.18%	₱9,465	₱71
August 16, 2023	August 16, 2030	6.82% to 7.18%	81,743	613
September 1, 2023	August 16, 2030	6.75% to 7.18%	156,823	1,176

(Forward)

Drawdown Dates	Maturity Dates	Interest Rate**	Amount	Debt Issue Costs
October 27, 2023	August 16, 2030	7.00% to 7.07%	₱32,458	₱243
November 22, 2023	August 16, 2030	7.00% to 7.02%	59,977	450
December 27, 2023	August 16, 2030	7.00%	200,795	1,506
February 5, 2024	August 16, 2030	7.00%	17,855	134
June 28, 2024	August 16, 2030	7.00%	10,050	75
August 16, 2024	August 16, 2030	7.00%	14,979	112
August 30, 2024	August 16, 2030	6.92%	17,969	135
			₱602,114	₱4,515

*** Interest rates are subject to quarterly repricing*

The carrying amounts of long-term debts of DMC with SBC, net of unamortized debt issue cost, follows:

	2024	2023
Balances at January 1	**₱530,108**	₱–
Drawdowns	**60,853**	541,261
Payment	**(84,451)**	(11,153)
	506,510	530,108
Less unamortized debt issue cost	**(3,770)**	(3,951)
Balances at December 31	**502,740**	526,157
Less noncurrent portion	**413,220**	446,641
Current portion	**₱89,520**	₱79,516

The movements of the unamortized debt issue costs as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balances at January 1	**₱3,951**	₱–
Additions	**456**	4,059
Amortization	**(637)**	(108)
Balances at December 31	**₱3,770**	₱3,951

Interest expense on SBC loans of DMC in 2024, 2023 and 2022 are summarized below:

	2024	2023	2022
Interest on loans	**₱40,933**	₱7,039	₱–
Amortization of debt issue costs	**637**	108	–
	₱41,570	₱7,147	₱–

The capitalized borrowing costs pertaining to this loan amounted to ₱27.0 million in 2024, ₱7.1 million in 2023 and nil in 2022 (see Notes 9 and 28).

The Term Loan Agreement of DMC with SBC provides for certain conditions and/or restrictions, but are not limited to the following:

1) DE ratio of at most 1.50x defined as total liabilities less advances from stockholders divided by total equity plus advances from stockholders;
2) DSCR of at least 1.15x defined as earnings before interest, taxes, depreciation, and amortization divided by interest expense plus prior year's current portion of long-term debt;

3) The borrower shall only pay interest on any subordinated loans, pay dividends, and repay any portion of its subordinated loans and/or advances from stockholders provided that the distribution DSCR is at least 1.25x and DMC's DE ratio should not be more than 1.50x;
4) As long as any of the credit obligations remain unpaid, DMC will not, without prior written consent of SBC, create or permit to exist any mortgage or pledge lien or any encumbrance on all free assets now owned or hereafter acquired by DMC.

As at December 31, 2024 and 2023, DMC has been compliant with the covenants contained in the loan facility and agreements.

15. Provision for Mine Rehabilitation and Decommissioning

	2024	2023
Balances at January 1	**₱909,551**	₱791,060
Accretion of interest on provision for mine rehabilitation and decommissioning (see Note 28)	**41,801**	31,655
Effect of change in estimate (see Notes 9 and 29)	**(23,954)**	86,836
Balances at December 31	**₱927,398**	₱909,551

Provision for mine rehabilitation and decommissioning pertains to the estimated decommissioning costs to be incurred in the future on the mined-out areas of the Group.

The Group makes full provisions for the future cost of rehabilitating the mine site and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of rehabilitation costs. These provisions have been created based on the Group's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future ore prices, which are inherently uncertain.

16. Equity

Capital Stock

The capital structure of the Parent Company follows:

	2024	2023
Common stock - ₱0.50 par value per share		
Authorized - 19,265,000,000 shares		
Issued - 13,985,547,094 shares in 2024 and 2023		
Outstanding - 13,931,125,094 shares in 2024 and 2023	**₱6,992,774**	₱6,992,774
Preferred stock - ₱0.01 par value per share		
Authorized and Issued - 720,000,000 shares	**7,200**	7,200
	₱6,999,974	₱6,999,974

Outstanding Common Stock
As at December 31, 2024 and 2023, a total of 10,296,459,939 common shares and 7,718,357,612 common shares, respectively, of the outstanding common shares of the Parent Company are registered in the name of ninety-five (95) and eighty-eight (88) shareholders, respectively, while the balance of 3,634,665,155 common shares and 6,212,767,482 common shares, respectively, are lodged with the Philippine Depository and Trust Corporation.

The movement in outstanding common stock follows:

	Number of Shares		
	Issued	Treasury	Outstanding
Balances at December 31, 2022	13,685,272,117	(54,422,000)	13,630,850,117
Exercise of stock options	300,274,977	–	300,274,977
Balances at December 31, 2023 and 2024	13,985,547,094	(54,422,000)	13,931,125,094

Preferred Stock
The preferred share is voting, non-participating but with a fixed cumulative dividend rate of 7% per annum (p.a.).

Additional Paid-in Capital
The movements in additional paid-in capital follows:

	2024	2023
Balances at January 1	**₱9,205,802**	₱8,271,900
Exercise of stock options	–	565,361
Reclassification adjustment from cost of share-based payment plan upon exercise of stock options (see Note 17)	–	368,541
Balances at December 31	**₱9,205,802**	₱9,205,802

Cost of Share-based Payment Plan
On April 5, 2018, the BOD of the Parent Company approved the adoption of Executive Stock Option Plan (ESOP; the Plan) which was ratified by the Parent Company's stockholders on May 28, 2018. A total of 375 million shares of stock were reserved for issue under the Plan.

The basic terms and conditions of the stock option plan are disclosed in Note 17.

Dividends
Dividends declared and paid by the Parent Company are as follows:

Year	Type of Dividend	Date of Declaration	Date of Record	Amount Declared	Dividend per Share	Date of Payment
2024	***Cash Dividends***					
	Regular	**March 13, 2024**	**March 27, 2024**	**₱1,114,490**	**₱0.08**	**April 12, 2024**
	Special	**March 13, 2024**	**March 27, 2024**	**696,556**	**0.05**	**April 12, 2024**
2023	*Cash Dividends*					
	Regular	March 14, 2023	March 29, 2023	₱2,317,245	₱0.17	April 12, 2023
	Special	November 9, 2023	November 24, 2023	973,273	0.07	December 7, 2023
2022	*Cash Dividends*					
	Regular	March 10, 2022	March 24, 2022	₱2,317,245	₱0.17	April 7, 2022
	Special	March 10, 2022	March 24, 2022	681,542	0.05	April 7, 2022
	Special	November 10, 2022	November 24, 2022	3,135,096	0.23	December 9, 2022

Appropriation of Retained Earnings
Parent Company
On November 27, 2018, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱1,500.0 million in relation to the share buy-back program of the Parent Company.
On November 6, 2020, the Parent Company's BOD approved the reversal of the appropriation of up to ₱1,365.0 million which took effect on December 2, 2020, the end of the Parent Company's share buy-back program.

Treasury Stock
On November 27, 2018, the BOD of the Parent Company approved to undertake a two (2)-year share buy-back program authorizing management to buy from the market at its discretion the Parent Company's common shares up to an aggregate value of ₱1,500.0 million. As at December 31, 2024 and 2023, the Parent Company purchased from the market a total of 54,422,000 of its own common shares at an average price of ₱2.4625 per share or a total of ₱134.0 million.

17. **Executive Stock Option Plan**

On April 5, 2018, the Plan was approved by the Parent Company's BOD and was ratified by the stockholders on May 28, 2018. On February 18, 2020, the Plan was approved by the SEC. The basic terms and conditions of the Plan are as follows:
1. The Plan covered up to 375 million shares allocated to the Parent Company's eligible participants, such as the directors and officers of the Parent Company and its operating subsidiaries, including CEXCI, specifically those with positions of Assistant Vice President and higher, including the Resident Mine Managers of the subsidiaries.
2. The grant dates were from June 15, 2018 to June 3, 2022 and exercise prices, after the effect of stock dividends, range from ₱1.47 to ₱6.31.
3. The term of the Plan was five (5) years, and the shares vested to the participant at the rate of 25% after the first year of the Plan.
4. The participant can exercise the vested options by giving notice within the term of the Plan and can opt to either purchase the shares at the exercise price or request the Parent Company to advance the purchase price and to sell the shares in which case the participant will receive the sales proceeds less the exercise price.

The fair value of the stock option ranges from ₱0.11 to ₱2.90, which was estimated as at grant date using the Black Scholes-Merton model, taking into consideration the terms and conditions upon which the options were granted.

The following table illustrates the number of stock options and its movements during the year:

	Number of Options		Weighted Average Exercise Price	
	2024	2023	**2024**	2023
Balances at January 1	–	304,345,014	₱–	₱2.44
Exercised	–	(300,274,977)	–	(2.38)
Forfeited	–	(4,070,037)	–	(6.31)
Balances at December 31	–	–	₱–	₱–

On December 21, 2022, the Parent Company's BOD approved to extend the exercise period of the options under the Plan until December 13, 2023. On February 3, 2023, the PSE approved the listing of up to 304,345,014 unissued common shares to cover the Plan.

As at December 31, 2023, the Plan was completely exercised and the weighted average stock price at exercise dates was ₱6.28.

The movements in the cost of share-based payment plan included in equity are as follows:

	2024	2023
Balances at January 1	**₱154,296**	₱522,837
Cost of share-based payment recognized as capital upon exercise (see Note 16)	–	(368,541)
Balances at December 31	**₱154,296**	₱154,296

The cost of share-based payment plan amounting to nil in 2024 and 2023 and ₱49.4 million in 2022 are included in "Personnel costs" (see Note 25).

18. Earnings Per Share

The following reflects the income and share data used in the basic and diluted EPS computations:

	2024	2023	2022
Net income attributable to equity holders of the parent	**₱1,521,458**	₱3,749,656	₱7,931,150
Preferred stock dividends	**504**	504	504
Net income attributable to equity holders of the parent for basic earnings	**1,520,954**	3,749,152	7,930,646
Dividends on dilutive potential ordinary shares	–	–	–
Net income attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**₱1,520,954**	₱3,749,152	₱7,930,646
Weighted average number of common shares for basic EPS	**13,931,125,094**	13,835,385,905	13,630,850,117
Effect of dilution from stock options	–	–	–
Weighted average number of common shares adjusted for the effect of dilution	**13,931,125,094**	13,835,385,905	13,630,850,117
Basic/Diluted EPS	**₱0.11**	₱0.27	₱0.58

There have been no other transactions involving ordinary shares or potential ordinary shares between the end of the financial reporting period and the date of authorization of the consolidated financial statements.

19. **Cost of Sales**

	2024	2023	2022
Cost of sale of:			
Ore	**₱8,476,004**	₱7,819,986	₱7,755,214
Limestone	**114,969**	144,508	175,775
	₱8,590,973	₱7,964,494	₱7,930,989

Details of cost of sales follow:

	2024	2023	2022
Production overhead	**₱3,861,211**	₱3,852,466	₱3,655,317
Contract fees and other services	**2,258,017**	1,861,001	1,737,242
Personnel costs (see Note 25)	**1,668,456**	1,587,207	1,471,037
Depreciation, depletion and amortization (see Note 26)	**1,157,528**	1,149,768	951,578
Long-term stockpile inventory sold	**32,224**	–	10,311
	8,977,436	8,450,442	7,825,485
Net changes in beneficiated nickel ore and limestone	**(386,463)**	(485,948)	105,504
	₱8,590,973	₱7,964,494	₱7,930,989

Production overhead consists of fuel, oil and lubricants, materials and supplies, equipment rentals and other miscellaneous charges.

Contract and other service fees pertain to services offered by the contractors related to the mining activities of the Group. These services include, but are not limited to, hauling, stevedoring, maintenance, and security.

20. **Cost of Services**

	2024	2023	2022
Contract fees and other services	**₱187,949**	₱1,048,056	₱519,060
Personnel costs (see Note 25)	**148,140**	160,293	120,116
Depreciation (see Note 26)	**146,243**	139,211	108,581
Overhead	**145,825**	203,223	154,478
	₱628,157	₱1,550,783	₱902,235

21. Cost of Power Generation

	2024	2023	2022
Depreciation and amortization (see Note 26)	**₱337,892**	₱338,090	₱292,578
Overhead	**120,639**	53,273	49,838
Contract fees and other services	**57,362**	51,070	25,827
Materials and supplies	**54,965**	44,327	10,317
Personnel costs (see Note 25)	**32,164**	28,764	25,333
	₱603,022	₱515,524	₱403,893

Overhead in cost of power generation consists of insurance, taxes and licenses, utilities and other miscellaneous charges.

22. Shipping and Loading Costs

	2024	2023	2022
Contract fees and other services	**₱1,365,628**	₱1,370,101	₱1,347,064
Supplies and fuel, oil and lubricants	**567,543**	532,942	552,912
Depreciation and amortization (see Note 26)	**180,291**	152,248	142,720
Personnel costs (see Note 25)	**154,697**	118,569	119,162
	₱2,268,159	₱2,173,860	₱2,161,858

23. Excise Taxes and Royalties

	2024	2023	2022
Royalties (see Notes 38e and 38o)	**₱917,026**	₱1,011,690	₱1,456,752
Excise taxes (see Note 38e)	**790,277**	862,155	1,029,560
	₱1,707,303	₱1,873,845	₱2,486,312

24. General and Administrative

	2024	2023	2022
Personnel costs (see Note 25)	**₱625,201**	₱587,925	₱584,297
Professional fees and other services	**253,738**	207,059	167,710
Taxes and licenses	**241,721**	240,480	169,620
Depreciation and amortization (see Note 26)	**162,291**	156,476	156,210
Dues and subscription	**67,113**	48,908	38,559
Publicity and promotion	**66,070**	70,376	40,129
Transportation and travel	**45,036**	61,763	32,816
Insurance	**39,721**	35,589	15,458

(Forward)

	2024	2023	2022
Supplies	**₱25,232**	₱38,302	₱22,752
Communications, light and water	**17,734**	15,822	15,697
Entertainment, amusement and recreation	**11,453**	12,373	10,036
Rentals	**9,970**	26,250	3,226
Repairs and maintenance	**2,422**	4,142	836
Donations	**1,572**	–	20,000
Others	**48,932**	37,343	28,932
	₱1,618,206	₱1,542,808	₱1,306,278

Other general and administrative expenses are comprised of other service fees and other numerous transactions with minimal amounts.

25. **Personnel Costs**

	2024	2023	2022
Salaries, wages and employee benefits	**₱2,508,184**	₱2,382,816	₱2,149,814
Pension cost (see Note 34)	**120,474**	99,942	120,736
Cost of share-based payment plan	–	–	49,395
	₱2,628,658	₱2,482,758	₱2,319,945

The above is distributed as follows:

	2024	2023	2022
Cost of:			
Sales (see Note 19)	**₱1,668,456**	₱1,587,207	₱1,471,037
Services (see Note 20)	**148,140**	160,293	120,116
Power generation (see Note 21)	**32,164**	28,764	25,333
General and administrative (see Note 24)	**625,201**	587,925	584,297
Shipping and loading costs (see Note 22)	**154,697**	118,569	119,162
	₱2,628,658	₱2,482,758	₱2,319,945

26. Depreciation, Depletion and Amortization

The amounts of depreciation, depletion and amortization expense, including amortization of ROU assets and intangibles, are distributed as follows:

	2024	2023	2022
Cost of:			
Sales (see Note 19)	**₱1,157,528**	₱1,149,768	₱951,578
Power generation (see Note 21)	**337,892**	338,090	292,578
Services (see Note 20)	**146,243**	139,211	108,581
Shipping and loading costs (see Note 22)	**180,291**	152,248	142,720
General and administrative (see Note 24)	**162,291**	156,476	156,210
Others	**43,707**	69,862	11,342
	₱2,027,952	₱2,005,655	₱1,663,009

The above is distributed as follows:

	2024	2023	2022
Property and equipment (see Note 9)	**₱1,989,141**	₱1,977,562	₱1,603,031
Intangibles under "Other noncurrent assets" (see Note 12)	**38,811**	28,093	59,978
	₱2,027,952	₱2,005,655	₱1,663,009

27. Finance Income

	2024	2023	2022
Interest income from:			
Cash and cash equivalents (see Note 4)	**₱551,821**	₱467,877	₱128,499
Financial assets at (see Note 7):			
FVTPL	**20,616**	–	2,159
FVOCI	**20,165**	17,359	19,628
Amortized cost	**13,255**	13,288	13,775
MRF (see Note 12)	**19,911**	17,001	5,990
Pension (see Note 34)	**1,243**	1,221	324
SDMP funds (see Note 12)	**65**	70	79
Short-term cash investments	**–**	6,158	11,448
Negotiable instruments	**–**	1,016	1,390
Loans	**–**	40	5,322
Others	**389**	35	8
Gain on forward contracts - net (see Note 37)	**68,428**	–	–
	₱695,893	₱524,065	₱188,622

28. **Finance Expenses**

	2024	2023	2022
Interest expense on:			
Long-term debts (see Notes 14 and 32)	**₱178,751**	₱169,338	₱74,296
Short-term debts (see Note 14)	**118,956**	125,562	88,743
Pension (see Note 34)	**17,233**	23,862	31,003
Accretion of interest on:			
Lease liabilities (see Note 33)	**91,192**	63,704	54,742
Provision for mine rehabilitation and	**41,801**	31,655	21,196
Long-term payable	**–**	–	307
Guarantee service fee (see Notes 32 and 38f)	**34,853**	32,580	36,496
	₱482,786	₱446,701	₱306,783

29. **Other Income (Charges)** - net

	2024	2023	2022
Reversals of allowance (provisions) for impairment losses on:			
Geothermal exploration and evaluation assets (see Note 11)	**(₱1,912,316)**	₱–	₱–
Input VAT (see Notes 8 and 12)	**(114,896)**	(69,382)	(46,040)
Project development costs (see Note 12)	**(20,977)**	–	–
Advances and deposits to suppliers and contractors (see Notes 8 and 12)	**(18,431)**	(113,541)	(18,268)
Materials and supplies (see Note 6)	**(14,741)**	(10,154)	–
Investment in an associate (see Notes 8 and 10)	**(1,935)**	–	–
Deferred mine exploration costs (see Note 12)	**–**	(64,663)	(630)
Beneficiated nickel ore inventory	**–**	–	27,621
Foreign exchange gains (losses) - net	**411,282**	(79,438)	1,215,172

(Forward)

	2024	2023	2022
Gain (loss) on:			
Write-off of input VAT	**(₱87,699)**	(₱723)	(₱46,078)
Sale of property and equipment	**52,875**	20,493	9,682
Changes in fair value of financial assets at FVTPL (see Note 7)	**25,475**	226,857	(493,303)
Sale of financial assets at FVOCI	**1**	–	(1,609)
Retirement of property and equipment	**–**	(15,243)	–
Gain (loss) on:			
Write-off of prepayments and other current and noncurrent assets	**–**	(6,645)	–
Write-off of inventories	**–**	(2,532)	–
Sale of investment in a subsidiary (see Note 1)	**–**	–	46,447
Rent income	**60,964**	63,388	91,380
Dividend income (see Note 7)	**55,188**	29,634	37,168
Provision for ECL on trade and other receivables - net (see Note 5)	**(6,144)**	(14,999)	–
Trust fee	**(5,736)**	(10,033)	(22,138)
Gain on bargain purchase	**446**	–	–
Effect of change in estimate on provision for mine rehabilitation and decommissioning (see Note 15)	**–**	7,601	–
Others - net	**20,133**	60,872	42,402
	(₱1,556,511)	₱21,492	₱841,806

Breakdown of foreign exchange gains (losses) - net follows:

	2024	2023	2022
Realized foreign exchange gains (losses) - net	**₱117,494**	(₱69,824)	₱1,242,919
Unrealized foreign exchange gains (losses) - net on:			
Cash and cash equivalents	**241,360**	7,337	(171,485)
Financial assets at FVTPL (see Note 7)	**47,110**	(31,680)	65,502
Trade and other receivables	**8,451**	(15,438)	9,820
Long-term debts (see Note 14)	**(6,802)**	27,078	(57,043)
Trade and other payables	**3,669**	3,089	136,319
Prepayments and other current assets	**–**	–	(10,860)
	₱411,282	(₱79,438)	₱1,215,172

30. Revenue from Contracts with Customers

Disaggregated Revenue Information
The tables below show the disaggregation of revenues of the Group by location of the customers for sale of ore and limestone, type of services rendered for sale of services and others and source of electricity for sale of power for the years ended December 31, 2024, 2023 and 2022:

2024	**China**	**Local**	**Singapore**	**Japan**	**Total**
Sale of (see Note 32)**:**					
Ore	**₱11,626,521**	**₱4,449,717**	**₱3,117,983**	**₱364,989**	**₱19,559,210**
Limestone	**–**	**194,750**	**–**	**–**	**194,750**
	₱11,626,521	**₱4,644,467**	**₱3,117,983**	**₱364,989**	**₱19,753,960**

2023	China	Local	Singapore	Japan	Total
Sale of (see Note 32):					
Ore	₱14,764,681	₱6,127,050	₱–	₱487,160	₱21,378,891
Limestone	–	174,972	–	–	174,972
	₱14,764,681	₱6,302,022	₱–	₱487,160	₱21,553,863

2022	China	Local	Singapore	Japan	Total
Sale of (see Note 32):					
Ore	₱16,971,601	₱7,810,296	₱–	₱741,539	₱25,523,436
Limestone	–	215,573	–	–	215,573
	₱16,971,601	₱8,025,869	₱–	₱741,539	₱25,739,009

	2024	2023	2022
Services and others			
(see Note 32)			
Materials handling and others	**₱1,229,340**	₱2,265,057	₱1,490,693
Sale of power (see Note 38g)			
Solar	**₱1,133,384**	₱687,522	₱609,518
Diesel	**74,405**	59,686	29,591
	₱1,207,789	₱747,208	₱639,109

Timing of recognition:

	2024	2023	2022
At a point in time	**₱19,753,960**	₱21,553,863	₱25,739,009
Over time	**2,437,129**	3,012,265	2,129,802
	₱22,191,089	₱24,566,128	₱27,868,811

All revenue from sale of ore and limestone are recognized at a point in time when control transfers to the customer, which occurs at a point in time when the ore is physically and completely transferred into a vessel or when the ore passes into the ore preparation hopper of the HPAL plants and when the limestone was delivered to the buyer.

Revenue from sale of services and others is recognized over time or as the services are rendered while revenue from sale of power is recognized over time based on the actual energy dispatched.

31. **Material Partly Owned Subsidiaries**

Financial information of subsidiaries that have material NCI are provided below:

Proportion of equity interest held by NCI:

	Principal Place of Business	**2024**	2023
RTN	Philippines	**40.00%**	40.00%
TMC	Philippines	**35.00%**	35.00%

Equity attributable to material NCI:

	2024	2023
RTN	**₱2,113,951**	₱1,960,376
TMC	**2,559,383**	2,708,394

Net income attributable to material NCI:

	2024	2023
RTN	**₱642,013**	₱909,198
TMC	**894,776**	1,229,069

Other comprehensive income (loss) attributable to material NCI:

	2024	2023
RTN	**₱31,563**	(₱25,566)
TMC	**6,214**	(11,883)

The summarized financial information of these subsidiaries is based on amounts before inter-company eliminations.

The summarized statements of comprehensive income for the years ended December 31, 2024 and 2023 follows:

	2024		2023	
	RTN	**TMC**	RTN	TMC
Revenues	**₱4,887,990**	**₱9,334,494**	₱6,171,167	₱10,480,113
Cost of sales and services	**(2,192,051)**	**(3,888,221)**	(2,448,749)	(3,446,603)
Operating expenses	**(792,702)**	**(2,267,383)**	(954,590)	(2,472,454)
Finance income - net	**109,419**	**100,756**	146,497	2,807
Other income - net	**86,438**	**76,037**	56,385	42,003
Income before income tax	**2,099,094**	**3,355,683**	2,970,710	4,605,866
Provision for income tax - net	**(494,062)**	**(799,181)**	(697,716)	(1,094,240)
Net income	**1,605,032**	**2,556,502**	2,272,994	3,511,626
Other comprehensive income (loss) - net	**78,907**	**17,753**	(63,914)	(33,953)
Total comprehensive income - net	**₱1,683,939**	**₱2,574,255**	₱2,209,080	₱3,477,673
Attributable to NCI	**₱673,576**	**₱900,989**	₱883,632	₱1,217,186
Dividends to NCI	**520,000**	**1,050,000**	900,000	700,000

The summarized statements of financial position as at December 31, 2024 and 2023 follows:

	RTN		TMC	
	2024	2023	**2024**	2023
Current assets	**₱2,347,074**	₱2,431,306	**₱4,797,764**	₱4,781,163
Noncurrent assets	**4,231,937**	4,127,457	**4,688,123**	4,819,519
Current liabilities	**(947,201)**	(1,121,648)	**(1,270,600)**	(799,255)
Noncurrent liabilities	**(346,932)**	(536,176)	**(902,763)**	(1,063,159)
Total equity	**₱5,284,878**	₱4,900,939	**₱7,312,524**	₱7,738,268
Attributable to equity holders of the parent	**₱3,170,927**	₱2,940,563	**₱4,753,141**	₱5,029,874
NCI	**2,113,951**	1,960,376	**2,559,383**	2,708,394

The summarized cash flow information for the years ended December 31, 2024 and 2023 follows:

	RTN		TMC	
	2024	2023	**2024**	2023
Operating	**₱1,157,407**	₱3,690,895	**₱3,406,264**	₱3,758,538
Investing	**(455,870)**	(926,722)	**(704,188)**	(1,126,761)
Financing	**(1,304,790)**	(2,254,925)	**(2,659,188)**	(2,157,018)
Net increase (decrease) in cash and cash equivalents	**(₱603,253)**	₱509,248	**₱42,888**	₱474,759

32. **Related Party Transactions**

Set out on the next page are the Group's transactions with related parties in 2024, 2023 and 2022, including the corresponding assets and liabilities arising from the said transactions as at December 31, 2024 and 2023.

	Amount			Trade and Other Receivables (see Note 5)		Trade and Other Payables (see Note 13)		Amounts Owed by Related Parties (see Note 5)		Prepayments and Other Current and Noncurrent Assets (see Notes 8 and 12)		Short-term and Long-term Debts (see Note 14)			
	2024	2023	2022	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	Terms	Conditions
Stockholders															
PAMCO															
Sale of ore	**₱364,989**	₱487,160	₱741,539	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	80% to 90% upon receipt of documents and 20% to 10% after the final dry weight and applicable assay have been determined; noninterest-bearing	Unsecured; no guarantee
Other services and fees	**3,600**	3,941	4,027	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest-bearing	Unsecured; no guarantee
Reimbursable charges	**2,322**	3,744	94	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	Payable on demand; noninterest-bearing	Unsecured; no guarantee
SMM															
Guarantee service fee (see Notes 28 and 38f)	**34,853**	32,580	36,496	**–**	–	**9,525**	8,963	**–**	–	**–**	–	**–**	–	Payable every twenty first (21st) of February, March, August and September; noninterest-bearing	Unsecured
Jose Isidro N. Camacho															
Consultancy fees	**1,750**	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	Payable upon billing; noninterest-bearing	Unsecured; no guarantee
With Common Stockholders															
Manta															
Rentals, dues and utilities	**78,214**	69,613	46,055	**–**	–	**241**	977	**–**	–	**–**	–	**–**	–	Payable upon billing; noninterest-bearing	Unsecured; no guarantee
Rental deposits	**–**	10,103	–	**–**	–	**–**	–	**–**	–	**19,232**	19,232	**–**	–	Collectible at the end of the lease; noninterest-bearing	Unsecured; no guarantee
Reimbursable charges	**–**	–	73	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	Collectible upon billing; noninterest-bearing	Unsecured; no guarantee
Associates															
CBNC															
Sale of ore and limestone	**2,033,375**	2,668,742	3,466,438	**162,081**	175,861	**–**	–	**–**	–	**–**	–	**–**	–	Thirty (30) days term; noninterest-bearing	Unsecured; no guarantee
Materials handling	**714,687**	1,739,739	1,026,563	**22,764**	357,759	**–**	–	**–**	–	**–**	–	**–**	–	Fifteen (15) days term; noninterest-bearing	Unsecured; no guarantee
Infralease and throughput	**5,835**	8,669	5,832	**14,894**	36,279	**–**	–	**–**	–	**–**	–	**–**	–	Collectible at the end of February and August; noninterest-bearing	Unsecured; no guarantee
Other income - net	**60,982**	72,414	67,214	**56,486**	61,996	**–**	–	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest-bearing	Unsecured; no guarantee

(Forward)

	Amount			Trade and Other Receivables (see Note 5)		Trade and Other Payables (see Note 13)		Amounts Owed by Related Parties (see Note 5)		Prepayments and Other Current and Noncurrent Assets (see Notes 8 and 12)		Short-term and Long-term Debts (see Note 14)			
	2024	2023	2022	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	Terms	Conditions
Sale of ore	**₱2,611,092**	₱3,629,308	₱4,548,032	**₱209,745**	₱257,626	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	Thirty (30) days term, noninterest-bearing	Unsecured; no guarantee
Materials handling	**310,359**	329,542	302,328	**27,739**	48,361	**–**	–	**–**	–	**–**	–	**–**	–	Fifteen (15) days term; noninterest-bearing	Unsecured; no guarantee
Rendering of service (see Note 38b)	**161,842**	149,251	123,027	**47,571**	41,695	**–**	–	**–**	–	**–**	–	**–**	–	Semi-annual term; noninterest-bearing	Unsecured; no guarantee
Rental income (see Note 38l)	**7,680**	7,680	7,062	**–**	7,680	**–**	–	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest-bearing	Unsecured; no guarantee
Loan facility (see Note 14)	**–**	–	–	**–**	–	**–**	–	**–**	–	**–**	–	**657,987**	726,731	Principal is payable in semi-annual installments; interest is based on one hundred eighty (180)-day British Banker Association LIBOR plus 2% spread or TSOFR plus 0.43%	Unsecured; no guarantee
Interest expense on long-term debt (see Notes 14 and 28)	**54,095**	56,248	32,894	**–**	–	**8,892**	11,226	**–**	–	**–**	–	**–**	–	Payable semi-annually on April 10 and October 10	Unsecured; no guarantee
Reimbursable charges	**–**	758	14,240	**–**	–	**–**	–	**801**	801	**–**	–	**–**	–	Collectible upon billing; noninterest-bearing; with allowance for ECL of ₱4.2 million as at December 31, 2024 and 2023	Unsecured; no guarantee
BGI															
Reimbursable charges	**–**	–	–	**–**	–	**–**	–	**259,196**	223,809	**–**	–	**–**	–	Collectible upon billing; noninterest-bearing	Unsecured; no guarantee
Affiliates															
Shell Energy Philippines, Inc (SEPI)															
Sale of power	**491,240**	463,268	301,531	**103,114**	34,580	**–**	–	**–**	–	**–**	–	**–**	–	Collectible upon billing; noninterest-bearing	Unsecured; no guarantee
Other services and fees	**20,239**	17,616	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	Payable upon billing; noninterest-bearing	Unsecured; no guarantee

(Forward)

	Amount			Trade and Other Receivables (see Note 5)		Trade and Other Payables (see Note 13)		Amounts Owed by Related Parties (see Note 5)		Prepayments and Other Current and Noncurrent Assets (see Notes 8 and 12)		Short-term and Long-term Debts (see Note 14)			
	2024	2023	2022	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	Terms	Conditions
TBEA															
Loan facility	**₱–**	₱–	₱150,763	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	Principal is payable on or before the end of the fifth (5th) year after drawdown or on June 17, 2025; interest-bearing at 5% p.a.	Unsecured; no guarantee
Interest expense on long-term debts (see Notes 14 and 28)	**–**	7,771	10,896	**–**	–	**803**	803	**–**	–	**–**	–	**–**	–	Payable on or before the end of the fifth (5th) year after drawdown or on June 17, 2025	Unsecured; no guarantee
				₱644,394	₱1,021,837	**₱19,461**	₱21,969	**₱259,997**	₱224,610	**₱19,232**	₱19,232	**₱657,987**	₱726,731		

Terms and Conditions of Transactions with Related Parties
All sales to and purchases from related parties are made at prevailing market prices. Outstanding balances as at December 31, 2024 and 2023 pertain mainly to the extension and receipt of advances to and from related parties and these are unsecured, short-term, interest-free and settlement occurs in cash. Except for the guarantee on THNC's, EPI's and JSI's Loan Obligations (see Notes 38a and 38f), there have been no guarantees received or provided for any related party receivables or payables, respectively. This assessment is undertaken at each end of the financial reporting period through the examination of the financial position of the related party and the market in which the related party operates.

a. Sales and Service Agreements

Nickel Ore Sale Agreements with PAMCO
The Group supplies saprolite ore to PAMCO. PAMCO is a stockholder of the Parent Company, RTN and TMC. All sales made to PAMCO are transacted at prevailing market prices which are benchmarked to China prices on the basis of a negotiated price per wet metric ton (WMT) of ore. PAMCO shall pay the Group 80% to 90% of the provisional invoice amount upon receipt of the required documents and pay the final payment of each shipment after the final dry weight and applicable assay have been determined. Outstanding balances as at December 31, 2024 and 2023 are unsecured, interest-free and settlement occurs in cash. Receivable from PAMCO is included as part of "Trade and other receivables" and is expected to be collected subsequently.

Nickel Ore Sale Agreement with PAMCO and Sojitz
RTN supplies saprolite ore to PAMCO, wherein PAMCO appointed Sojitz as agent, under a sale agreement. RTN and PAMCO shall jointly assess whether the commercial production of ore at the mine is still possible. Unless commercial production becomes impossible due to the exhaustion of ore reserves in the mine, RTN, PAMCO and Sojitz shall renew the agreement with a five (5) year term. Currently, the agreement is valid until December 31, 2026. PAMCO owns 36% and Sojitz owns 4% of the outstanding capital stock of RTN.

TMC also entered into an agreement with PAMCO covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on London Metal Exchange (LME). Effective April 2014, ore sales to PAMCO are benchmarked to China prices on the basis of a negotiated price per WMT of ore. The agreement with PAMCO is valid until December 31, 2026.

The Group's revenue from sale of ore to PAMCO and/or Sojitz amounted to ₱365.0 million, ₱487.2 million and ₱741.5 million in 2024, 2023 and 2022, respectively.

Nickel Ore Supply Agreement with CBNC
RTN entered into an agreement with CBNC to supply all the limonite ore requirements for the Coral Bay HPAL facility until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. RTN has also entered into an agreement with CBNC to supply limestone. CBNC is the owner of the Coral Bay HPAL facility. Receivable from CBNC is included as part of "Trade and other receivables" and is expected to be collected subsequently.

CMC and DMC also entered into separate agreements with CBNC covering the sale of its ore products with a fixed tonnage at specific nickel grade and iron content.

Sale of ore and limestone to CBNC amounted to ₱2,033.4 million, ₱2,668.7 million and ₱3,466.4 million in 2024, 2023 and 2022, respectively.

Nickel Ore Supply Agreement with THNC
TMC entered into an agreement with THNC covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on the LME.

Sale of ore to THNC amounted to ₱2,611.1 million, ₱3,629.3 million and ₱4,548.0 million in 2024, 2023 and 2022, respectively.

Service Agreements with CBNC
CDTN entered into various service agreements with CBNC to provide ancillary services, such as materials handling, to the Coral Bay HPAL facility. The revenue of the Group related to materials handling and other services for CBNC amounted to ₱714.7 million, ₱1,739.7 million and ₱1,026.6 million in 2024, 2023 and 2022, respectively.

Materials Handling Agreement with THNC
On October 7, 2013, TMC and THNC executed an agreement wherein TMC will render services related to the handling, hauling and transport of cargo for THNC. THNC shall compensate TMC based on the prices stipulated in the agreement which are determined on the basis of the weight of the cargo. Payment is collected within fifteen (15) days from receipt of TMC's billing. The revenue of the Group related to materials handling for THNC amounted to ₱310.4 million, ₱329.5 million and ₱302.3 million in 2024, 2023 and 2022, respectively.

Power Supply Agreements with SEPI
JSI
On June 24, 2021, JSI entered into a PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 16MW from the total energy deliveries of the plant on a take and pay basis, for a period of three (3) years starting June 26, 2021. The PSA was amended twice, on August 12, 2021 and on October 20, 2021, to reflect additional short-term contracted capacity.

In October 2022, JSI entered into another PSA with SEPI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 25MW, starting December 26, 2023 from Sta. Rita Solar Power Project. An additional pro-rata share of 40MW is to be sold and delivered starting on the issuance of Energy Regulatory Commission's (ERC) Certificate of Compliance (COC) for the 100MW Subic New PV Power Project. This agreement is valid for a period of two and a half (2.5) years.

Revenue from sale of power to SEPI amounted to ₱491.2 million in 2024, ₱463.3 million in 2023 and ₱301.5 million in 2022.

SISPC
On January 2, 2024, SISPC entered a PSA with SEPI. Under the terms of the agreement, SISPC is committed to sell and deliver 100% of SISPC's capacity for Phase 1 of the San Isidro Solar Power Project which is nominally 120MW direct current subject for update by SISPC in accordance with the capacity certification of NGCP and /or ERC. The PSA has a term of fifteen (15) years from the start date, which is the earlier of February 28, 2025 or the practical completion date. The practical completion date means the stage where the project: (a) has been issued a Final Certificate of Approval to Connect by the NGCP; (b) has been registered in the WESM; (c) has been issued a Certificate of Compliance or equivalent document by the ERC; (d) is connected to the delivery point; and (e) has produced and exported power to the grid. As at December 31, 2024, the start date has not yet occurred.

Service Agreement with SEPI
On July 1, 2023, GRHI entered a into service agreement with SEPI wherein SEPI will provide advisory services as an independent contractor, such as business development, health, safety, security, and environment and technical advises, as may be permitted by applicable law and subject to adjustment by the parties. In 2024, 2023 and 2022, the fees incurred related to this agreement amounted to ₱20.2 million, ₱17.6 million and nil, respectively.

b. Stockholder Agreements

THNC Stockholder's Agreement
On September 15, 2010, NAC, SMM and Mitsui and Co., Ltd. (Mitsui) executed a Stockholder's Agreement, pursuant to which the parties formed a joint venture company, THNC, to build and operate a plant in Barangay Taganito, Claver, Surigao del Norte for the purpose of producing and selling nickel-cobalt mixed sulfide to be used in the production of electrolytic nickel and electrolytic cobalt.

Pursuant to the Stockholders Agreement, SMM granted THNC a non-exclusive license of technology owned by SMM to produce the products and has undertaken to provide technical assistance to THNC. The Parent Company has undertaken to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the land and infrastructure necessary to produce the products while Mitsui shall assist THNC in procuring materials and equipment necessary for the mine's operations. The Stockholder's Agreement shall terminate upon the dissolution of THNC.

NAC, along with the other stockholders of THNC, also agreed to make loans to THNC or guarantee the repayment of THNC's loan obligations in accordance with the financial requirements of THNC, in proportion to their shareholding ratio in THNC.

In a separate agreement, SMM agreed to assume the Parent Company's obligation to make loans to or guarantee the repayment of THNC's loan obligations. The Parent Company, in consideration of this agreement, pays SMM an annual guarantee fee of 0.60% of THNC's outstanding loan obligations (see Note 38f).

c. Compensation of Key Management Personnel

The Group considered as key management personnel the employees holding managerial positions and up. The short-term benefits of key management personnel of the Group in 2024, 2023 and 2022 amounted to about ₱489.9 million, ₱462.6 million and ₱501.1 million, respectively, inclusive of cost of share-based payment of nil in 2024 and 2023 and ₱49.4 million in 2022. The net post-employment benefits of key management personnel of the Group amounted to ₱19.9 million, ₱24.8 million and ₱13.0 million in 2024, 2023 and 2022, respectively.

The Group's related party transactions, which are 10% and above of the consolidated total assets are reviewed and approved by the Related Party Transactions Committee.

33. **Leases**

Lease Agreement with Manta
On March 18, 2013, the Group entered into a lease agreement with Manta for its office and parking space. The lease agreement is for a period of five (5) years starting May 15, 2013, and is renewable subject to negotiation of the terms and conditions and mutual agreement of both parties. The existing

lease agreements with Manta are valid until May 14, 2028 and June 30, 2028, and are subject to 5% annual escalation beginning on the second year of the lease.

Lease of Project Area from Subic Bay Metropolitan Authority (SBMA)
On April 29, 2015, JSI entered a fifty (50) year lease agreement with SBMA for the use of the 800 hectares project area located at Mt. Sta. Rita, SBFZ for its solar and wind energy projects. The lease agreement was subsequently amended to include some terms and conditions as follows:
- Investment commitment - JSI undertakes to infuse investment worth US$200.0 million on the leased areas on or before December 30, 2030.
- Power generation facility - JSI shall construct a 200MW capacity generation facility and/or power plant that uses renewable energy sources until December 31, 2030. As at December 31, 2024, JSI's Solar Project has a total capacity of 172MW (100MW in commercial operations and 72MW in testing and commissioning phase). Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.
- Term - the term of the Lease Agreement shall be for a period of fifty (50) years from August 9, 2015 and continuing until August 8, 2065.
- Renewal - subject to the extension or renewal by the SEC of JSI's corporate life as well as the consent of the Indigenous Cultural Communities (ICC) of Aeta through its Free and Prior Informed Consent, the Lease Agreement may be renewed for another twenty-five (25) years under the same terms and conditions upon mutual consent of the parties.

Lease of NGCP Facility
On September 18, 2015, JSI entered a fifty (50) year lease agreement with SBMA for the use of a 280 square meter (sq. m.) building and 2,300 sq. m. lot located near the NGCP Facility, Subic Gateway Park, SBFZ. The lease agreement is subject to a 6% annual escalation beginning on the second year of the lease.

Surface Rights Agreement with Various Landowners
CMC entered into surface rights agreements with various landowners in 2022 for the lease of mineral land located in various areas in Municipality of Cagdianao, Dinagat Islands for periods ranging from five (5) to eight (8) years, renewable upon mutual agreement by the parties.

Lease Agreement with SBMA
On December 22, 2022, NPPGC entered into a lease agreement for parcel land located in Barrio Cawag, Redondo Peninsula, SBFZ for land development for power generation, sale and marketing of electricity including renewable energy. The term of the lease is fifty (50) years, commencing on November 7, 2022, until November 6, 2072, and renewable for another fifty (50) years upon mutual agreement by the parties. The lease is subject to a 6% escalation every three (3) years beginning on the seventh year.

The lease agreement includes some terms and conditions as follows:
- Infuse investment amounting to at least ₱7,000.0 million on the leased property;
- Employ at least three hundred (300) to six hundred (600) personnel/employees during construction period and at least fifty (50) employees upon operation;
- Introduce developments on the leased property at a minimum cost of ₱4,500.0 million within a period of four (4) years;
- To fully build/construct/install within four (4) years, from the execution of the contract, the road network, building structures such as transmission tower and substation and solar panel (and other renewable structures) and attached equipment and machinery.

Lease Agreement with Monte de Tesoro Corp.
Effective July 1, 2023, through a Deed of Assignment, the lease agreement between EPI and Monte de Tesoro Corp. for the office and parking space was assigned and transferred to GRHI. The lease agreement is valid until August 19, 2025, and is subject to 5% annual escalation beginning on the second year of the lease.

Lease Agreement with Pacific Timber Export Corporation (PATECO)
On July 12, 2023, DMC entered into a lease agreement with PATECO for the latter's parcel of land for a period of three (3) years commencing on September 1, 2023 until August 31, 2026, renewable upon written agreement of the parties.

Lease Agreement with Maniquiz - JSR Corporation
On May 24, 2024, CSPC entered into a lease agreement with option to purchase for parcel land located in San Juan, Botolan, Zambales to construct and operate a solar farm. The term of the lease is thirty (30) years starting August 22, 2024, renewable for the same period upon mutual consent of the parties and is subject to 5% escalation every three (3) years.

Lease Agreement with the Province Government of Leyte
On July 9, 2024, SISPC entered into a lease agreement for parcel land located in Brgy. Daja Daku, San Isidro, Leyte for its exclusive use for the construction, operation and maintenance of the necessary tower site and transmission line right of way for its project. The lease agreement is for a period of twenty-five (25) years starting July 22, 2024, renewable for the same period upon mutual consent of the parties and is subject to 5% escalation every five (5) years.

The Group also has certain leases of properties with lease terms of twelve (12) months or less and leases of properties with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

The rollforward analysis of lease liabilities, discounted using incremental borrowing rate, follows:

	2024	2023
Balances at January 1	**₱833,421**	₱611,169
Additions (see Note 9)	**151,465**	236,295
Payments	**(102,944)**	(75,761)
Accretion of interest (see Note 28)	**91,192**	63,704
Reversal	–	(1,986)
Balances at December 31	**973,134**	833,421
Less noncurrent portion	**877,441**	779,075
Current portion	**₱95,693**	₱54,346

The following are the amounts recognized in the consolidated statements of income:

	2024	2023
Expenses relating to short-term leases	**₱704,567**	₱1,330,364
Accretion of interest on lease liabilities (see Note 28)	**91,192**	63,704
Amortization of ROU assets included in property and equipment (see Note 9)	**65,075**	56,475
Expenses relating to leases of low-value assets	**16,805**	9,850
	₱877,639	₱1,460,393

In 2024, 2023 and 2022, expenses under shipping and loading costs amounting to ₱557.5 million, ₱603.3 million and ₱620.0 million, respectively, which are covered by service agreements, are included above in compliance with PFRS 16.

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
One (1) year	**₱95,644**	₱54,345
more than one (1) year to two (2) years	**93,757**	99,835
more than two (2) years to three (3) years	**88,244**	76,839
more than three (3) years to four (4) years	**49,867**	79,484
more than four (4) years	**4,413,068**	3,535,082
	₱4,740,580	₱3,845,585

34. **Pension Liability**

The existing regulatory framework, Republic Act (RA) 7641, *The Retirement Pay Law,* requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the pension liability and pension asset recognized in the consolidated statements of financial position:

	2024	2023
Funded pension liabilities		
CMC	**₱40,490**	₱62,519
RTN	**36,746**	222,044
TMC	**7,130**	91,589
NAC	**589**	12,568
	₱84,955	₱388,720
Funded pension assets (see Note 12)		
HMC	**₱16,368**	₱15,923
DMC	**118**	2,093
	₱16,486	₱18,016

The following tables summarize the components of net pension costs recognized in the consolidated statements of income and consolidated statements of other comprehensive income and the funded status and amounts recognized in the consolidated statements of financial position for the respective plans based on the 2024, 2023 and 2022 Actuarial Valuation Reports:

Changes in defined benefit liability and fair value of pension assets in 2024, 2023 and 2022 are as follows:

	2024												
		Net benefit cost in consolidated statements of income				Remeasurements in other comprehensive income							
	January 1, 2024	Current service cost (see Note 25)	Net interest (see Notes 27 and 28)	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from demographic adjustments	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Effect of asset ceiling	Subtotal	Contributions	December 31, 2024
CMC	**₱96,383**	**₱7,949**	**₱5,899**	**₱13,848**	**(₱8,700)**	**₱–**	**₱–**	**₱690**	**₱180**	**₱–**	**₱870**	**₱–**	**₱102,401**
RTN	**630,139**	**44,236**	**38,565**	**82,801**	**(64,178)**	**–**	**971**	**(103,797)**	**1,805**	**–**	**(101,021)**	**–**	**547,741**
TMC	**467,546**	**43,088**	**28,707**	**71,795**	**(21,619)**	**–**	**–**	**(22,919)**	**2,934**	**–**	**(19,985)**	**–**	**497,737**
NAC	**125,636**	**16,153**	**7,651**	**23,804**	**–**	**–**	**(2,288)**	**3,731**	**(173)**	**–**	**1,270**	**–**	**150,710**
HMC	**63,495**	**7,171**	**3,892**	**11,063**	**(4,751)**	**–**	**–**	**339**	**319**	**–**	**658**	**–**	**70,465**
DMC	**1,312**	**1,877**	**98**	**1,975**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,287**
Defined benefit liability	**1,384,511**	**120,474**	**84,812**	**205,286**	**(99,248)**	**–**	**(1,317)**	**(121,956)**	**5,065**	**–**	**(118,208)**	**–**	**1,372,341**
CMC	**(33,864)**	**–**	**(2,875)**	**(2,875)**	**8,700**	**1,052**	**–**	**–**	**–**	**–**	**1,052**	**(34,924)**	**(61,911)**
RTN	**(408,095)**	**–**	**(27,395)**	**(27,395)**	**64,178**	**3,561**	**–**	**–**	**–**	**–**	**3,561**	**(143,244)**	**(510,995)**
TMC	**(375,957)**	**–**	**(25,766)**	**(25,766)**	**21,619**	**(1,503)**	**–**	**–**	**–**	**–**	**(1,503)**	**(109,000)**	**(490,607)**
NAC	**(113,068)**	**–**	**(7,787)**	**(7,787)**	**–**	**339**	**–**	**–**	**–**	**–**	**339**	**(29,605)**	**(150,121)**
HMC	**(79,418)**	**–**	**(4,999)**	**(4,999)**	**4,751**	**1,833**	**–**	**–**	**–**	**–**	**1,833**	**(9,000)**	**(86,833)**
DMC	**(3,405)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,405)**
Fair value of plan assets	**(1,012,348)**	**–**	**(68,822)**	**(68,822)**	**99,248**	**5,282**	**–**	**–**	**–**	**–**	**5,282**	**(325,773)**	**(1,303,872)**
CMC	**62,519**	**7,949**	**3,024**	**10,973**	**–**	**1,052**	**–**	**690**	**180**	**–**	**1,922**	**(34,924)**	**40,490**
RTN	**222,044**	**44,236**	**11,170**	**55,406**	**–**	**3,561**	**971**	**(103,797)**	**1,805**	**–**	**(97,460)**	**(143,244)**	**36,746**
TMC	**91,589**	**43,088**	**2,941**	**46,029**	**–**	**(1,503)**	**–**	**(22,919)**	**2,934**	**–**	**(21,488)**	**(109,000)**	**7,130**
NAC	**12,568**	**16,153**	**(136)**	**16,017**	**–**	**339**	**(2,288)**	**3,731**	**(173)**	**–**	**1,609**	**(29,605)**	**589**
HMC	**(15,923)**	**7,171**	**(1,107)**	**6,064**	**–**	**1,833**	**–**	**339**	**319**	**–**	**2,491**	**(9,000)**	**(16,368)**
DMC	**(2,093)**	**1,877**	**98**	**1,975**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(118)**
Pension liability	**₱388,720**	**₱111,426**	**₱16,999**	**₱128,425**	**₱–**	**₱3,449**	**(₱1,317)**	**(₱122,295)**	**₱4,746**	**₱–**	**(₱115,417)**	**(₱316,773)**	**₱84,955**
Pension asset	**(₱18,016)**	**₱9,048**	**(₱1,009)**	**₱8,039**	**₱–**	**₱1,833**	**₱–**	**₱339**	**₱319**	**₱–**	**₱2,491**	**(₱9,000)**	**(₱16,486)**

	2023												
		Net benefit cost in consolidated statements of income				Remeasurements in other comprehensive income							
	January 1, 2023	Current service cost (see Note 25)	Net interest (see Notes 27 and 28)	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from demographic adjustments	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Effect of asset ceiling	Subtotal	Contributions	December 31, 2023
CMC	₱83,276	₱7,054	₱6,046	₱13,100	(₱10,918)	₱–	₱–	₱1,663	₱9,262	₱–	₱10,925	₱–	₱96,383
RTN	528,402	37,354	38,521	75,875	(49,213)	–	–	5,576	69,499	–	75,075	–	630,139
TMC	380,989	34,763	27,889	62,652	(29,660)	–	–	(4,744)	58,309	–	53,565	–	467,546
NAC	104,017	13,401	7,499	20,900	(7,436)	–	(4,851)	4,631	8,375	–	8,155	–	125,636
HMC	54,060	6,058	3,941	9,999	(5,177)	–	–	(2,501)	7,114	–	4,613	–	63,495
DMC	–	1,312	–	1,312	–	–	–	–	–	–	–	–	1,312
Defined benefit liability	1,150,744	99,942	83,896	183,838	(102,404)	–	(4,851)	4,625	152,559	–	152,333	–	1,384,511
CMC	(28,261)	–	(2,180)	(2,180)	8,711	103	–	–	–	–	103	(12,237)	(33,864)
RTN	(292,418)	–	(24,992)	(24,992)	49,213	10,143	–	–	–	–	10,143	(150,041)	(408,095)
TMC	(242,770)	–	(21,553)	(21,553)	29,660	(8,294)	–	–	–	–	(8,294)	(133,000)	(375,957)
NAC	(97,792)	–	(7,368)	(7,368)	7,436	901	–	–	–	–	901	(16,245)	(113,068)
HMC	(69,205)	–	(5,162)	(5,162)	5,177	(1,843)	–	–	–	–	(1,843)	(8,385)	(79,418)
DMC	–	–	–	–	–	–	–	–	–	–	–	(3,405)	(3,405)
Fair value of plan assets	(730,446)	–	(61,255)	(61,255)	100,197	1,010	–	–	–	–	1,010	(323,313)	(1,013,807)
CMC	55,015	7,054	3,866	10,920	(2,207)	103	–	1,663	9,262	–	11,028	(12,237)	62,519
RTN	235,984	37,354	13,529	50,883	–	10,143	–	5,576	69,499	–	85,218	(150,041)	222,044
TMC	138,219	34,763	6,336	41,099	–	(8,294)	–	(4,744)	58,309	–	45,271	(133,000)	91,589
NAC	6,225	13,401	131	13,532	–	901	(4,851)	4,631	8,375	–	9,056	(16,245)	12,568
HMC	(15,145)	6,058	(1,221)	4,837	–	(1,843)	–	(2,501)	7,114	–	2,770	(8,385)	(15,923)
DMC	–	1,312	–	1,312	–	–	–	–	–	–	–	(3,405)	(2,093)
Pension liability	₱435,443	₱92,572	₱23,862	₱116,434	(₱2,207)	₱2,853	(₱4,851)	₱7,126	₱145,445	₱–	₱150,573	(₱311,523)	₱388,720
Pension asset	(₱15,145)	₱7,370	(₱1,221)	₱6,149	₱–	(₱1,843)	₱–	(₱2,501)	₱7,114	₱–	₱2,770	(₱11,790)	(₱18,016)

	2022												
		Net benefit cost in consolidated statements of income				Remeasurements in other comprehensive income							
	January 1, 2022	Current service cost (see Note 25)	Net interest (see Notes 27 and 28)	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from demographic adjustments	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Effect of asset ceiling	Subtotal	Contributions	December 31, 2022
CMC	₱93,058	₱8,607	₱4,755	₱13,362	(₱6,367)	₱–	₱–	₱2,048	(₱18,825)	₱–	(₱16,777)	₱–	₱83,276
RTN	626,593	46,899	32,144	79,043	(65,511)	–	–	20,823	(132,546)	–	(111,723)	–	528,402
TMC	445,335	43,844	22,979	66,823	(11,575)	–	–	(10,396)	(109,198)	–	(119,594)	–	380,989
NAC	99,347	12,747	4,997	17,744	–	–	–	4,096	(17,170)	–	(13,074)	–	104,017
HMC	60,092	8,639	3,101	11,740	(1,937)	–	–	(2,717)	(13,118)	–	(15,835)	–	54,060
Defined benefit liability	1,324,425	120,736	67,976	188,712	(85,390)	–	–	13,854	(290,857)	–	(277,003)	–	1,150,744
CMC	(35,118)	–	(1,632)	(1,632)	6,367	2,122	–	–	–	–	2,122	–	(28,261)
RTN	(307,643)	–	(15,575)	(15,575)	65,511	22,741	–	–	–	–	22,741	(57,452)	(292,418)
TMC	(225,644)	–	(12,377)	(12,377)	11,575	23,676	–	–	–	–	23,676	(40,000)	(242,770)
NAC	(71,818)	–	(4,288)	(4,288)	–	5,230	–	–	–	–	5,230	(26,916)	(97,792)
HMC	(60,803)	–	(3,425)	(3,425)	1,937	3,944	–	–	–	2,143	6,087	(13,001)	(69,205)
Fair value of plan assets	(701,026)	–	(37,297)	(37,297)	85,390	57,713	–	–	–	2,143	59,856	(137,369)	(730,446)
CMC	57,940	8,607	3,123	11,730	–	2,122	–	2,048	(18,825)	–	(14,655)	–	55,015
RTN	318,950	46,899	16,569	63,468	–	22,741	–	20,823	(132,546)	–	(88,982)	(57,452)	235,984
TMC	219,691	43,844	10,602	54,446	–	23,676	–	(10,396)	(109,198)	–	(95,918)	(40,000)	138,219
NAC	27,529	12,747	709	13,456	–	5,230	–	4,096	(17,170)	–	(7,844)	(26,916)	6,225
HMC	(711)	8,639	(324)	8,315	–	3,944	–	(2,717)	(13,118)	2,143	(9,748)	(13,001)	(15,145)
Pension liability	₱624,110	₱112,097	₱31,003	₱143,100	₱–	₱53,769	₱–	₱16,571	(₱277,739)	₱–	(₱207,399)	(₱124,368)	₱435,443
Pension asset	(₱711)	₱8,639	(₱324)	₱8,315	₱–	₱3,944	₱–	(₱2,717)	(₱13,118)	₱2,143	(₱9,748)	(₱13,001)	(₱15,145)

The main categories of plan assets as a percentage of the fair value of total plan assets follow:

2024	**NAC**	**RTN**	**TMC**	**HMC**	**CMC**
Debt instruments	**57.55%**	**84.23%**	**73.24%**	**88.39%**	**78.06%**
Equity instruments	**39.78%**	**5.20%**	**23.95%**	**0.41%**	**16.25%**
Others	**2.67%**	**10.57%**	**2.81%**	**11.20%**	**5.69%**
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**

2023	NAC	RTN	TMC	HMC	CMC
Debt instruments	61.04%	72.54%	80.36%	83.66%	66.15%
Equity instruments	16.36%	5.47%	18.47%	9.95%	27.76%
Others	22.60%	21.99%	1.17%	6.39%	6.09%
	100.00%	100.00%	100.00%	100.00%	100.00%

2022	NAC	RTN	TMC	HMC	CMC
Debt instruments	46.09%	47.63%	74.13%	61.20%	69.36%
Equity instruments	25.05%	14.81%	24.10%	26.72%	26.49%
Others	28.86%	37.56%	1.77%	12.08%	4.15%
	100.00%	100.00%	100.00%	100.00%	100.00%

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining the net pension asset (liability) for the Group's plans are shown below:

2024	**NAC**	**RTN**	**TMC**	**HMC**	**CMC**
Discount rate	**6.11%**	**6.09%**	**6.09%**	**6.09%**	**6.10%**
Expected salary increase rate	**5.00%**	**5.00%**	**8.00%**	**5.00%**	**5.00%**

2023	NAC	RTN	TMC	HMC	CMC
Discount rate	6.09%	6.12%	6.14%	6.13%	6.12%
Expected salary increase rate	5.00%	5.00%	8.00%	5.00%	5.00%

2022	NAC	RTN	TMC	HMC	CMC
Discount rate	7.21%	7.29%	7.32%	7.29%	7.26%
Expected salary increase rate	5.00%	5.00%	8.00%	5.00%	5.00%

Assumptions regarding future mortality rate are based on the 2001 CSO Table - Generational developed by the Society of Actuaries, which provides separate rates for males and females.

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the net defined pension liability as at the end of the financial reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	**2024**	2023
Discount rates	+100 basis points	**(₱133,520)**	(₱132,322)
	-100 basis points	**157,938**	156,588

	Increase (decrease)	**2024**	2023
Salary increase rate	+100 basis points	**₱156,147**	₱154,992
	-100 basis points	**(134,572)**	(133,494)

The Group's retirement fund is being held in trust by a trustee bank and the Group expects to contribute at least ₱312.2 million to the defined benefit pension plan in 2025.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Within one (1) year	**₱140,248**	₱158,241
Between two (2) and five (5) years	**377,740**	408,058
Between six (6) and ten (10) years	**677,584**	731,803
Total expected payments	**₱1,195,572**	₱1,298,102

The weighted average duration of the pension liability as at December 31, 2024 and 2023 is 9.8 years and 9.7 years, respectively.

35. Income Taxes

The provision for current income tax shown in the consolidated statements of income includes the Regular Corporate Income Tax (RCIT) of TMC, RTN, HMC, CMC and CDTN, Gross Income Tax (GIT) of TMC, RTN and JSI and Minimum Corporate Income Tax (MCIT) of NAC, DMC, EPI, NPPGC and CEXCI in 2024; RCIT of TMC, RTN, HMC, CMC and CDTN, GIT of TMC, RTN and JSI and MCIT, using the effective rate of 1.5% in accordance with Revenue Memorandum Circular 69-2023, of NAC, EPI and CEXCI in 2023; and RCIT of TMC, RTN, HMC, CMC, CDTN and NAC, GIT of TMC, RTN and JSI and MCIT of DMC, EPI and CEXCI in 2022, as follows:

	2024	2023	2022
TMC	**₱796,315**	₱1,088,667	₱1,760,806
RTN	**467,530**	692,447	970,320
HMC	**227,178**	164,418	184,879
CMC	**161,208**	168,243	266,845
CDTN	**69,372**	91,411	75,995
JSI	**28,777**	2,426	4,856
NAC	**5,965**	13,178	337,884
DMC	**4,937**	–	2,801
EPI	**2,745**	3,487	53
NPPGC	**116**	–	–
CEXCI	**11**	4	70
	₱1,764,154	₱2,224,281	₱3,604,509

All other companies under the Group were in a gross and/or net taxable loss position in 2024, 2023 and 2022.

The reconciliation between the provision for (benefit from) income tax computed at the statutory income tax rate and the provision for (benefit from) income tax computed at the effective income tax rate as shown in the consolidated statements of income as follows:

	2024	2023	2022
Income tax at statutory rate from non-registered activities	**₱1,524,937**	₱3,098,304	₱4,429,324
Add (deduct) tax effects of:			
Changes in unrecognized deferred income tax assets	**1,068,356**	307,695	3,403
Dividend income exempt from income tax	**(943,195)**	(892,161)	(1,136,195)
Interest income subjected to final tax	**(157,501)**	(139,396)	(47,185)
Nondeductible expenses	**76,567**	49,763	123,369
Derecognized deferred income tax assets	**61,668**	4,672	–
Movements in deductible temporary differences for which deferred income taxes were recognized	**(13,868)**	(3,643)	(4,226)
Nontaxable income	**(11,842)**	(12,436)	(18,865)
Effect of change in tax rate	**4,988**	35,231	(6,624)
Income subjected to other taxes	**(4,471)**	(46,912)	(5,253)
Expired net operating loss carry over (NOLCO) and excess of MCIT over RCIT	**14**	8	78,899
Actual exercise of ESOP shares	**–**	(180,006)	–
	1,605,653	2,221,119	3,416,647
Income tax at statutory rate from Philippine Economic Zone Authority (PEZA)/SBMA registered activities	**28,508**	5,632	4,711
Add (deduct) tax effects of:			
Nondeductible expenses	**6,131**	3,549	5,751
Interest income subjected to final tax	**(1,696)**	(415)	(62)
Nontaxable income	**(207)**	(1,889)	(36)
Movement in unrecognized deferred income tax	**–**	–	2,125
	32,736	6,877	12,489
Income tax at effective rates	**₱1,638,389**	₱2,227,996	₱3,429,136

The components of the Group's net deferred income tax assets and liabilities follow:

	2024	2023
Deferred income tax assets:		
At 25%		
Allowance for impairment losses on:		
Investment in a subsidiary and associates	**₱283,437**	₱9,531
Advances to suppliers and contractors	**38,155**	35,965
Input VAT	**24,862**	38,006
Deferred mine exploration costs	**16,166**	16,166
Inventories	**6,774**	16,047
Provision for mine rehabilitation and decommissioning	**231,849**	227,388
Undepleted asset retirement obligation	**(119,349)**	(133,745)
Unamortized past service cost	**93,624**	63,178
NOLCO	**74,044**	137,960
Unrealized foreign exchange gains - net	**(46,418)**	(6,965)
Lease liabilities	**31,927**	36,960
Unamortized ROU asset	**(31,657)**	(38,187)
Unrealized valuation losses on financial assets at FVTPL	**22,556**	24,258
Excess of MCIT over RCIT	**19,142**	15,979
Pension costs	**17,588**	93,182
Accrual for quarry materials	**10,358**	10,358
Allowance for ECL on trade and other receivables	**4,741**	7,079
Unrealized valuation gains on forward contracts	**(3,519)**	–
At 15%		
Unrealized valuation gains on financial assets at FVTPL	**(120,408)**	(115,420)
At 5%		
Deferred income	**1,676**	1,886
Unrealized foreign exchange gains	**(973)**	(57)
Pension costs	**38**	31
	₱554,613	₱439,600

	2024	2023
Deferred income tax liabilities:		
At 25%		
Fair value adjustment arising from business combination	**₱134,580**	₱134,663
Asset revaluation surplus	**61,224**	61,536
Unamortized ROU asset	**44,853**	13,480
Lease liabilities	**(43,261)**	(10,446)
Unrealized foreign exchange gains - net	**36,385**	744
Unamortized debt issue costs	**2,826**	5,613
Allowance for ECL on trade and other receivables	**(312)**	–
Capitalized borrowing cost	**182**	5,266
Long-term stockpile inventory	**–**	8,056
At 15%		
Share in cumulative translation adjustment (see Note 10)	**259,333**	153,386
At 5%		
Capitalized borrowing cost	**20,885**	14,996
Lease liabilities	**(7,226)**	(5,379)
Unamortized ROU asset	**(3,600)**	(2,992)
	₱505,869	₱378,923

The Group did not recognize net deferred income tax assets on the following temporary differences since the management believes that it is not probable that sufficient taxable income will be available against which the benefits of the net deferred income tax assets can be utilized in the future.

	2024	2023
Allowance for impairment losses	**₱4,236,017**	₱658,930
NOLCO	**3,295,044**	2,009,650
Allowance for ECL	**15,453**	15,402
Excess of MCIT over RCIT	**14,224**	3,628
Unrealized foreign exchange losses (gains) - net	**(435)**	23,893
Lease liabilities	**–**	8,994
	₱7,560,303	₱2,720,497

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

As at December 31, 2024 and 2023, the Group has NOLCO that can be claimed as deduction from future taxable income as follows:

		Year of	NOLCO	
Year Incurred	Company	Expiration	**2024**	2023
2024	EPI	2027	**₱539,557**	₱–
	GRHI		**207,883**	–
	DMC		**187,047**	–
	CEXCI		**36,362**	–
	MBPC		**16,991**	–
	NPPGC		**15,537**	–
	NAC		**10,739**	–
	LCSLC		**9,152**	–
	MGPC		**3,074**	–
	BHI		**2,089**	–
	EER 1		**492**	–
	EER 2		**246**	–
	Newminco		**194**	–
	SNMRC		**171**	–
	EER 3		**101**	–
	EESC		**95**	–
2023	NAC	2026	**569,649**	569,649
	EPI		**401,752**	401,752
	DMC		**296,177**	296,177
	GRHI		**163,744**	163,744
	CEXCI		**59,368**	59,368
	MGPC		**2,770**	2,770
	NPPGC		**1,687**	1,687
	BHI		**1,503**	1,503
	LCSLC		**720**	720
	Newminco		**538**	538
	SISPC		**347**	347

(Forward)

Year Incurred	Company	Year of Expiration	NOLCO 2024	NOLCO 2023
2023	SNMRC		**₱173**	₱173
	CSPC		**106**	106
	SMSPC		**106**	106
	SSPC		**106**	106
	SASPC		**103**	103
	TSWPC		**103**	103
2022	EPI	2025	**188,838**	188,838
	GRHI		**37,879**	37,879
	CEXCI		**25,376**	25,376
	MGPC		**1,432**	1,432
	Newminco		**407**	407
	LCSLC		**234**	234
	SNMRC		**173**	173
	NPPGC		**126**	126
	BHI		**96**	96
2021	EPI	2026	**297,851**	297,851
	DMC		**127,305**	127,305
	CEXCI		**34,295**	34,295
	MGPC		**1,621**	1,621
	Newminco		**280**	280
	LCSLC		**230**	230
	SNMRC		**175**	175
	BHI		**161**	161
	NPPGC		**72**	72
2020	EPI	2025	**188,981**	188,981
	DMC		**128,360**	128,360
	CEXCI		**26,425**	26,425
	MGPC		**1,268**	1,268
	Newminco		**257**	257
	LCSLC		**253**	253
	SNMRC		**246**	246
	BHI		**164**	164
	NPPGC		**33**	33
			₱3,591,220	₱2,561,490

The movements in NOLCO are as follows:

	2024	2023
Balances at January 1	**₱2,561,490**	₱1,062,538
Additions	**1,029,730**	1,498,952
Balances at December 31	**₱3,591,220**	₱2,561,490

As at December 31, 2024 and 2023, the Group has an excess of MCIT over RCIT that can be claimed as deduction from future income tax liabilities as follows:

Year Incurred	Company	Year of Expiration	Excess of MCIT over RCIT 2024	2023
2024	NAC	2027	**₱5,964**	₱–
	DMC		**4,937**	–
	EPI		**2,745**	–
	NPPGC		**116**	–
	CEXCI		**11**	–
2023	NAC	2026	**13,178**	13,178
	EPI		**3,487**	3,487
	CEXCI		**4**	4
2022	DMC	2025	**2,801**	2,801
	CEXCI		**70**	70
	EPI		**53**	53
2021	EPI	2024	**–**	14
			₱33,366	₱19,607

The movements in excess of MCIT over RCIT are as follows:

	2024	2023
Balances at January 1	**₱19,607**	₱3,008
Additions	**13,773**	16,669
Expirations	**(14)**	(7)
Derecognition	**–**	(63)
Balances at December 31	**₱33,366**	₱19,607

36. Financial Risk Management Objectives and Policies and Capital Management

The Group's main financial instruments are cash and cash equivalents, financial assets at FVTPL, at FVOCI and at amortized cost and short-term and long-term debts. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has various other financial assets and liabilities such as trade and other receivables, MRF, restricted cash, SDMP funds, trade and other payables and lease liabilities which arise directly from its operations, investing and financing activities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily from its operating (primarily for trade receivables) and investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The table below summarizes the Group's gross maximum exposure from its financial instruments. These amounts are gross of collateral and credit enhancements, but net of any amounts offset and allowance for impairment losses:

	2024	2023
Cash and cash equivalents (except cash on hand)	**₱12,930,541**	₱15,473,211
Trade and other receivables		
Trade	**837,985**	1,100,746
Amounts owed by related parties	**259,997**	224,610
Interest receivable	**67,368**	22,330
Forward contracts receivables	**14,076**	–
Others	**172,675**	180,341
Financial assets at:		
FVOCI	**429,188**	469,914
Amortized cost	**375,000**	410,000
Other noncurrent assets		
MRF	**913,141**	834,470
Restricted cash	**245,497**	110,330
SDMP funds	**100,714**	96,477
Total credit risk exposure	**₱16,346,182**	₱18,922,429

Cash and Cash Equivalents (except Cash on Hand), Financial Assets at FVOCI and at Amortized Cost, MRF, Restricted Cash and SDMP Funds

In determining credit risk exposure, the Group has established PD rates based on available credit ratings published by Credit Rating Agencies. The credit ratings already consider forward-looking information. When a counterparty does not have published credit ratings, the Group benchmarks the credit ratings of comparable companies, adjusted to account for the difference in size and other relevant metrics. While cash with banks and short-term cash investments are also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.

Trade and Other Receivables

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a twelve (12)-month expected loss allowance for all trade and other receivables. The ECL on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and the inflation rate of the countries in which it sells its goods and services as the most relevant factors for its trade receivables and accordingly adjusts the historical loss rates based on expected changes in these factors.

Below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix:

	Current	Days past due < 30 days	31-60 days	61-90 days	>191 days	Total
2024						
ECL rate	**0%**	**0%**	**0%**	**0%**	**100%**	
Estimated total gross carrying amount at default	**₱971,691**	**₱58,438**	**₱13,726**	**₱308,246**	**₱30,691**	**₱1,382,792**
ECL	**₱–**	**₱–**	**₱–**	**₱–**	**₱30,691**	**₱30,691**
2023						
ECL rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	₱918,277	₱187,494	₱61,560	₱360,696	₱48,550	₱1,576,577
ECL	₱–	₱–	₱–	₱–	₱48,550	₱48,550

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments.

The Group's objective is to maintain sufficient funding to finance its exploration, mining and power generation activities through internally generated funds, advances from related parties and borrowings from banks. Aside from yielding good returns, the Group ensures that investments have ample liquidity to finance operations and capital requirements. The Group considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Group's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debts and obligations.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments.

2024	On Demand	Less Than Three (3) Months	Three (3) To Twelve (12) Months	More Than One (1) Year	Total
Trade and other payables					
Trade	₱–	₱2,039,678	₱40,653	₱–	₱2,080,331
Accrued expenses	–	123,370	591,986	–	715,356
Retention fees payable	854	498,449	101,822	–	601,125
Contract liabilities	–	162,019	–	–	162,019
Dividends payable	–	157,125	–	–	157,125
Interest payable	–	37,392	8,892	–	46,284
Others	80,394	17,085	6,953	–	104,432
Short-term debts					
Carrying amount	–	–	6,985,614	–	6,985,614
Unamortized debt issue cost	–	–	14,386	–	14,386
Long-term debts					
Carrying amount	–	75,104	297,045	2,060,388	2,432,537
Unamortized debt issue cost	–	1,397	4,056	14,742	20,195
Lease liabilities					
Carrying amount	–	21,401	74,292	877,441	973,134
Unamortized discount	–	–	–	3,767,446	3,767,446
	₱81,248	**₱3,133,020**	**₱8,125,699**	**₱6,720,017**	**₱18,059,984**

2023	On Demand	Less Than Three (3) Months	Three (3) To Twelve (12) Months	More Than One (1) Year	Total
Trade and other payables					
Trade	₱165,581	₱921,001	₱239,539	₱–	₱1,326,121
Accrued expenses	571,515	89,356	26,545	–	687,416
Retention fees payable	2,065	22,062	23,792	–	47,919
Interest payable	–	33,945	11,945	–	45,890
Others	87,885	18,000	296,752	–	402,637
Short-term debts					
Carrying amount	–	–	5,848,095	–	5,848,095
Unamortized debt issue cost	–	–	15,905	–	15,905
Long-term debts					
Carrying amount	–	69,539	276,225	2,341,836	2,687,600
Unamortized debt issue cost	–	1,514	4,646	20,664	26,824
Lease liabilities					
Carrying amount	–	12,910	41,436	779,075	833,421
Unamortized discount	–	–	–	3,012,164	3,012,164
	₱827,046	₱1,168,327	₱6,784,880	₱6,153,739	₱14,933,992

The tables below summarize the maturity profile of the Group's financial assets used to manage the liquidity risk of the Group as at December 31, 2024 and 2023.

2024	**On Demand**	**Less Than Three (3) Months**	**Three (3) to Twelve (12) Months**	**More Than One (1) Year**	**Total**
Cash and cash equivalents					
Cash on hand and with banks	₱4,025,632	₱–	₱–	₱–	₱4,025,632
Short-term cash investments	8,905,392	–	–	–	8,905,392
Cash under managed funds	4,248	–	–	–	4,248
Trade and other receivables					
Trade	–	768,330	69,655	–	837,985
Amounts owed by related parties	801	–	259,196	–	259,997
Interest receivable	–	58,052	9,316	–	67,368
Forward contracts receivables	–	9,930	4,146	–	14,076
Others	156,268	16,407	–	–	172,675
Financial assets at:					
FVTPL	1,421,570	–	–	985,979	2,407,549
FVOCI	429,188	–	–	–	429,188
Amortized cost	–	–	100,000	275,000	375,000
Other noncurrent assets					
MRF	913,141	–	–	–	913,141
Restricted cash	245,497	–	–	–	245,497
SDMP funds	100,714	–	–	–	100,714
	₱16,202,451	**₱852,719**	**₱442,313**	**₱1,260,979**	**₱18,758,462**

2023	On Demand	Less Than Three (3) Months	Three (3) to Twelve (12) Months	More Than One (1) Year	Total
Cash and cash equivalents					
Cash on hand and with banks	₱4,380,179	₱–	₱–	₱–	₱4,380,179
Short-term cash investments	11,100,453	–	–	–	11,100,453
Cash under managed funds	1,833	–	–	–	1,833
Trade and other receivables					
Trade	–	1,048,646	52,100	–	1,100,746
Amounts owed by related parties	801	–	223,809	–	224,610
Interest receivable	–	17,795	4,535	–	22,330
Others	163,054	14,235	3,052	–	180,341
Financial assets at:					
FVTPL	1,291,477	–	–	968,493	2,259,970
FVOCI	469,914	–	–	–	469,914
Amortized cost	–	–	35,000	375,000	410,000
Other noncurrent assets					
MRF	834,470	–	–	–	834,470
Restricted cash	110,330	–	–	–	110,330
SDMP funds	96,477	–	–	–	96,477
	₱18,448,988	₱1,080,676	₱318,496	₱1,343,493	₱21,191,653

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchanges rates, commodity prices, interest rates, equity prices and other market changes.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Transactions with companies outside the Philippines and with CBNC and THNC for the sale of saprolite and limonite ore and with World Aviation International Services Corporation (WAISC) for the lease of aircraft are carried out with currencies that management believes to be stable such as the US$.

The Group has transactional currency exposures. Such exposure arises from cash and cash equivalents, trade and other receivables, financial assets at FVTPL, trade and other payables and long-term debts in US$. The Group manages its foreign currency risk by hedging transactions that are expected to occur within one (1) year for hedges of forecasted revenue from sale of ore.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point where the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.

As at December 31, 2024 and 2023, the Group hedged around 36% and nil, respectively, of its annual revenue from sale of ore. Those hedged revenue were highly probable at the end of the financial reporting period. This foreign currency risk is hedged by using foreign currency forward contracts.

Moreover, to mitigate the effects of foreign currency risk, the Group ensures timely follow-up and accelerates the collection of foreign currency-denominated receivables and the settlement of foreign currency-denominated payables and loans, whenever practicable. Also, foreign exchange movements are monitored daily.

The Group's foreign currency-denominated financial instruments and their Philippine peso equivalents as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	US$ Amount	**Peso Equivalent**	US$ Amount	Peso Equivalent
Financial assets:				
Cash and cash equivalents	**$112,571**	**₱6,511,087**	$166,151	₱9,199,543
Trade and other receivables	**9,859**	**570,280**	9,785	541,450
Financial assets at FVTPL	**23,237**	**1,344,140**	22,207	1,229,582
	$145,667	**₱8,425,507**	$198,143	₱10,970,575
Financial liabilities:				
Trade and other payables	**$19,648**	**₱1,136,535**	$579	₱32,046
Long-term debts	**11,375**	**657,987**	13,125	726,731
	$31,023	**₱1,794,522**	$13,704	₱758,777
Net financial assets	**$114,644**	**₱6,630,985**	$184,439	₱10,211,798

The exchange rate used for conversion of US$1.00 to peso equivalent was ₱57.84 and ₱55.37 as at December 31, 2024 and 2023, respectively.

The sensitivity of all the Group's financial instruments to a reasonably possible change in the exchange rate, with all other variables held constant, in the Group's income before income tax (due to changes in fair value of monetary assets and liabilities) as at December 31, 2024 and 2023 follows:

	Peso Strengthens (Weakens)	Sensitivity to pretax income
2024	**₱1.15**	**(₱131,841)**
	(1.05)	**120,376**
2023	₱0.65	(₱119,885)
	(0.95)	175,217

There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

Interest Rate Risk
The Group's exposure to the risk of changes in market interest rates relates to quoted fixed and floating debt instruments and the floating rate of long-term debts.

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed interest rate instruments expose the Group to fair value risk. The Group regularly monitors the market interest rate movements and manages its interest rate risks by using a mix of fixed and variable rates.

The following table sets out the carrying amount, by maturity, of the Group's financial instrument that is exposed to cash flow interest rate risk:

Long-term debts	<1 year	1-5 years	>5 years	Total
2024	**₱372,149**	**₱1,908,545**	**₱151,843**	**₱2,432,537**
2023	₱345,764	₱1,968,060	₱373,776	₱2,687,600

Management believes that cash generated from operations is sufficient to pay for its obligations under the loan agreements as they fall due.

The sensitivity to a reasonably possible change in the interest rate (in basis points), with all other variables held constant, in the Group's income before income tax and equity as at December 31, 2024 and 2023 are as follows:

		Change in interest rate (in basis points)	Sensitivity to income before income tax	Sensitivity to equity
2024	**Financial assets**	**+100**		**₱21,921**
		-100		**(21,921)**
	Long-term debts	**+100**	**(₱24,325)**	
		-100	**24,325**	

(Forward)

		Change in interest rate (in basis points)	Sensitivity to income before income tax	Sensitivity to equity
2023	Financial assets	+100		₱21,368
		-100		(21,368)
	Long-term debts	+100	(₱26,876)	
		-100	26,876	

The impact on the Group's income before income tax is caused by changes in the interest of the floating-rate long-term debts, while the impact on the Group's equity is caused by the changes in the market value of quoted debt instruments due to interest rate movements. The impact on the Group's equity excludes the impact on transactions affecting the consolidated statements of income.

Equity Price Risk
Equity price risk is the risk of earnings or capital arising from changes in stock prices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its financial assets on various stocks of listed companies.

The Group's policy is to maintain the risk to an acceptable level. Movement of the share price is monitored regularly to determine the impact on its financial position.

The table below shows the sensitivity to a reasonably possible change in equity prices of quoted equity instruments as at December 31, 2024 and 2023, except equity-linked investments.

	Average change in market indices (in percentage)	Sensitivity to equity
2024	**15.34%**	**₱4,336**
	-15.34%	**(4,336)**
2023	14.04%	₱4,051
	-14.04%	(4,051)

The equity impact is arrived using the reasonably possible change of the relevant market indices and the specific adjusted beta of each stock the Group holds. Adjusted beta is the forecasted measure of the volatility of a security or a portfolio in comparison to the market as a whole.

Capital Management
The Group considers its equity as capital. Its primary objective in capital management is to maintain a strong credit rating to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares or declare dividend payments to shareholders. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Group monitors capital using the debt-to-equity ratio, which is total liabilities divided by equity. The Group's policy is to keep the debt-to-equity ratio to not more than 1:1. Total liabilities include trade and other payables, short-term and long-term debts, income tax payable, other current liability, lease liabilities, deferred income, provision for mine rehabilitation and decommissioning, pension liability and deferred income tax liabilities.

The Group considers the following as capital:

	2024	2023
Capital stock	**₱6,999,974**	₱6,999,974
Additional paid-in capital	**9,205,802**	9,205,802
Share in cumulative translation adjustment	**1,469,552**	869,185
Cost of share-based payment plan	**154,296**	154,296
Asset revaluation surplus	**29,416**	29,799
Net valuation gains (losses) on:		
Forward contracts	**7,659**	–
Financial assets at FVOCI	**(1,226)**	(1,315)
Retained earnings:		
Unappropriated	**18,760,066**	19,000,052
Appropriated	**135,000**	135,000
Treasury stock	**(134,014)**	(134,014)
NCI	**7,786,697**	6,846,207
	₱44,413,222	₱43,104,986

The table below shows the Group's debt-to-equity ratio as at December 31, 2024 and 2023.

	2024	2023
Total liabilities (a)	**₱17,237,579**	₱14,821,823
Equity (b)	**44,413,222**	43,104,986
Debt-to-equity ratios (a/b)	**0.39:1**	0.34:1

The Group is not exposed to externally imposed capital requirements.

37. Financial Instruments

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

Cash and Cash Equivalents
The carrying amounts of cash and cash equivalents approximate their fair value due to the short-term nature and maturity of these financial instruments.

Trade and Other Receivables, Trade and Other Payables and Short-term Debts
Similarly, the carrying amounts of trade and other receivables, trade and other payables and short-term debts approximate their fair values due to the short-term nature of these accounts.

Financial Assets at FVTPL and at FVOCI
The fair values were determined by reference to market bid quotes as at the end of the financial reporting period. Upon adoption of PFRS 9, the Group used the net asset approach with consideration of lack of marketability discount and lack of control discount in determining the fair value of unquoted equity securities since the fair value measurement is unobservable (Level 3).

Financial Assets at Amortized Cost
The carrying amount of financial assets at amortized cost, which is measured using the EIR, is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

MRF, Restricted Cash and SDMP Funds
The carrying amounts of MRF, restricted cash and SDMP funds also approximate their fair values since they are restricted cash with banks, which earn interest based on prevailing market rates repriced monthly.

Long-term Debts and Lease Liabilities
The fair values of long-term debts and lease liabilities are based on the present value of future cash flows discounted using applicable risk-free rates for similar types of loans or liabilities adjusted for credit risk.

Fair Value Hierarchy of Financial Instruments
As at December 31, 2024 and 2023, the fair value of the quoted debt and equity securities at the close of the business is the quoted market price (Level 1) and the fair value of unquoted equity securities is determined using the net asset approach since the fair value measurement is unobservable (Level 3).

As at December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

	2024			2023		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets measured at fair value:						
Financial assets at:						
FVTPL	**₱1,709,262**	**₱–**	**₱698,287**	₱1,558,529	₱–	₱701,441
FVOCI	**429,188**	**–**	**–**	469,914	–	–
	₱2,138,450	**₱–**	**₱698,287**	₱2,028,443	₱–	₱701,441

Derivative Designated as Hedging Instruments
Cash Flow Hedges - Currency Forwards
As part of the Group's asset and liability management, the Group uses derivatives, particularly currency forwards, as cash flow hedges to reduce its exposure to foreign currency risks. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US$. The forecast transactions are highly probable, and they comprise about 30%-50% of the Group's total expected sales in US$. The foreign exchange forward contracts balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In 2024, the Group entered into currency forwards with a total amount of US$105.0 million for approximate settlement of ₱6,074.8 million and nil in 2023. The Group recognized net realized gains on forward contracts of ₱68.4 million, which is included under "Finance income", and unrealized gains on forward contracts of ₱14.1 million, which is recognized in "Other comprehensive income" in 2024 and nil in 2023. In 2024, there was no gain or loss recognized related to ineffectiveness of forward contracts designated as cash flow hedges. The Group's currency forwards as at December 31, 2024 amounted to US$22.4 million, with approximate settlement of ₱1,311.0 million, and nil as at December 31, 2023. The fair value of the forward contracts receivable under "Trade and other receivables" amounted to ₱14.1 million and nil as at December 31, 2024 and 2023, respectively.

38. **Significant Agreements and Other Matters**

Significant Agreements

a. Suretyship Agreement with SBC

On August 4, 2015, the Parent Company entered into a Suretyship Agreement with SBC to guarantee and warrant the prompt and full payment and performance of the guaranteed obligations, including increases, renewals, roll-overs, extensions, restructuring, conversions, amendments or novations, of EPI to SBC amounting to ₱3,000.0 million. The agreement shall remain in full force and effect until full payment of the guaranteed obligations is made. In March 2023, the Parent Company entered into another Suretyship Agreement with SBC for additional credit accommodation amounting to ₱500.0 million.

As at December 31, 2024 and 2023, the outstanding loans of EPI from SBC, under the Suretyship Agreement, amounted to ₱3,500.0 million (see Note 14).

b. Throughput Agreement with THNC

On October 4, 2010, TMC and THNC executed a Throughput Agreement wherein TMC will construct the pier facilities within the TSEZ pursuant to its role as Developer. The TSEZ is located within the Surigao Mineral Reservation, an area declared for mineral development pursuant to Proclamation 391, under the supervision of the DENR that issued an "Order to Use Offshore Area" dated September 20, 2010 to TMC for the use of such portion of the Surigao Mineral Reservation for the construction of the pier facilities. In relation to this, THNC entered into a Registration Agreement with PEZA to construct and operate a mineral processing plant within the TSEZ as an Ecozone Export Enterprise.

Under the agreement, TMC will make available the pier facilities and provide certain services to THNC in consideration for usage fees and service fees to be paid by the latter starting April 2011 until 2031, unless terminated earlier. The usage fee of US$1.3 million is payable in semi-annual period on or before October 10 and April 10.

THNC also agrees to pay the service fee that will be agreed upon by both parties, which shall be billed monthly.

In 2024, 2023 and 2022, service revenues from usage of pier facilities of TMC and from other services rendered to THNC amounted to a total of ₱161.8 million, ₱149.3 million and ₱123.0 million, respectively (see Note 32).

c. Memorandum of Understanding (MOU)

SMM
On September 14, 2009, the Parent Company and TMC entered into a MOU with SMM. Pursuant to the terms thereof, the Parent Company and SMM will move ahead on a joint venture basis to build a nickel-cobalt processing plant (the Project) using the HPAL technology to be located within the TMC's mine in Surigao del Norte, while TMC will supply low-grade nickel ore to the plant over the life of the Project.

The Agreement also sets forth the respective rights and obligations of the Parent Company, SMM and Mitsui, including their responsibilities in respect of financing the project investment undertaken by THNC.

Also, under the Agreement, the Parent Company, SMM and Mitsui agreed to make loans to THNC or guarantee the repayment of THNC's obligations in accordance with the financial requirements of THNC and in proportion to their shareholding ratio in THNC of 10%, 75% and 15%, respectively.

The Agreement shall terminate upon the dissolution of THNC.

SEPI
On February 23, 2022, EPI and SEPI signed a MOU to create a strategic partnership for the purpose of developing a platform for onshore power projects and the resulting power supply business in the Philippines and to set forth certain basic terms of the understanding reached to date and to serve as a basis for further discussions and negotiations with respect to the project.

Through the above MOU, GRHI was incorporated and registered with the SEC on August 18, 2022. GRHI is 60% owned by EPI and 40% owned by Shell.

d. Sales Agreements

Nickel Ore Sale Agreement with PAMCO and Sojitz (see Note 32a)

Nickel Ore Supply and Service Agreement with CBNC (see Note 32a)

Nickel Ore Supply Agreement with THNC (see Note 32a)

Materials Handling Agreement with THNC (see Note 32a)

PSA with SEPI (see Note 32a)

Nickel Ore Supply Agreements with Chinese and Other Customers
TMC, CMC, RTN, HMC, and DMC have ore supply agreements with a number of Chinese customers, each for a fixed tonnage at specific nickel grades and iron content. The fixed tonnage of ore is generally the volume of expected delivery within a few months.

Sale of ore to Chinese and other customers amounted to ₱14,744.5 million, ₱14,764.7 million and ₱16,971.6 million in 2024, 2023 and 2022, respectively (see Notes 30 and 40).

Nickel Ore Supply Agreement with Big Wave Resources Co., Limited (Big Wave)
RTN entered into an agreement with Big Wave covering the sale of its ore products. Under the agreement, the end user of the material is PAMCO. Sale of ore to Big Wave amounted to nil in 2024 and 2023 and ₱154.3 million in 2022 (see Note 32).

e. Mining Agreements

i. *Mineral Production Sharing Agreement (MPSA)*

RTN
On June 4, 1998, the Government approved the conversion of RTN's Mining Lease Contracts under the old mining regime into an MPSA with the Government pursuant to the Philippine Mining Act of 1995. The MPSA allows RTN to explore, develop and continue mining operations for nickel ore within the contract area covering 990 hectares in the Municipality of Bataraza, Southern Palawan Island.

On April 28, 2005, RTN and the Government entered into a second MPSA covering 85 hectares in the Municipality of Bataraza, which allows RTN to mine limestone in Sitio Gotok. Limestone being mined by RTN pursuant to this second MPSA is being sold to CBNC, for the latter's HPAL plant, and to a third party.

Under both MPSAs, RTN pays a 4% excise tax on gross revenues as provided in the Philippine National International Revenue Code as the Government's share in its output. Both MPSAs are valid for twenty-five (25) years from issuance and renewable for another term of not more than twenty-five (25) years at the option of RTN, with approval from the Government.

As at February 27, 2025, the MPSA of RTN is valid and in effect.

HMC

Taganaan Nickel Project

On July 25, 2008, the Government approved the conversion of HMC's Mining Lease Contract into an MPSA, which allows HMC to explore, develop and continue mining operations for nickel ore within the contract area covering 774 hectares in the Municipality of Taganaan, Surigao del Norte. Under the MPSA, HMC pays the Government a 4% excise tax and a 5% royalty on gross revenues, as the contract area is within the Surigao Mineral Reservation. The MPSA is valid for twenty-five (25) years from issuance and renewable at the option of HMC, with approval from the Government.

As at February 27, 2025, the MPSA of HMC in Taganaan is valid and in effect.

Manicani Nickel Project

On August 13, 1992, HMC and the Government entered into an MPSA, which allows HMC to explore, develop and mine nickel ore within the contract area covering 1,165 hectares in Manicani Island, Municipality of Guiuan, Eastern Samar. Under the MPSA, HMC shall pay the Government a 4% excise tax, 1% royalty and 10% of its net revenues, defined as gross revenues less all cost items that are deductible for income tax purposes. The MPSA is valid for twenty-five (25) years from issuance and renewable at the option of HMC, with approval from the Government.

On May 23, 2016, HMC applied for the renewal of its MPSA in Manicani which expired on August 13, 2017. On March 2, 2022, the DENR extended the MPSA between the Government and HMC for fifteen (15) years and lifted the suspension of HMC's operations in Manicani Island, Guiuan, Eastern Samar.

As at February 27, 2025, the MPSA of HMC in Manicani is valid and in effect.

TMC

On July 28, 2008, the Government approved the conversion of TMC's Operating Contract into an MPSA, which allows TMC to explore, develop and continue mining operations for nickel ore within the contract area covering 4,585 hectares in the Municipality of Claver, Surigao del Norte. On June 18, 2009, the MPSA was amended, increasing the contract area to 4,863 hectares. The MPSA is valid until July 28, 2033.

Under the MPSA, TMC pays the Government a 4% excise tax and a 5% royalty, as the contract area is within the Surigao Mineral Reservation. The MPSA is valid for twenty-five (25) years from issuance and renewable at the option of TMC, with approval from the Government.

As at February 27, 2025, the MPSA of TMC is valid and in effect.

DMC

On July 30, 2007, the Platinum Group Metals Corporation (PGMC) and the Government entered into an MPSA, which allows PGMC to explore, develop and mine nickel ore within the contract area covering 2,392 hectares in the Municipality of Dinapigue, Province of Isabela.

On January 6, 2009, PGMC and DMC executed a Deed of Assignment transferring to DMC all the rights, title, and interest in and into the MPSA over the contract area.

Under the MPSA, DMC shall pay the Government a 4% excise tax. The MPSA is valid for twenty-five (25) years from issuance and renewable at the option of DMC, with approval from the Government.

As at February 27, 2025, the MPSA of DMC is valid and in effect.

ii. Operating Agreements

TMC

La Salle

On December 18, 2006, TMC entered into an Operating Agreement with La Salle, the holder of an Application for MPSA covering 6,824 hectares in the Municipality of Gigaquit, Surigao del Norte. The Operating Agreement allows TMC to explore, develop and mine nickel ore and limestone once the MPSA is approved, and obliges it to assist La Salle in obtaining the MPSA and to comply with the terms thereof once issued. Subsequent to the Operating Agreement, La Salle filed an amended MPSA plan and reduced the area to 972 hectares.

The Operating Agreement specifies a royalty to La Salle of 5% for nickel ore and ₱10.00 per metric ton for limestone. Upon signing the Operating Agreement, TMC made an advance royalty payment of ₱1.0 million repayable by deductions from future royalties at a rate of 25% per year over a period of four (4) years.

On January 11, 2016, TMC issued a Notice of Exclusion of the limestone deposit from the Operating Agreement to La Salle.

Advance royalties and advances to claimowners, under “Other noncurrent assets”, amounted to ₱0.8 million and ₱1.8 million, respectively, as at December 31, 2024 and 2023.

On January 30, 2024, TMC rescinded and terminated the Operating Agreement with La Salle, subject to the approval of MGB, and recognized a provision for impairment losses of ₱2.6 million in 2023.

Kepha

On February 14, 2007, TMC entered into an Operating Agreement with Kepha. The Operating Agreement allows TMC to explore, develop and mine nickel ore and limestone and obliges it to comply with the terms of the MPSA.

The Operating Agreement specifies a royalty to Kepha of 5% for nickel ore and ₱10.00 per metric ton for limestone. Upon signing the Operating Agreement, TMC made an advance royalty payment of US$1.0 million and ₱6.3 million, repayable by deductions from future royalties at a rate of 10% per year over a period of ten (10) years.

On June 19, 2009, the MPSA was issued to Kepha. Under the terms thereof, upon the start of mining operations, TMC shall pay the Government a 4% excise tax and a 5% royalty, as the contract area is within the Surigao Mineral Reservation. The MPSA is valid for twenty-five (25) years from issuance and renewable at the option of Kepha, with approval from the Government.

On September 10, 2018 and March 19, 2021, the MGB approved the second and third renewal, respectively, of Kepha's two (2) year exploration period.

Advance royalties and advances to claimowners, under "Other noncurrent assets", amounted to ₱55.1 million and ₱45.9 million, respectively, as at December 31, 2024 and 2023.

There was no drilling activities related to the Kepha project in 2024 and 2023. As at December 31, 2024 and 2023, exploration cost charged to "Deferred mine exploration cost" amounted to ₱64.7 million.

On January 30, 2024, TMC rescinded and terminated the Operating Agreement with Kepha, effective upon the approval of MGB, and recognized a provision for impairment losses on advances of ₱101.0 million and deferred mine exploration cost of ₱64.7 million in 2023.

CMC

East Coast Mineral Resources Co., Inc. (East Coast)

On November 19, 1997, CMC entered into a Memorandum of Agreement (MOA) with East Coast, the holder of a MPSA with the Government issued on the same date, covering a contract area of 697 hectares in the Municipality of Cagdianao, Dinagat Islands. The MOA allows CMC to explore, develop and mine nickel ore and obliges it to comply with the terms of the MPSA.

Under the MPSA, CMC pays the Government an excise tax of 4%, and a 5% royalty, as the contract area is within the Surigao Mineral Reservation.

On December 18, 2015, CMC and East Coast executed a Supplemental Agreement to provide for the automatic renewal of the term of the MOA for another twenty-five (25) years, or from 2022 to 2047. In consideration of the new term as well as the other conditions contained in the Supplemental Agreement, CMC granted a loan of ₱1,000.0 million to East Coast and paid royalties amounting to ₱150.0 million. Thereafter, CMC shall pay East Coast commission and royalties as follows:

- Commission equivalent to 3.5% on the gross sales amount of all nickel ore;
- Royalties equivalent to either 7% or 8.75% on the gross sales amount of all nickel ore depending on the monthly average LME nickel settlement price; and
- Additional royalty ranging from ₱10.0 million to ₱50.0 million depending on CMC's audited net income after tax less the additional royalty amount.

On March 2, 2022, the DENR approved the renewal of the MPSA for another twenty-five (25)-years commencing from November 19, 2022 subject to the same terms and conditions provided in the initial MPSA.

As at February 27, 2025, the MOA has not been terminated and continues to be in full force and effect subject to the supplemental terms agreed by CMC and East Coast.

The commission expense related to East Coast that is reported under "Marketing" amounted to ₱92.6 million, ₱97.3 million and ₱133.8 million in 2024, 2023 and 2022, respectively.

DMC

DMC and NiHAO Mineral Resources International Inc. (NiHAO) entered into an Operating Agreement on June 13, 2012, under which NiHAO shall have the exclusive right to explore, operate, mine, develop and process minerals found within DMC's mineral property.

Pursuant to the agreement, DMC shall pay NiHAO an amount equivalent to 90% of the invoice value of the nickel ore sold by DMC to third parties in consideration of the services to be performed by NiHAO. This agreement superseded the General Contractor Agreement entered into by NiHAO with DMC on March 5, 2012. The General Contractor Agreement was executed to appoint NiHAO as DMC's general contractor for the Isabela Nickel Project.

In connection with the acquisition of DMC by NAC, NiHAO's operating rights over the Isabela Nickel Project will be converted into preferred shares of DMC, which shares shall be entitled to dividends corresponding to 20% of operating income, net of income tax, subject to Shareholder's Agreement to be executed between NiHAO and DMC.

On December 18, 2024, the Parent Company, NiHAO and DMC, entered into a Shareholder's Agreement and agreed to the following:
a) DMC shall create 10,000,000 preferred shares with a par value of ₱0.01 per share;
b) NiHAO and DMC shall enter into Subscription Agreement for the subscription by NiHAO of the preferred shares, subject to the terms thereof and fulfillment of certain conditions, including the approval by the SEC of the amendments, and payment of the ₱100,000 as subscription price.

The preferred shares shall have the following features:
a) No voting rights, except with respect to matters where applicable law grants non-voting shareholders the right to vote, provided that the affirmative vote of NiHAO shall be required for the approval of matters affecting its economic rights
b) Non-redeemable
c) Preference in the declaration and payment of dividends
d) Non-participating; and
e) Non-transferable and non-assignable, except with the prior written consent of DMC
f) The dividends payable to NiHAO, as holder of preferred shares, shall be cumulative, to be computed annually based on the following formula: 20% of the mine operating income (equivalent to revenue from sale of ore), less income tax, cost of sales, shipping and loading costs, excise tax, royalty to indigenous people/ICC, and management fee which shall not exceed 3% of the revenue from sale of ore.

Provided that, if the annual dividends due to the preferred shares is less than 0.05% of the gross freight-on-board sales value of nickel ore for at least two (2) consecutive years, DMC and NiHAO shall, upon written notice by either DMC or NiHAO, discuss and agree to an adjustment of the formula. Dividends shall only accumulate if the contract area is operated and generates income and provided that the dividends shall not be issued unless there is a sufficient level of unrestricted retained earnings.

The Shareholder's Agreement aims to define the rights and obligations of the parties in respect of the preferred shares. The Agreement shall take effect once the preferred shares have been issued by DMC to NiHAO.

f. Loan Guarantee/Substitution Agreement

Under a loan guarantee/substitution agreement between the Parent Company and SMM, the latter agreed to substitute for the Parent Company to make loans or guarantee the repayment of THNC's obligation pursuant to the Stockholders Agreement dated September 15, 2010.

In consideration of the loans and guarantee made by SMM, the Parent Company shall pay to SMM an annual fee equal to 0.60% of the relevant outstanding amount, which is payable every February 21, March 21, August 21 and September 21 of each year.

In case of default, such loan guarantee/substitution agreements will be terminated, and the Parent Company shall provide loans to THNC or guarantee the repayment of THNC's loans payable. Failure to provide such loans or guarantee shall be considered a default under the Stockholders' Agreement.

The loan guarantee service fee amounted to ₱34.9 million, ₱32.6 million and ₱36.5 million in 2024, 2023 and 2022, respectively (see Note 28).

g. Power Supply Agreements

SURNECO
On October 31, 2013, the Parent Company and SURNECO signed a fifteen (15) year PSA. Under the terms of the PSA, the Parent Company has agreed to construct, operate, and maintain a 10MW bunker-fired diesel power station under a build-operate-transfer scheme and to supply electricity to SURNECO. As defined in the PSA, SURNECO will pay to the Parent Company a monthly fee equal to the capital recovery fee of the power station plus fixed and variable operations and maintenance fee, fuel cost and any other applicable taxes.

The total construction cost of the 10MW bunker-fired diesel power station is about ₱1,000.0 million.

The ERC issued the COC to the Parent Company on June 26, 2019. The Parent Company and SURNECO agreed to commence the commercial operations of the three (3) generating units starting on June 26, 2018 for the first generator set, December 26, 2018 for the second generator set and June 26, 2019 for the third generator set. Each generating unit has a contracted capacity of 3.33MW. The plant operates based on the agreed schedule and in consonance with the load nominations from SURNECO.

Currently, the power plant has an available capacity of 10MW.

In 2024, 2023 and 2022, the revenue from sale of power to SURNECO amounted to ₱74.4 million, ₱59.7 million and ₱29.6 million, respectively, while the capital recovery fee amounted to ₱134.3 million in 2024, 2023 and 2022.

Oriental Mindoro Electric Cooperative (ORMECO) and Occidental Mindoro Electric Cooperative, Inc. (OMECO)
In February 2014, EPI entered into separate PSAs with ORMECO and OMECO. Under the terms of the PSAs, EPI is committed to sell and deliver approximately 20MW each of geothermal power from the Montelago Geothermal Power Project to ORMECO and OMECO for a period of approximately twenty-five (25) years. The PSAs are renewable upon the agreement of the parties and approval of the ERC.

On November 3, 2014 and December 1, 2014, EPI was granted by the ERC of the Final Authorities on the PSAs with OMECO and ORMECO, respectively. On November 24, 2014, EPI and MGPC entered into a Deed of Assignment for the transfer of EPI's rights and obligations under GRESC No. 2010-02-013 to MGPC or the Montelago Geothermal Energy Project, including the said PSAs. On February 16, 2016, the DOE approved the said transfer.

In connection with the assignment of the service contract to MGPC, the refundable deposits pertaining to compliance with the PSAs with OMECO and ORMECO were transferred by EPI to MGPC being the Project Entity.

On March 13, 2019, MGPC has been involved in a legal case after receiving a "Notice of Seller Default" from OMECO, alleging therein that MGPC has failed to comply with its main obligation under the PSA for the supply of 20MW electricity.

On December 4, 2019, MGPC filed a Petition for Indirect Contempt against OMECO for the latter's competitive selection process activities for its full load power requirement, which violates the Temporary Order of Protection and Status Quo Order issued by the Regional Trial Court.

In a decision dated December 16, 2020, the Court denied MGPC's Petition for Indirect Contempt. MGPC filed a Motion of Reconsideration on February 5, 2021. On February 28, 2024, the Court issued a Resolution stating that since no Motion for Reconsideration nor Petition was filed before the Supreme Court, the Decision dated October 20, 2023, attained finality on November 24, 2023.

Mabuhay Energy Corporation (MECO)
On November 6, 2024, NPPGC entered into a ten (10)-year PSA with MECO. Under the terms of the agreement, NPPGC is committed to sell and deliver pro-rata share of 5MW, starting June 25, 2025, and an additional 20MW starting on June 26, 2026 subject to negotiation and agreement of both parties.

Adventenergy Inc and Aboitiz Energy Solutions Inc. (AESI)
JSI
In October 2022, JSI entered into a PSA with Adventenergy Inc. and AESI. Under the terms of the agreement, JSI is committed to sell and deliver pro-rata share of 40MW, starting December 26, 2023, escalating to 50MW starting May 26, 2024, from the Sta. Rita Solar Power Project for a period of three (3) years.

NPPGC
On November 6, 2024, NPPGC entered into a PSA with Adventenergy Inc and AESI. Under the terms of the agreement, NPPGC is committed to sell and deliver pro-rata share of 45MW, starting February 26, 2026, from Cawag Solar Power Project for a period of ten (10) years.

h. Service Contracts

JSI
Solar Energy Service Contract No. 2013-10-039
On October 31, 2013, JSI entered into a SESC with the DOE. The SESC covers an area of approximately 2,997 hectares in the municipalities of Morong and Hermosa, in the province of Bataan. The SESC is for a period of twenty-five (25) years, inclusive of a two (2) year pre-development stage, and renewable for another twenty-five (25) years. The government share under the SESC shall be 1% of the gross income from the sale of electricity generated from solar energy operations.

On January 20, 2021, the DOE issued the Amended Confirmation of Commerciality No. SCC-2015-09-021-B to develop, operate and maintain the 100MW Bataan Solar Power Project (Phase 1 - 7MW; Phase 2 - 25MW; Phase 3A - 30MW and Phase 3B - 38MW).

JSI's Provisional Authority to Operate is valid until June 12, 2025.

Solar Energy Operating Contract No. 2021-01-577
On February 3, 2021, JSI entered into a SEOC with the DOE covering an area of 351 hectares, a portion of the area in SESC No. 2013-10-039, also located in Morong and Hermosa, Bataan. JSI secured from DOE a Certificate of Registration as RE Developer of 100MW / 86MW Subic New PV Power Plant Project.

<u>MGPC</u>
Geothermal Renewable Energy Service Contract No. 2016-02-060
GRESC No. 2010-02-013, which covers an approximate area of 3,914 hectares in the three (3) barangays of Montelago, Montemayor and Melgar-B in Oriental Mindoro, involves the development of geothermal well clusters and a power plant. The steam extracted from the geothermal wells will power a geothermal power station with an output capacity of at least 20MW. Once completed, the addition of geothermal power into the present mix of Mindoro's electricity sources will have a stabilizing effect on the grid where the entire island is located.

On November 24, 2014, EPI and MGPC entered into a Deed of Assignment for the assignment of EPI's rights and obligations under the GRESC to MGPC. On December 5, 2014, EPI applied with the DOE to transfer the GRESC to MGPC. The DOE approved EPI's application on February 16, 2016 under Certificate of Registration No. 2016-02-060.

The Project is currently at the exploration phase and is expected to have an operating capacity of 40MW. The geothermal plant will supply electricity to Oriental Mindoro and Occidental Mindoro at 20MW capacity each.

On May 7, 2024, MGPC received from the DOE a termination letter of the GRESC covering the Montelago Geothermal Power Project to which MGPC responded through a letter of request for reconsideration to reinstate. MGPC's request for reinstatement was granted by the DOE on July 5, 2024.

<u>SISPC</u>
Solar Energy Service Contract No. 2018-11-491
On November 6, 2019, Total Power Inc. (TPI) and DOE signed SESC No. 2018-11-491 whereby DOE granted TPI the exclusive right to explore, develop and utilize solar energy resources within 810 hectares of land located in San Isidro and Calubian, Leyte.

The SESC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to TPI as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513 otherwise known as the Renewable Energy Act of 2008.
On December 7, 2022, the DOE approved the transition of the SESC from pre-development to development stage with a capacity of 280MW / 227MW and issued the Certificate of Confirmation of Commerciality No. SCC-2022-22-117 for the Project located in San Isidro, Leyte.

On May 10, 2023, the DOE approved the assignment/transfer of all rights and obligations under the SESC from TPI to SISPC and issued a new Certificate of Registration under the name of SISPC.

<u>NPPGC</u>
Solar Energy Operating Contract No. 2023-10-715
On November 10, 2023, NPPGC and DOE signed SEOC No. 2023-10-715 whereby DOE granted NPPGC the exclusive right to explore, develop and utilize solar energy resources within 280 hectares of land located in Subic, Zambales.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to NPPGC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract No. 2023-12-804
On January 22, 2024, NPPGC and DOE signed SEOC No. 2023-12-804 whereby DOE granted NPPGC the exclusive right to explore, develop and utilize solar energy resources within 53 hectares of land located in Subic, Zambales.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to NPPGC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

<u>CSPC</u>
Solar Energy Operating Contract No. 2023-12-789
On December 19, 2023, CSPC and DOE signed SEOC No. 2023-12-789 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 102 hectares of land located in San Antonio, Zambales.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

On January 28, 2025, the DOE approved the surrender of this service contract.

Solar Energy Operating Contract 2023-12-790
On December 19, 2023, CSPC and DOE signed SEOC No. 2023-12-790 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 30 hectares of land located in Botolan, Zambales.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2023-12-795
On January 22, 2024, CSPC and DOE signed SEOC No. 2023-12-795 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 494 hectares of land located in Tuy and Nasugbu, Batangas.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2024-07-903
On July 23, 2024, CSPC and DOE signed SEOC No. 2024-07-903 whereby DOE granted CSPC the exclusive right to explore, develop and utilize solar energy resources within 597 hectares of land located in Tuguegarao, Cagayan.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Wind Energy Service Contract 2024-02-379
On March 15, 2024, CSPC and DOE signed WESC No. 2024-02-379 whereby DOE granted CSPC the exclusive right to explore, develop and utilize wind energy resources within 494 hectares of land located in Tuy and Nasugbu, Batangas.

The WESC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to CSPC as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

EER 2
Solar Energy Operating Contract 2024-04-851
On May 9, 2024, EER 2 and DOE signed SEOC No. 2024-04-851 whereby DOE granted EER 2 the exclusive right to explore, develop and utilize solar energy resources within 106 hectares of land located in Mariveles, Bataan.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to EER 2 as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

Solar Energy Operating Contract 2024-05-866
On June 26, 2024, EER 2 and DOE signed SEOC No. 2024-05-866 whereby DOE granted EER 2 the exclusive right to explore, develop and utilize solar energy resources within 408 hectares of land located in General Santos City.

The SEOC has a term of twenty-five (25) years which may be extended to another twenty-five (25) years subject to mutual agreement by the parties. On the same date, the DOE issued the Certificate of Registration to EER 2 as RE Developer to serve as the basis of entitlement to incentives under RA No. 9513.

i. Omnibus Loan and Security Agreement

On December 26, 2024, NPPGC entered into fifteen (15)-year OLSA with RCBC as the lender. The total amount of the loan facility is ₱5,175.0 million which will be used to finance Phase 1 and 2 of Cawag Solar Power Project. The payments of the loan shall be secured by a chattel mortgage on all project assets; mortgage over the leasehold rights with SBMA; and the pledge of shares of stocks of NPPGC. As at December 31, 2024, there are no drawdowns yet on this credit facility.

j. Participation and Shareholder's Agreement

In May 2011, the Parent Company and SMM signed a Participation and Shareholder's Agreement containing terms of SMM's expected equity participation in CEXCI. Under the terms of the Agreement, SMM will invest US$1.5 million in CEXCI for 25% equity. Once such funds have been exhausted, SMM has the option to invest US$2.8 million for an additional 15% equity which would bring its total equity in CEXCI to 40%. SMM did not exercise its option to make an additional investment, and the said agreement was terminated.

CEXCI has identified a new property for exploration and development in the province of Zambales under Newminco, which is prospective for gold and copper. In relation to this, SMM put up an additional US$2.8 million to increase its ownership from 25% to 40%. On November 24, 2015, the shareholders of CEXCI agreed to enter into a new Participation and Shareholder's Agreement to set out the rights and obligations of the shareholders in relation to the conduct of the business of CEXCI. The new agreement also causes CEXCI to convert the existing advances from shareholders, based on the initial equity proportion of shareholders, by issuing shares out of the unissued authorized capital stock of CEXCI at a premium. CEXCI has filed an application for the conversion of advances into equity with the SEC. As at December 31, 2024, CEXCI is still waiting for SEC's approval of the conversion of advances into equity.

On December 18, 2015, the BOD of CEXCI approved the increase in authorized capital stock of the latter. Upon approval of the SEC of the application for increase in authorized capital stock of CEXCI, the additional investment of SMM amounting to US$2.8 million, which is equivalent to ₱131.9 million, will be converted into equity. After the conversion, the Parent Company and SMM's equity in CEXCI shall be 57% and 40%, respectively.

As at December 31, 2024 and 2023, the advances made by SMM to CEXCI amounted to a total of ₱417.9 million and ₱331.9 million, respectively.

k. Marketing Agreement with Mitsubishi Corporation RTM China Limited (MCRCL)

TMC and HMC entered into a Marketing Agreement with MCRCL, wherein the latter will provide the services set forth below:

a) To use its reasonable endeavors in collecting, studying and analyzing the market information related to nickel ore, iron ore, nickel pig iron, and stainless steel;
b) To periodically report market information defined in the marketing agreement;
c) To make efforts to introduce customers to TMC and HMC and provide support to the Group in negotiating the price and terms and conditions of sales contracts of the products by and between the Group and customers; and
d) To monitor and assess trends of customers and support TMC and HMC to create an effective pricing strategy and marketing plan.

Marketing fees of 3.5% shall be charged based on the total amount of revenue on FOB price stated in the invoices issued by TMC and HMC for each covered sale of ore transactions.

Marketing fees charged by MCRCL amounting to ₱14.8 million, ₱21.0 million and ₱38.3 million in 2024, 2023 and 2022, respectively, were reported under "Marketing" in the consolidated statements of income.

l. Lease Agreements

Lease Agreement with THNC
On October 31, 2013, TMC and THNC executed a lease agreement wherein TMC will lease the land within the TSEZ to THNC. The TSEZ leased area of approximately 675 hectares is located at Barangays Taganito and Hayanggabon, Claver, Surigao del Norte. The duration of the lease agreement shall be for a period of twenty (20) years starting January 1, 2013, however, rental rate shall be annually agreed by both parties. TMC's rental income from the said lease amounted to ₱7.7 million in 2024 and 2023, and ₱7.1 million in 2022 and included under "Other income - net" (see Notes 29 and 32). In the above lease agreement, it was agreed by TMC and THNC that the option fee of ₱83.8 million received in 2010 shall be treated as advance rental and shall be deducted from the annual rental fee. The same shall be equally applied to each year of the lease term or ₱4.2 million each year of the twenty (20) year lease term.

As at December 31, 2024 and 2023, the carrying value of deferred income - net of current portion amounted to ₱29.3 million and ₱33.5 million, respectively.

m. PEZA and Board of Investments (BOI) Registration

Registration with PEZA - TMC
On December 21, 2009, Presidential Proclamation No. 1966 was issued creating and establishing the 680-hectare area situated in Taganito, Municipality of Claver, Province of Surigao Del Norte and known as TSEZ. TMC is a PEZA-registered operator/developer of the economic zone as per Certificate of Registration No. EZ 10-01. The certificate of registration was signed on January 7, 2010.

Pursuant to TMC's registration with PEZA as an economic zone developer/operator, TMC is entitled to certain incentives in accordance with the provisions of RA No. 7916, otherwise known as "the Special Economic Zone Act of 1995", as amended.

PEZA issued a certification entitling TMC qualification for the purpose of VAT zero-rating of its transactions with local suppliers of goods, properties and services and exemption from all national and local taxes and licenses except real property taxes on land owned by TMC and those required to be paid under the MPSA dated July 28, 2008. In lieu thereof, TMC shall pay 5% final tax on gross income. TMC's certification from PEZA is valid from January 1 to December 31, 2024 and renewable annually, unless otherwise revoked or suspended by PEZA prior to expiration of said period.

Registration with PEZA - RTN
On December 27, 2002, RTN registered with the PEZA as the developer/operator of Rio Tuba Processing Zone, located in Barangay Rio Tuba, Municipality of Bataraza, Palawan. The PEZA-registered activities are entitled to certain tax and non-tax incentives. Starting 2003, such activities are already subject to 5% final tax on gross income in lieu of national and local taxes and licenses except those required to be paid under the MPSA dated June 4, 1998 executed by and between the DENR and RTN. RTN's certification from PEZA is valid from January 1 to December 31, 2024 and renewable annually, unless otherwise revoked or suspended by PEZA prior to expiration of said period.

Registration with SBMA - JSI
On January 20, 2011, JSI was registered with the SBMA as a Subic Bay Freeport Enterprise, primarily to promote and undertake research, development, utilization, manufacture, sale, marketing, distribution and commercial application of new, renewable, non-conventional and

environment-friendly energy sources and system at Mt. Sta. Rita, SBFZ. The SBMA-registered activities are entitled to certain tax and non-tax incentives. In lieu of paying the regular taxes, JSI pays 5% final tax on gross income, subject to the condition that JSI's income from sources within the Custom Territory should not exceed 30% of its total income from all sources. Otherwise, JSI shall be subject to the income tax laws of the Custom Territory. JSI's Certificate of Registration and Tax Exemption is valid until July 2025.

Registration with SBMA and BOI - NPPGC
On April 3, 2024, NPPGC withdrew its registration application to SBMA, instead, NPPGC applied for BOI registration on August 29, 2024 for its Cawag Solar Power Project. NPPGC's application was approved by the BOI on December 12, 2024.

BOI Certifications
CMC, DMC, HMC, RTN and TMC received their BOI certifications for 2024 pursuant to BOI Memorandum Circular No. 2023-07 entitled "Guidelines on the Issuance of VAT Zero-rating Certification on Local Purchases of BOI - Registered Export Enterprises". The said BOI certification granted the VAT zero-rating of CMC, DMC, HMC, RTN and TMC on its local purchases of goods and services directly and exclusively used in the registered export project or activity in accordance with Section 295(D) of RA 11534, otherwise known as the CREATE Law, and Rule Section 5 of the Rules and Regulations to Implement Title XIII of the National Internal Revenue Code of 1997, as amended and applicable RR of the BIR.

On August 27, 2014, MGPC was registered with the BOI as a RE developer of geothermal energy resources. BOI has issued the certificate of registration of MGPC on October 7, 2016.

On September 5, 2023, SISPC was registered with the BOI as a RE developer.

On December 12, 2024 and October 10, 2024, NPPGC and CSPC, respectively, also secured their Certificate of Registration from the BOI as a RE Developer.

n. <u>SPA with SMM</u>

THNC
On September 15, 2016, the Parent Company and SMM executed a SPA wherein the latter agreed to purchase the Parent Company's 511,875,000 shares in THNC, representing 12.5% of the outstanding capital stock of THNC, at a purchase price of US$42.0 million, equivalent to ₱2,037.2 million. The sale and purchase of the shares was consummated upon the written consent of Japan Bank for International Cooperation.

The SPA also provides that for a period of eighteen (18) years but no earlier than three (3) years from the execution of the SPA, the Parent Company shall have the right to repurchase from SMM such number of shares of THNC equivalent to 12.5% equity ownership therein at the time when the right is exercised. The repurchase right can only be exercised once.

Pursuant to the SPA with SMM, the Parent Company and SMM also agreed that effective July 1, 2016 their responsibility to provide loans and guarantee obligations of THNC shall be 10% and 75%, respectively.

CBNC
On December 23, 2024, the Parent Company's BOD approved to sell its 15.62% ownership in CBNC to SMM, provided that the purchase price for such sale shall be subject to an independent valuation report by an external independent party appointed by the Parent Company.

On January 31, 2025, the Parent Company and SMM executed a SPA wherein SMM agreed to purchase all the Parent Company's 91,796,875 shares in CBNC, representing 15.62% of the outstanding capital stock of CBNC, at a purchase price of ₱1,855.0 million, payable in cash on closing date set on February 10, 2025. SMM, at its discretion, may pay the purchase price in US$ in an equivalent amount based on the spot rate of exchange on closing date.

Pursuant to the above SPA, the Parent Company and SMM entered a MOA to formalize the agreements reached on December 26, 2024 which include:

a) The Parent Company, through RTN and/or other subsidiaries of the Parent Company, shall continue to comply with the obligations set forth in the Stockholder's Agreement by and among SMM, Mitsui, Nissho Iwai Corporation (subsequently merged into Sojitz) and RTN dated July 1, 2002, amended on January 26, 2007 and April 1, 2013, on the establishment and operation of CBNC.
b) All existing contracts between the Parent Company, RTN or any subsidiaries of the Parent Company, and CBNC, including, but not limited to, Infrastructure Agreements, Lease Agreements, and Ore Supply Agreements, shall remain valid and enforceable in their terms even after the sale of CBNC shares.
c) Before April 1, 2025, RTN shall enter into an Addendum to the Ore Supply Agreement with CBNC, covering the period April 1, 2025 to March 31, 2028 based on ore price of US$12 per WMT, including oversized ore; provided, that the LME price is US$13 per pound or less.
d) To handle or resolve matters that are mutually beneficial to them, or that promote cooperation in the conduct of their respective businesses including, but not limited to, decommissioning and removal of CBNC equipment, stable supply of limestone, and future plan of joint projects among others.

The terms of the MOA shall take effect only after the execution of the SPA and it will remain valid unless amended or terminated upon mutual agreement of the parties.

As at December 31, 2024, the Parent Company's investment in CBNC was classified under "Assets held for sale" (see Notes 8 and 10).

o. Other Agreements

Joint Undertaking with National Commission for Indigenous Peoples (*NCIP)*
On December 8, 2009, TMC and NCIP entered into a Joint Undertaking, which confirmed that 1% royalty on annual gross revenues of TMC is payable to the Mamanwa Tribe pursuant to a MOA dated July 18, 2006 between TMC, the NCIP and the Tribe and a Certificate of Ancestral Domain Title issued to the Tribe, within which area TMC's mining operation is located.

Engineering, Design and Supply Contract
SISPC
On July 10, 2023 and December 20, 2024, SISPC entered a contract with Xinte Energy Co., Ltd. (Xinte) to carry out the design, execution, completion and remedying defects of the San Isidro Solar Power Project Phase 1 and 2, respectively. The contract price shall be paid based on a certain milestone. As at December 31, 2024 and 2023, the remaining advance payment amounts to ₱669.6 million and ₱1,126.6 million, respectively, and included under "Other noncurrent assets" (see Note 12).

Retention fees relating to these contracts amounting to ₱498.4 million and nil are recognized as part of "Trade and other payables" as at December 31, 2024 and 2023, respectively (see Note 13).

NPPGC
On December 22, 2023, NPPGC entered a contract with Xinte to carry out the design, execution, completion and remedying defects of the Cawag Solar Power Project. The contract price shall be paid in percentages identified by a certain milestone.

Installation and Commissioning Contract
SISPC
On July 10, 2023 and December 20, 2024, SISPC entered a contract with TBEA Subic Inc. to carry out the installation, completion, commissioning, and remedying defects of the San Isidro Solar Power Project Phase 1 and 2, respectively. The contract price shall be paid based on a certain milestone. As at December 31, 2024 and 2023, SISPC advanced an amount of ₱542.7 million and ₱406.1 million, respectively, and included under "Other noncurrent assets" (see Note 12).

NPPGC
On December 22, 2023, NPPGC entered a contract with TBEA Subic Inc. to carry out the installation, completion and commissioning, and remedying defects of the Cawag Solar Power Project. The contract price shall be paid in percentages identified by a certain.

Other Matters

- Letter of Intent (LOI) to Hallmark Mining Corporation (Hallmark) and Austral-Asia Link Mining Corporation (Austral-Asia)
  On February 17, 2023, Hallmark and Austral-Asia accepted NAC's LOI, for NAC or its wholly owned subsidiary, to be the sole and exclusive mining service contractor for Hallmark's MPSA No. 196-2004-XI covering 4,999.71 hectares located in Mati and San Isidro, Davao Oriental, and Austral-Asia's MPSA No. 197-2004-XI covering 5,000 hectares located in Mati and Gov. Generoso, Davao Oriental. NAC's commitments under the LOI were subjected to NAC's conduct of due diligence and exploration activities as well as the execution of definitive agreements among the parties. The LOI also permitted the conduct of a feasibility study to determine the economic and technical viability for NAC to establish an HPAL or equivalent mineral processing plant within the MPSA area. On February 23, 2024, NAC, Hallmark, and Austral-Asia agreed to terminate the LOI after the parties failed to agree on the commercial terms.

39. Supplemental Disclosure to Consolidated Statements of Cash Flows

	2024	2023
Noncash financing activities (see Note 14)		
Availment of short-term debts	**₱5,864,000**	₱1,500,000
Payment of short-term debts	**(5,864,000)**	(1,500,000)
Conversion of loans into equity	**–**	142,991
Noncash investing activities		
Reclassification to assets held for sale (see Note 8)	**1,864,775**	–
Reclassification to mining properties and development cost of HMC and RTN (see Note 9)	**366,337**	–

(Forward)

	2024	2023
Recognition of ROU asset (see Note 9)	**₱151,465**	₱236,295
Adjustment for capitalized cost of mine rehabilitation and decommissioning (see Notes 9 and 15)	**(23,954)**	94,437

Changes in Liabilities Arising from Financing Activities

	2024					
	January 1	**Cash flows**	**Foreign exchange movement**	**Reclassification**	**Others**	**December 31**
Current						
Dividends payable, gross of final withholding tax	**₱–**	**(₱3,206,550)**	**₱–**	**₱–**	**₱3,381,550**	**₱175,000**
Interest payable (see Note 13)	**45,890**	**(658,068)**	**9**	**–**	**658,453**	**46,284**
Short-term debts (see Note 14)	**5,848,095**	**1,085,873**	**–**	**–**	**51,646**	**6,985,614**
Current portion of:						
Long-term debts (see Note 14)	**345,764**	**(329,347)**	**1,047**	**354,685**	**–**	**372,149**
Lease liabilities (see Note 33)	**54,346**	**(102,944)**	**–**	**53,099**	**91,192**	**95,693**
Other current liabilities	**479,722**	**136,000**	**–**	**–**	**–**	**615,722**
Noncurrent						
Long-term debts (see Note 14)	**2,341,836**	**60,397**	**5,755**	**(354,685)**	**7,084**	**2,060,387**
Lease liabilities (see Note 33)	**779,075**	**–**	**–**	**(53,099)**	**151,465**	**877,441**
Total liabilities used in financing activities	**₱9,894,728**	**(₱3,014,639)**	**₱6,811**	**₱–**	**₱4,341,390**	**₱11,228,290**

	2023					
	January 1	Cash flows	Foreign exchange movement	Reclassification	Others	December 31
Current						
Dividends payable, gross of final withholding tax	₱–	(₱4,891,022)	₱–	₱–	₱4,891,022	₱–
Interest payable (see Note 13)	15,510	(432,666)	175	–	462,871	45,890
Short-term debts (see Note 14)	1,498,266	4,320,547	–	–	29,282	5,848,095
Current portion of:						
Long-term debts (see Note 14)	97,571	(75,546)	(3,610)	327,349	–	345,764
Lease liabilities (see Note 33)	7,621	(75,761)	–	58,782	63,704	54,346
Other current liabilities	336,731	–	–	142,991	–	479,722
Noncurrent						
Long-term debts (see Note 14)	2,119,280	709,317	(23,468)	(470,340)	7,047	2,341,836
Lease liabilities (see Note 33)	603,548	–	–	(58,782)	234,309	779,075
Total liabilities used in financing activities	₱4,678,527	(₱445,131)	(₱26,903)	₱–	₱5,688,235	₱9,894,728

Others include the effect of accrual of dividends, including those that were not yet paid at year-end, effect of interest accrued but not yet paid on interest-bearing loans, accretion of interest on lease liabilities and amortization of debt issue cost.

40. Business 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 LCT, construction and rendering of services to CBNC, THNC and other parties and leasing of aircraft to WAISC.

The power segment is engaged in power generation and exploration for geothermal resources.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group is also using net income (loss) to evaluate total performance. Net income is the performance of business segments based on a measure of recurring profit. This measurement basis is determined as profit attributable to equity holders of the Parent Company.

Segment assets include all operating assets used by a segment and consist principally of operating cash and cash equivalents, trade and other receivables, inventories, financial assets at FVTPL, at FVOCI and at amortized cost, property and equipment, investments in associates and other current and noncurrent assets. Segment liabilities include all operating liabilities and consist principally of trade and other payables, short-term and long-term debts, and other liabilities. Segment assets and liabilities do not include deferred income taxes.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRS Accounting Standards.

There were no changes from prior periods in the measurement methods used to determine the reported segment profit or loss and the effect, if any, of those changes on the measure of segment profit or loss.

The Group’s identified reportable segments below are consistent with the segments reported to the BOD, which is the Chief Operating Decision Maker of the Group.

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

	2024											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	**₱2,531,489**	**₱2,646,281**	**₱8,819,856**	**₱4,886,160**	**₱870,173**	**₱1,133,384**	**₱208,744**	**₱1,229,341**	**₱–**	**₱–**	**₱–**	**₱22,325,428**
Inter-segment revenues	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**39,172**	**–**	**675,909**	**(715,081)**	**–**
Total revenues (see Notes 30 and 32)	**2,531,489**	**2,646,281**	**8,819,856**	**4,886,160**	**870,173**	**1,133,384**	**208,744**	**1,268,513**	**–**	**675,909**	**(715,081)**	**22,325,428**
Cost of sales	**982,810**	**1,154,867**	**3,631,256**	**2,184,704**	**637,336**	**–**	**–**	**–**	**–**	**–**	**–**	**8,590,973**
Cost of services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**628,157**	**–**	**–**	**–**	**628,157**
Cost of power generation	**–**	**–**	**–**	**–**	**–**	**436,889**	**166,133**	**–**	**–**	**–**	**–**	**603,022**
Shipping and loading costs	**298,638**	**372,117**	**971,320**	**325,152**	**300,685**	**–**	**–**	**–**	**247**	**–**	**–**	**2,268,159**
Excise taxes and royalties	**223,798**	**314,453**	**881,235**	**244,308**	**43,509**	**–**	**–**	**–**	**–**	**–**	**–**	**1,707,303**
Marketing	**–**	**92,620**	**14,806**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**107,426**
Segment operating earnings (loss)	**₱1,026,243**	**₱712,224**	**₱3,321,239**	**₱2,131,996**	**(₱111,357)**	**₱696,495**	**₱42,611**	**₱640,356**	**(₱247)**	**₱675,909**	**(₱715,081)**	**₱8,420,388**
General and administrative	**₱35,529**	**₱33,350**	**₱104,866**	**₱74,960**	**₱28,644**	**₱351,539**	**₱–**	**₱68,265**	**₱–**	**₱921,053**	**₱–**	**₱1,618,206**
Finance income	**17,990**	**27,761**	**177,238**	**53,680**	**11,523**	**176,593**	**1,046**	**14,857**	**–**	**215,205**	**–**	**695,893**
Finance expenses	**6,676**	**8,103**	**22,354**	**17,061**	**22,882**	**310,609**	**–**	**54,128**	**–**	**40,973**	**–**	**482,786**
Provision for (benefit from) income tax	**213,934**	**150,662**	**799,181**	**485,756**	**97,764**	**61,934**	**761**	**–**	**(62)**	**(171,541)**	**–**	**1,638,389**
Net income (loss) attributable to equity holders of the parent	**742,648**	**491,186**	**1,791,898**	**1,040,954**	**(343,028)**	**(1,430,929)**	**67,385**	**383,641**	**–**	**(1,222,297)**	**–**	**1,521,458**
Segment assets	**₱2,768,214**	**₱1,663,498**	**₱9,354,306**	**₱5,157,470**	**₱3,102,382**	**₱25,005,459**	**₱602,562**	**₱749,433**	**₱15,756**	**₱12,677,108**	**₱–**	**₱61,096,188**
Deferred income tax assets - net	**36,144**	**34,223**	**30,821**	**76,967**	**82,869**	**–**	**–**	**–**	**–**	**293,589**	**–**	**554,613**
Total assets	**₱2,804,358**	**₱1,697,721**	**₱9,385,127**	**₱5,234,437**	**₱3,185,251**	**₱25,005,459**	**₱602,562**	**₱749,433**	**₱15,756**	**₱12,970,697**	**₱–**	**₱61,650,801**
Segment liabilities	**₱454,301**	**₱370,272**	**₱1,747,398**	**₱1,230,690**	**₱953,457**	**₱11,295,619**	**₱19,674**	**₱46,411**	**₱–**	**₱613,888**	**₱–**	**₱16,731,710**
Deferred income tax liabilities - net	**–**	**–**	**–**	**57,285**	**134,584**	**50,731**	**–**	**–**	**3,939**	**259,330**	**–**	**505,869**
Total liabilities	**₱454,301**	**₱370,272**	**₱1,747,398**	**₱1,287,975**	**₱1,088,041**	**₱11,346,350**	**₱19,674**	**₱46,411**	**₱3,939**	**₱873,218**	**₱–**	**₱17,237,579**
Other segment information:												
Capital expenditures	**₱339,085**	**₱68,798**	**₱607,932**	**₱341,198**	**₱633,013**	**₱6,802,592**	**₱1,521**	**₱29,417**	**₱–**	**₱89,124**	**₱–**	**₱8,912,680**
Depreciation, depletion and amortization	**₱214,692**	**₱87,144**	**₱772,435**	**₱264,750**	**₱187,545**	**₱320,411**	**₱55,726**	**₱32,583**	**₱247**	**₱92,419**	**₱–**	**₱2,027,952**

	2023											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱2,238,818	₱2,779,035	₱9,956,210	₱6,165,673	₱414,127	₱687,522	₱194,025	₱2,264,128	₱929	₱–	₱–	₱24,700,467
Inter-segment revenues	–	–	–	–	–	–	–	28,786	–	844,090	(872,876)	–
Total revenues (see Notes 30 and 32)	2,238,818	2,779,035	9,956,210	6,165,673	414,127	687,522	194,025	2,292,914	929	844,090	(872,876)	24,700,467
Cost of sales	842,097	1,027,263	3,204,627	2,419,490	471,017	–	–	–	–	–	–	7,964,494
Cost of services	–	–	–	–	–	–	–	1,550,783	–	–	–	1,550,783
Cost of power generation	–	–	–	–	–	376,784	138,740	–	–	–	–	515,524
Shipping and loading costs	305,343	381,900	1,027,686	282,256	173,710	–	–	–	2,965	–	–	2,173,860
Excise taxes and royalties	201,494	347,740	995,621	308,284	20,706	–	–	–	–	–	–	1,873,845
Marketing	18,469	97,266	2,522	–	–	–	–	–	–	–	–	118,257
Segment operating earnings (loss)	₱871,415	₱924,866	₱4,725,754	₱3,155,643	(₱251,306)	₱310,738	₱55,285	₱742,131	(₱2,036)	₱844,090	(₱872,876)	₱10,503,704
General and administrative	₱43,067	₱42,346	₱96,321	₱104,511	₱34,293	₱293,759	₱–	₱62,635	₱–	₱865,876	₱–	₱1,542,808
Finance income	6,554	29,797	81,800	94,724	575	115,983	1,449	4,409	–	188,774	–	524,065
Finance expenses	3,262	7,243	22,722	21,227	3,347	295,375	–	56,270	–	37,255	–	446,701
Provision for (benefit from) income tax	177,571	186,585	1,094,239	697,466	(95,072)	12,384	(3,195)	–	(741)	158,759	–	2,227,996
Net income (loss) attributable to equity holders of the parent	655,524	693,974	2,488,481	1,557,479	(262,433)	(84,738)	52,930	434,734	–	(1,786,295)	–	3,749,656
Segment assets	₱2,023,189	₱1,864,394	₱9,571,367	₱5,157,023	₱2,985,134	₱20,842,773	₱680,501	₱1,013,398	₱16,003	₱13,333,427	₱–	₱57,487,209
Deferred income tax assets - net	22,568	23,659	39,604	129,802	176,058	–	–	–	–	47,909	–	439,600
Total assets	₱2,045,757	₱1,888,053	₱9,610,971	₱5,286,825	₱3,161,192	₱20,842,773	₱680,501	₱1,013,398	₱16,003	₱13,381,336	₱–	₱57,926,809
Segment liabilities	₱283,778	₱340,847	₱1,783,149	₱1,599,355	₱817,640	₱8,671,847	₱19,393	₱314,648	₱–	₱612,243	₱–	₱14,442,900
Deferred income tax liabilities - net	–	–	–	65,591	134,663	20,435	–	–	4,000	154,234	–	378,923
Total liabilities	₱283,778	₱340,847	₱1,783,149	₱1,664,946	₱952,303	₱8,692,282	₱19,393	₱314,648	₱4,000	₱766,477	₱–	₱14,821,823
Other segment information:												
Capital expenditures	₱742,818	₱185,562	₱1,153,315	₱696,009	₱685,084	₱2,951,375	₱2,486	₱19,163	₱–	₱153,930	₱–	₱6,589,742
Depreciation, depletion and amortization	₱187,274	₱130,841	₱813,544	₱259,918	₱132,364	₱305,572	₱55,525	₱37,859	₱2,965	₱79,793	₱–	₱2,005,655

	2022											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC	HMC	Others	Eliminations	Total
External customers	₱2,167,768	₱3,823,653	₱12,461,000	₱6,756,563	₱530,027	₱609,518	₱163,930	₱1,490,691	₱–	₱–	₱–	₱28,003,150
Inter-segment revenues	–	–	–	–	–	–	–	6,212	–	994,971	(1,001,183)	–
Total revenues (see Notes 30 and 32)	2,167,768	3,823,653	12,461,000	6,756,563	530,027	609,518	163,930	1,496,903	–	994,971	(1,001,183)	28,003,150
Cost of sales	830,506	1,285,246	3,248,695	2,299,509	267,033	–	–	–	–	–	–	7,930,989
Cost of services	–	–	–	–	–	–	–	902,235	–	–	–	902,235
Cost of power generation	–	–	–	–	–	305,853	98,040	–	–	–	–	403,893
Shipping and loading costs	284,128	514,338	963,448	249,917	147,062	–	–	–	2,965	–	–	2,161,858
Excise taxes and royalties	195,099	678,698	1,246,100	337,828	26,501	2,086	–	–	–	–	–	2,486,312
Marketing	–	133,828	38,296	–	–	–	–	–	–	–	–	172,124
Segment operating earnings (loss)	₱858,035	₱1,211,543	₱6,964,461	₱3,869,309	₱89,431	₱301,579	₱65,890	₱594,668	(₱2,965)	₱994,971	(₱1,001,183)	₱13,945,739
General and administrative	₱64,490	₱61,985	₱108,141	₱101,327	₱21,248	₱154,615	₱–	₱23,949	₱–	₱770,523	₱–	₱1,306,278
Finance income	7,265	22,081	42,841	38,174	102	5,098	1,231	747	–	71,083	–	188,622
Finance expenses	1,125	4,162	24,052	21,509	1,458	183,106	–	32,894	–	38,477	–	306,783
Provision for (benefit from) income tax	186,319	255,487	1,689,323	940,366	25,560	(5,419)	–	–	(741)	338,241	–	3,429,136
Net income attributable to equity holders of the parent	647,356	941,050	3,576,990	1,956,327	13,356	98,381	67,025	413,564	–	217,101	–	7,931,150
Segment assets	₱1,641,073	₱2,840,958	₱8,231,516	₱5,008,736	₱2,480,858	₱11,970,379	₱732,992	₱591,381	₱18,968	₱15,841,576	₱–	₱49,358,437
Deferred income tax assets - net	35,028	39,244	33,859	113,766	82,142	–	–	–	–	96,566	–	400,605
Total assets	₱1,676,101	₱2,880,202	₱8,265,375	₱5,122,502	₱2,563,000	₱11,970,379	₱732,992	₱591,381	₱18,968	₱15,938,142	₱–	₱49,759,042
Segment liabilities	₱324,966	₱360,275	₱1,961,537	₱1,384,340	₱225,781	₱3,636,442	₱13,618	₱220,907	₱–	₱632,094	₱–	₱8,759,960
Deferred income tax liabilities - net	–	–	–	65,841	135,819	13,964	–	–	4,742	247,897	–	468,263
Total liabilities	₱324,966	₱360,275	₱1,961,537	₱1,450,181	₱361,600	₱3,650,406	₱13,618	₱220,907	₱4,742	₱879,991	₱–	₱9,228,223
Other segment information:												
Capital expenditures	₱105,495	₱80,508	₱499,748	₱119,922	₱119,188	₱1,380,226	₱4,699	₱167,273	₱–	₱10,203	₱–	₱2,487,262
Depreciation, depletion and amortization	₱119,312	₱174,328	₱677,675	₱253,359	₱52,891	₱241,309	₱55,443	₱5,601	₱2,965	₱80,126	₱–	₱1,663,009

Inter-segment revenues are eliminated upon consolidation.

The Group has revenues from external customers as follows:

	2024	2023	2022
China	**₱11,626,521**	₱14,764,681	₱16,971,601
Local	**7,215,935**	9,448,626	10,290,009
Singapore	**3,117,983**	–	–
Japan	**364,989**	487,160	741,540
	₱22,325,428	₱24,700,467	₱28,003,150

The revenue information above is based on the location of the customers. The local customers include CBNC and THNC, which are PEZA-registered entities.

The revenues from key customers are as follows:

Key Customers	**2024**	2023	2022
Union Wave Holding Pte. Ltd.	**₱4,072,609**	₱4,333,154	₱5,082,846
Ningbo Lygend Wisdom Co. Ltd.	**3,486,857**	4,433,877	5,859,266
Big Wave	**3,330,977**	3,165,294	3,576,952
SG Union Trading Pte. Ltd.	**3,117,983**	–	–
THNC	**3,083,292**	4,108,102	4,973,387
CBNC	**2,748,062**	4,408,481	4,493,091
	₱19,839,780	₱20,448,908	₱23,985,542

41. Events after the End of the Financial Reporting Period

Dividend Declaration
On February 27, 2025, the Parent Company's BOD declared regular cash dividends of ₱0.07 per common share and special cash dividends of ₱0.04 per common share payable on March 26, 2025, to stockholders of record as at March 13, 2025.

Deed of Absolute Sale of CBNC Shares
In relation to the SPA dated January 31, 2025, on February 10, 2025, the Parent Company and SMM executed a Deed of Absolute Sale of Shares where the Parent Company offered SMM its 58,750,000 common shares and 33,046,875 common shares in CBNC for a total consideration of ₱1,855.0 million (see Notes 8 and 10).

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Nickel Asia Corporation and Subsidiaries
28th Floor NAC Tower, 32nd Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Nickel Asia Corporation and its subsidiaries as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A and have issued our report thereon dated February 27, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules[i] are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
Partner
CPA Certificate No. 0100794
Tax Identification No. 163-069-453
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10465317, January 2, 2025, Makati City

February 27, 2025

[i] This includes:
- Reconciliation of Retained Earnings Available for Dividend Declaration
- Map showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, associates, wherever located or registered
- Supplementary schedules required by Annex 68-J:
  - Financial assets
  - Amounts receivable from directors, officers, employees, related parties, and principal stockholder (other than related parties)
  - Amounts of receivable from related parties which are eliminated during the consolidation of financial statements
  - Long-term debt
  - Indebtedness to related parties
  - Guarantees of securities of other issuers
  - Capital stock

NICKEL ASIA CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE I

NICKEL ASIA CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2024

Unappropriated retained earnings as at December 31, 2023		₱16,455,826
Less: Item that is directly debited to unappropriated retained earnings		
Dividend declarations during the year		(1,811,550)
Unappropriated retained earnings, as adjusted		14,644,276
Add: Net income for the year		3,174,042
Less: Unrealized income recognized in the statement of income during the reporting period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(64,402)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	(6,790)	(71,192)
Add: Unrealized income recognized in the statement of income in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents		449
Adjusted net income		17,747,575
Add: Non-actual losses recognized in the statement of income during the reporting period (net of tax)		
Impairment loss on investment in an associate		1,095,623
Add: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred income tax assets not considered in the reconciling items under the previous categories	(244,375)	
Net movement in deferred income tax assets and liabilities related to same transaction	(892)	(245,267)
TOTAL RETAINED EARNINGS AVAILABLE FOR DIVIDEND DISTRIBUTION AS AT DECEMBER 31, 2024		**₱18,597,931**

SCHEDULE II

NICKEL ASIA CORPORATION AND SUBSIDIARIES

Schedule A. Financial Assets
December 31, 2024

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotations at End of Reporting Date	Income Received and Accrued
	In Thousands			
Cash on hand and with banks	N/A	₱4,025,632	₱4,025,632	
Short-term cash investments	N/A	8,905,392	8,905,392	₱551,821
Cash under managed funds	N/A	4,248	4,248	
Cash and cash equivalents		₱12,935,272	₱12,935,272	₱551,821
Trade	N/A	₱837,985	₱837,985	₱–
Amounts owed by related parties	N/A	259,997	259,997	–
Interest receivable	N/A	67,368	67,368	–
Forward contracts receivable	N/A	14,076	14,076	–
Others	N/A	172,675	172,675	–
Trade and other receivables		₱1,352,101	₱1,352,101	₱–
JP Morgan Chase & Co. - debt securities	various	₱1,342,898	₱1,342,898	₱58,023
Keyland Ayala Properties Inc.	3,056,198 shares	697,045	697,045	15,281
Manila Golf and Country Club	1 share	160,000	160,000	–
Wack-Wack Golf and Country Club	1 share	85,000	85,000	–
NiHao Mineral Resources International, Inc.	101,000,000 shares	38,885	38,885	–
PLDT Inc.	25,000 shares	32,375	32,375	2,400
BPI Asset Management - debt securities	various	26,301	26,301	–
Security Bank Corporation - debt securities	various	16,306	16,306	–
Security Bank Corporation	58,027 shares	5,049	5,049	100
BDO Unibank, Inc. - debt securities	various	1,307	1,307	–
Eurasian Consolidated Minerals Pty. Ltd.	15,949,298 shares	1,242	1,242	–
Maybank ATR Kim Eng Capital Partners, Inc. - debt securities	various	1,141	1,141	–
Financial assets at FVTPL		₱2,407,549	₱2,407,549	₱75,804

(Forward)

NICKEL ASIA CORPORATION AND SUBSIDIARIES
Schedule A. Financial Assets
December 31, 2024

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotations at End of Reporting Date	Income Received and Accrued
		In Thousands		
BPI Asset Management - debt securities	various	₱301,948	₱301,948	₱14,312
BDO Unibank, Inc. - debt securities	various	66,867	66,867	3,172
Security Bank Corporation - debt securities	various	60,373	60,373	2,681
Financial assets at FVOCI		₱429,188	₱429,188	₱20,165
San Miguel Corporation	₱200,000	₱200,000	₱200,000	₱7,266
Aboitiz Equity Ventures, Inc.	₱100,000	100,000	100,000	2,418
Retail Treasury Bond	₱50,000	50,000	50,000	1,850
Ayala Land, Inc.	₱25,000	25,000	25,000	1,053
SM Prime Holdings, Inc.	₱–	–	–	396
DoubleDragon Properties Corporation	₱–	–	–	272
Financial assets at amortized cost		₱375,000	₱375,000	₱13,255
MRF	N/A	₱913,141	₱913,141	₱19,911
Restricted cash	N/A	245,497	245,497	45
SDMP funds	N/A	100,714	100,714	65
Other noncurrent assets		₱1,259,352	₱1,259,352	₱20,021
Total		₱18,758,462	₱18,758,462	₱681,066

NICKEL ASIA CORPORATION AND SUBSIDIARIES

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
December 31, 2024

Name and Designation of Debtor	Beginning Balance	Additions	Deductions		Current	Noncurrent	Ending Balance
			Amount Collected	Amount Written-Off			

There are no receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders other than subject to usual terms, for ordinary travel and expense advances, and for other such items arising in the ordinary course of business and eliminated in consolidation.

NICKEL ASIA CORPORATION

Schedule C. Amounts Receivable from Related Parties which are Eliminated in the Consolidated Financial Statements
December 31, 2024

Name of Subsidiary	Balances At January 1, 2024	Additions	Amounts collected	Reclassification	Amounts Written Off	Current	Noncurrent	Amount Eliminated
	In Thousands							
Dinapigue Mining Corporation	₱2,353,699	₱270,043	(₱8)	₱–	₱–	₱–	₱2,623,734	₱2,623,734
La Costa Shipping and Lighterage Corporation	60,000	200	(200)	–	–	60,000	–	60,000
Coral Pearl Developments Limited	22,612	362	(1,301)	–	–	21,673	–	21,673
Cordillera Exploration Co., Inc.	7,641	–	–	–	–	–	7,641	7,641
Hinatuan Mining Corporation	–	201,083	(200,658)	–	–	425	–	425
Taganito Mining Corporation	–	(21)	(29)	–	–	(50)	–	(50)
Cagdianao Mining Corporation	(50,033)	(48)	50,081	–	–	–	–	–
Emerging Power Inc.	1,907	530	(2,437)	–	–	–	–	–
Rio Tuba Nickel Mining Corporation	(173)	(678)	851	–	–	–	–	–
CDTN Services Company Inc.	–	(79)	79	–	–	–	–	–
	₱2,395,653	₱471,392	(₱153,622)	₱–	₱–	₱82,048	₱2,631,375	₱2,713,423

NICKEL ASIA CORPORATION AND SUBSIDIARIES
Schedule D. Intangible Assets - Other Assets
December 31, 2024

Description	January 1, 2024	Additions At Cost	Deductions: Charged to Costs and Expenses	Deductions: Charged to Other Accounts	Other Changes - Additions (Deductions)	December 31, 2024
	In Thousands					
Geothermal exploration and evaluation assets [(a)]	₱1,896,637	₱15,679	(₱1,912,316)	₱–	₱–	₱–
Other Noncurrent Assets [(b)]						
Deferred mine exploration costs	675,411	130,987	–	(366,337)	–	440,061
Project development costs	268,375	–	(20,977)	(112,135)	2,476	137,739
Intangibles	79,987	73,237	(38,811)	–	–	114,413
	₱2,920,410	₱219,903	(₱1,972,104)	(₱478,472)	₱2,476	₱692,213

(a) Disclosed in Note 11 to the Consolidated Financial Statements
(b) Disclosed in Note 12 to the Consolidated Financial Statements

NICKEL ASIA CORPORATION AND SUBSIDIARIES

Schedule E. Long-term Debts
December 31, 2024

Name of Issuer and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-term	Remarks
	In Thousands			
Long-term Debts				
Taganito HPAL Nickel Corporation	₱–	₱101,229	₱556,758	A
Deferred Income				
Taganito HPAL Nickel Corporation	–	4,190	29,329	B
Total	₱–	₱105,419	₱586,087	

Remarks:

A. Interest rate is based on prevailing 180-day LIBOR plus 2% spread; principal is payable in semi-annual installments of US$875,000, payable in April and October until April 10, 2031. In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to TSOFR plus an adjustment of 0.43%.

B. The obligation is covered by a Lease Agreement with THNC.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

Schedule F. Indebtedness to Affiliates and Related Parties (Short-term and Long-term Debts with Related Companies)
December 31, 2024

Name of Affiliate	January 1, 2024	December 31, 2024
	In Thousands	
Long-term Debts		
Taganito HPAL Nickel Corporation	₱726,731	₱657,987
Deferred Income		
Taganito HPAL Nickel Corporation	37,709	33,519
	₱764,440	₱691,506

NICKEL ASIA CORPORATION AND SUBSIDIARIES
Schedule G. Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee

- Not applicable-

NICKEL ASIA CORPORATION AND SUBSIDIARIES
Schedule H. Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock	19,265,000,000	13,931,125,094	–	10,176,557,920	27,092,690	3,727,474,484
Preferred Stock	720,000,000	720,000,000	–	720,000,000	–	–

NICKEL ASIA CORPORATION AND SUBSIDIARIES
Schedule I. Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024

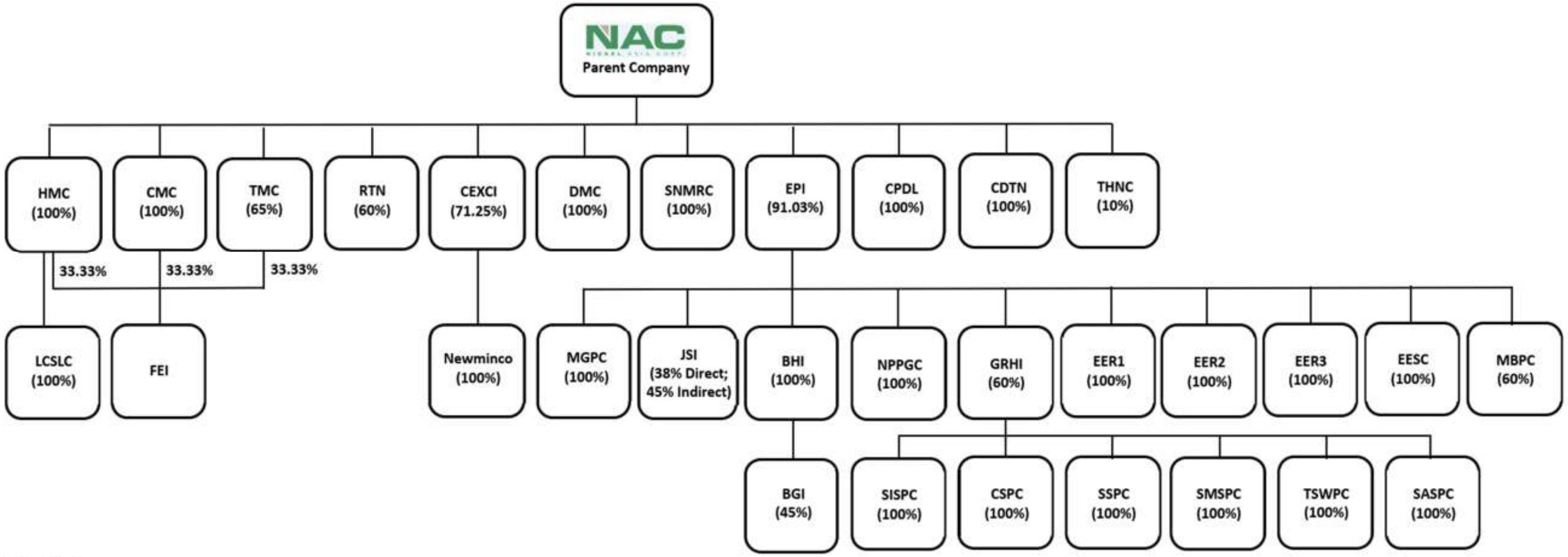
	2024	2023
	In Thousands	
Total audit fees [1]	₱18,900	₱17,685
Non-audit services fees:		
Transfer pricing study	270	1,830
All other services	–	15
Total non-audit fees [2]	270	1,845
Total Audit and Non-audit Fees	₱19,170	₱19,530

Notes:

1) Agreed fees (excluding out-of-pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements, if applicable.
2) Charged or billed fees (excluding out-of-pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements, if applicable.

SCHEDULE III

NICKEL ASIA CORPORATION AND SUBSIDIARIES
A MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES, CO-SUBSIDIARIES AND ASSOCIATES
DECEMBER 31, 2024



Subsidiaries:

HMC - Hinatuan Mining Corporation
CMC - Cagdianao Mining Corporation
TMC - Taganito Mining Corporation
LCSLC - La Costa Shipping and Lighterage Corp.
FEI - Falck Exp Inc.
RTN - Rio Tuba Nickel Mining Corporation
CEXCI - Cordillera Exploration Co., Inc.
Newminco – Newminco Pacific Mining Corporation
DMC - Dinapigue Mining Corporation
SNMRC - Samar Nickel Mining Resources Corp.
EPI - Emerging Power Inc.
MGPC - Mindoro Geothermal Power Corporation
JSI - Jobin SQM, Inc.
BHI - Biliran Holdings Inc.
NPPGC - Northern Palawan Power Generation Corporation
GRHI - Greenlight Renewables Holdings Inc.
CPDL - Coral Pearl Developments Limited
CDTN - CDTN Services Company Inc.
SISPC - San Isidro Solar Power Corp.
CSPC - Casilagan Solar Power Corporation
SSPC - SanJuan Solar Power Corporation
SMSPC - Sta. Maria Solar Power Corporation
TSWPC - Tuy Solar and Wind Power Corp.
SASPC - San Antonio Solar Power Corp.
EER1 - Emerging Energy Resources, 1, Inc.
EER2 - Emerging Energy Resources, 2, Inc.
EER3 - Emerging Energy Resources, 3, Inc.
EESC - Emerging Energy Saver Corporation
MBPC - Manta Baguio Properties Corp.

Associates:

THNC - Taganito HPAL Nickel Corporation
BGI - Biliran Geothermal, Inc.

Note: There is no pyramid ownership structure and/or cross holding structure.

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Nickel Asia Corporation and Subsidiaries
28th Floor NAC Tower, 32nd Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Nickel Asia Corporation and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 27, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the consolidated financial statements prepared in accordance with PFRSs Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
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PTR No. 10465317, January 2, 2025, Makati City

February 27, 2025

SCHEDULE IV

NICKEL ASIA CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024

	Ratios	Formula	**2024**	2023
A.	*Liquidity ratios*			
	Current ratio	Current assets / Current liabilities	**1.87**	2.35
	Quick ratio	Current assets - Inventories - Prepayments and other current assets / Current liabilities	**1.42**	1.89
	Solvency ratio	Total assets / Total liabilities	**3.58**	3.91
B.	*Financial leverage ratios*			
	Debt ratio	Total liabilities / Total assets	**0.28**	0.26
	Debt-to-equity ratio	Total liabilities / Total equity	**0.39**	0.34
	Interest coverage	Earnings before interest and taxes / Interest expense	**12.37**	17.74
	Asset-to-equity ratios	Total assets / Total equity	**1.39**	1.34
C.	*Profitability ratios*			
	Gross profit margin	Revenues - Costs / Revenue	**0.56**	0.59
	Net profit margin	Net income / Revenue	**0.13**	0.23
	Return on assets	Net income / Total assets	**0.05**	0.10
	Return on equity	Net income / Total equity	**0.07**	0.13
	Price/earnings ratio	Price per share / EPS	**31.73**	20.30

Contextual Information

Company Details	
Name of Organization	Nickel Asia Corporation and Subsidiaries
Location of Headquarters	28th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Location of Operations	Bataraza, Palawan Bonifacio Global City, Taguig Cagdianao, Dinagat Islands Claver, Surigao del Norte Dinapigue, Isabela Guiuan, Eastern Samar Mt. Sta. Rita, Subic Bay Free Port Zone Tagana-an, Surigao del Norte
Report Boundary: Legal Entities Included in this Report	Cagdianao Mining Corporation (CMC) CDTN Services Company Inc. (CDTN) Dinapigue Mining Corporation (DMC) Emerging Power Inc. (EPI) Hinatuan Mining Corporation (HMC) Jobin-SQM Inc. (JSI) Rio Tuba Nickel Mining Corporation (RTN) Taganito Mining Corporation (TMC)
Business Model, including Primary Activities, Brands, Products, and Services	Production of lateritic nickel ore Renewable energy
Reporting Period	January 1, 2024, to December 31, 2024
Highest Ranking Person Responsible for this Report	Mr. Martin Antonio G. Zamora President and Chief Executive Officer, Nickel Asia Corporation

Report Boundaries

Nickel Asia Corporation ("NAC" or "the Company") provides an update on the sustainability programs of NAC and its subsidiaries, including Cagdianao Mining Corporation (CMC), Dinapigue Mining Corporation (DMC), Hinatuan Mining Corporation (HMC), Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), CDTN Services Company Inc. (CDTN), Emerging Power Inc. (EPI), and Jobin-SQM Inc. (JSI), collectively referred to as the "NAC Group" or "the Group."

This report outlines the Group's sustainability efforts for the 2024 calendar year, aligning with the United Nations Sustainable Development Goals (UN SDGs). It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, International Financial Reporting Standards (IFRS), Sustainability Accounting Standards Board (SASB), and the Integrated Reporting Framework, while also adhering to the principles of the United Nations Global Compact (UNGC). NAC utilizes a comprehensive set of indicators to ensure consistent and transparent performance tracking, providing stakeholders with a clear view of the Company's economic, environmental, and social development achievements.

SUSTAINABILITY FOR THE GROUP

Our Journey to Sustainability

As the first company in the Philippines with mining assets to be admitted as a member of the United Nations Global Compact (UNGC), NAC is well on its way toward realizing its ambitious Sustainability Agenda. The direction, contained in its Sustainability Roadmap (Roadmap), is to concentrate on the three pillars ESG framework of environment, social, and governance to institutionalize Sustainability as a business strategy.

As part of its strategic vision, NAC, in alignment with the United Nations call on Climate Action, made business choices that supported its Sustainability Roadmap in 2024, achieving the buy-in of all its stakeholders through transparency, collaborations, and strong, well-meaning decisions.

The goals and objectives under the NAC Sustainability Roadmap were crafted by everyone in the organization and its external stakeholders, creating Technical Working Groups (TWGs) in all its operations to identify strategic processes that impact the Company's critical Sustainability indicators.

Since day one of NAC's Sustainability Agenda, it has taken the path of strengthening community resilience by supporting livelihood and education and pushing for biodiversity enhancement. This is in full support of the nation's drive towards inclusive progress and the global community's Sustainable Development Goals.

Working hand in hand with its stakeholders, NAC continues to discover ways to stay on the frontline of progress and to elevate its processes in accordance with global standards.

FIGURE 1: NAC MINING COMPANIES BUSINESS ACTIVITIES

Exploration

Identify potential mineral-rich areas using geological, geophysical, and geochemical techniques.

Conduct detailed surveys and collect samples for analysis.

Assess the size, grade, and accessibility of the mineral deposit.

1

Assessment, Evaluation and Planning

Evaluate the economic viability of extracting mineral deposits.

Conduct environmental and social impact assessments with stakeholder engagement.

Prepare a feasibility study outlining the mining plan and financial projections.

Develop a comprehensive mine plan in accordance with Philippine Mineral Reporting Code of 2020 guidelines.

Obtain necessary permits and approvals from government agencies and stakeholders.

Secure funding for the mining project.

2

Extraction

Employ surface mining techniques to extract minerals from the ground.

Utilize specialized equipment to excavate, transport, and store the mineral.

Adhere to safety and environmental regulations throughout the extraction process.

3

Transportation and Shipment

Transport the extracted minerals to a processing facility or market.

Ensure proper handling to prevent contamination.

4

Rehabilitation and Reforestation

Implement progressive rehabilitation of the mined-out area especially with endemic plant species to restore the natural ecosystem.

Implement the Final Mine Rehabilitation and Decommissioning Plan

Monitor the site to ensure the success of rehabilitation efforts.

FIGURE 2: NAC RENEWABLE ENERGY BUSINESS ACTIVITIES

Registration and Application

Registering the business entity as a renewable energy company and developer.

Securing the RE Service Contract from DOE, other necessary permits, licenses, and approvals from government agencies to operate a renewable energy project.

Obtaining endorsements from local government units and communities in the project site.

Ensuring compliance with EPIRA Law (RA 9136) and Renewable Energy Law (RA 9153).

1

Pre-Development

Identifying potential locations for renewable energy projects.

Evaluating the feasibility of a project, considering environmental impact, HSSE&SP factors, costs, timeline, technical design, potential energy production, grid connection, offtake and market conditions, and overall risks and related mitigations.

Analyzing wind patterns, sunlight availability, and other factors to determine suitability.

Registering for the availment of tax incentives under the RE Law.

Arranging the grid connectivity, offtake arrangement, EPC contract, and appropriate financing for the project.

Accessing grid connectivity.

2

Conversion

Obtaining necessary approvals and managing the conversion of land for the renewable energy project.

Preparing the site for development.

3

Project Development (Construction and Commissioning)

Designing the renewable energy system, including the number and size of turbines/panels needed.

Securing construction permit/s.

Building the infrastructure for the project in accordance with the approved project plans and industry standards.

Procuring and installing the renewable energy equipment (turbines, solar panels, etc.).

Completing all necessary testing and commissioning to ensure the project functions as planned.

Connecting the system to the power grid.

Figure 2: NAC Renewable Energy Business Activities *(continued)*

4

Monitoring

Monitoring the performance of the renewable energy system to ensure optimal energy production.

Performing routine and preventative maintenance on the equipment to keep it functioning efficiently.

Addressing any issues that arise with the system to ensure its continued operation.

5

End-of-Project

Abiding by the provisions of the DOE RE Service Contract on decommissioning, abandonment and termination of power plant operations, including dismantling and disposal of equipment and facilities.

Risk and Opportunities

Recognizing the dynamic landscape of the nickel mining sector, NAC has proactively identified key risks and opportunities for 2024 aligning them with industry trends in both global and Philippine scenarios. The following summarizes these critical risks and opportunities and outlines NAC strategies to mitigate risks and create opportunities:

Market Price Volatility

NAC proactively addresses the risk of declining nickel prices by capitalizing on the growing demand for nickel and diversifying its product portfolio, ensuring resilience and adaptability in a dynamic market.

Rising Costs

NAC acknowledges the rising costs of production as a key risk, yet sees an opportunity in the emergence of new, potentially cost-efficient production technologies. By actively investing in research and development and adapting to potential changes in transport costs, NAC aims to mitigate production cost increases and even leverage the opportunity to gain a competitive edge.

Business Interruption

NAC acknowledges the threat of rising production costs and operational risks. However, the Company actively seeks to turn these challenges into opportunities. Government support for the nickel industry provides a buffer against rising costs, while community development programs cultivate trust and reduce operational risks. Additionally, implementing strict environmental and social standards not only fulfills regulatory requirements but also potentially attracts further government support and mitigates operational risks.

Supply Chain Disruptions

While supply chain disruptions pose a potential threat, NAC mitigates this risk by establishing a diverse network of suppliers and partners. This strategy strengthens resilience and adaptability across the supply chain. Additionally, NAC invests in digital technologies to improve supply chain visibility and efficiency, enabling it to anticipate and respond to disruptions more effectively, turning potential challenges into opportunities for cost optimization.

Regulatory Uncertainty

Navigating the dynamic landscape of government support and regulations requires a strategic approach. NAC monitors and complies with state policies in the Philippines which minimizes risks and ensures smooth operations. The Company even goes beyond compliance by engaging with policymakers and industry associations to advocate for value-adding regulations. This collaboration ensures the industry's voice is heard and contributes to shaping regulations that benefit both NAC and the broader sector.

Technological Disruptions

The dynamic landscape of technology presents both risks and opportunities for NAC. Recognizing this, the Company embraces new technologies to optimize mining processes and minimize its environmental footprint. By investing in research and developing innovative solutions, NAC mitigates the risks of technological disruption and seizes the opportunity to establish itself as a leader in sustainable and efficient mining practices.

Economic Downturns

Economic downturns pose a significant risk, but NAC sees an opportunity to strengthen its position. By diversifying its product portfolio and venturing into new markets, especially in the energy sector, NAC reduces its vulnerability to fluctuations in any single sector. Additionally, NAC implements cost-saving measures and optimizes operations, ensuring financial efficiency even in challenging economic conditions. This forward-thinking approach transforms potential threats into opportunities for diversification, adaptability, and long-term sustainability.

Climate Change

While climate change presents a growing challenge, NAC sees an opportunity to be a leader in responsible mining practices. By empowering operations to adapt and mitigate climate change impacts, NAC not only reduces risks but also seizes the opportunity to position itself favorably in an increasingly environmentally conscious market. The Company's approach focuses on investing in renewable energy sources and reducing carbon emissions.

Water and Wastewater Management

NAC proactively mitigates the challenges of water and wastewater management by implementing water conservation measures and developing sustainable water management practices. The Company sees this not just as risk mitigation but also as an opportunity to create a positive impact by collaborating with local communities to address water issues, NAC strengthens community relations, fosters responsible resource management, and creates shared value that further strengthens sustainable water management.

Biodiversity Loss

Recognizing the critical issues of biodiversity loss, NAC goes beyond simply mitigating this risk. The Company sees this as an opportunity to be a leader in environmental stewardship by actively protecting biodiversity and restoring ecosystems through conservation measures such as establishing biodiversity corridors, supporting community-based programs, and undertaking reforestation and rehabilitation. This approach minimizes environmental impact, fosters positive relationships with local communities, and promotes a responsible and sustainable business.

Business Strategies and Opportunities

Nickel Asia has started to aggressively drive its business strategies with sustainability goals aligned with the United Nations Sustainable Development Goals (UN SDGs).

1. ***Cutting down on Greenhouse Gas (GHG) emissions***

   Beginning with the baselines of the materiality of Sustainability issues, NAC highlighted the most pressing concerns starting with the challenge of cutting down greenhouse gas emissions across the organization.

   Scientists attest that global warming is the one big challenge deterring us from achieving our SDG ambitions and that the only way to combat global warming is to prevent the further release of greenhouse gases into the atmosphere mainly driven by human activities.

   The commitment to cut back 35,000 tons of carbon dioxide emissions (tCO2e) by 2025 is an internal target meant to jumpstart the NAC's processes and systems. NAC believes that its ambitious Sustainability Agenda can only be successful if achieved through transparency and with a strong decisive goal; therefore, after achieving the buy-in of all its stakeholders, it has declared a collective target of reducing GHG emissions by 42% by 2030 across the organization.

To fuel this strategy, it is critical to increase investments in renewable energy and low-carbon technologies. At NAC, strategic ways to cut CO2 emissions are being employed through investing heavily in technologies that reduce CO2 emissions caused by its mining operations. The Company is also investing in nature-based solutions, including the planting of mangroves and trees by the millions.

2. ***Restoring Biodiversity***

The Group embarked on land restoration and biodiversity conservation initiatives aiming to restore 807 hectares of land within its MPSAs, consisting of, but not limited to, the development areas and buffer zones. NAC also declared to establish and maintain at least five biodiversity offset sites.

3. ***Green energy and technologies***

NAC likewise invested heavily in renewable energy projects such as solar, geothermal, and energy storage systems by its subsidiary EPI, to achieve 650 megawatts of renewable energy power production by 2025.

As a natural resource development company, NAC has always been an integral part of development, of building societies and nations, in achieving a green future. After all, the materials needed for developing the 'green technologies' such as solar panels, wind turbines, batteries for electric vehicles, and even disaster-detection equipment must first be mined.

4. ***Water management***

Sustainable water management is also part of the Sustainability goals of NAC. The Group took the opportunity to enhance its investment in wastewater treatment technologies to improve the quality of effluent throughout its operations.

5. ***Community resiliency and focus on people***

Strengthening community resiliency by supporting livelihood and education and pushing for biodiversity enhancement and protection have been a focus of NAC from day one of its operations, and now, in alignment with the UN's no one left behind mantra.

NAC ensured that its strategy was laid out clearly to achieve its goal of diversity and inclusion by providing decent work at all levels across the organization, institutionalizing diversity and inclusion policies, programs, and initiatives aimed at achieving a level of Sustainability in communities where it operates. This has been done through engaging with all its stakeholders to identify and address their needs.

Integral to this is acquiring the support of an empowered and participative indigenous cultural community through training and development opportunities for the indigenous people.

6. ***A robust risk management system and target***
   NAC has also outlined a strategy to establish a robust risk management system to achieve a third-party ESG risk rating of medium, or lower, by 2025. NAC has set its commitment to robust reporting and disclosure practices, with consistent transparency in tax payments through social contributions, and environmental funds and disbursements.

The NAC Sustainability Roadmap

Part of the NAC Sustainability Roadmap, declared in 2021, was the announcement of its objectives to be the premier ESG investment in the country and to be counted among the top 25 Philippine Stock Exchange-listed companies in terms of market capitalization by 2025. The Company has taken key steps to move closer towards this twin goal.

In 2022, NAC became the first Company in the country with mining assets to create a Board-level Sustainability Committee and appoint a Chief Sustainability Officer (CSO). The Sustainability Committee oversees, identifies, and assesses the economic, environmental, ethical, and social impacts of NAC's operations. It bears the immense responsibility of steering the Company toward becoming a better business operator and contributor to national development. The Committee actively fosters a Sustainability culture within the Group, ensuring that everyone continues to operate with the utmost respect for the people and environment.

As shown in the tables below, the roadmap was implemented in phases and batches. Phase 1 covered three goals for each pillar: Environment, Social, and Governance, and was completed in December 2023. Phase 2 introduced three additional goals for both the Environment and Social pillars. In terms of organizational scope, Batch 1 covered 10 Business Units including the NAC Head Office. Batch 2 added four more Business Units.

In 2024, the Group completed the NAC Sustainability Roadmap covering Phases 1 and 2 goals for the first and second batch of its Business Units. The roadmap not only covers nickel mining and exploration but also energy, particularly clean and renewable energy. In the same year, NAC also initiated the digitalization of its Sustainability Reporting.

Goals

Phase 1	Phase 2
Environment ● Net Zero Carbon by 2050 ● No Net Loss Impact by 2025; Net Positive by 2030 ● Net Positive Water Impact by 2030	Environment ● Circular Economy in all Camp/Townsites by 2030 ● 100% Clean Energy by 2050 ● Climate Resilient Operations by 2030
Social ● Good Health and Well-being of all Employees ● Equal Opportunities at all Levels at all Backgrounds ● Sustainable Communities	Social ● Decent Work at all Levels ● Empowered and Self-reliant Indigenous Cultural Communities ● Catalyst for Economic Growth

Phase 1	Phase 2
Governance ● Inclusive Leadership and Management ● Strong Organizational Culture ● Robust and Comprehensive Risk Management Systems	Governance ● Inclusive Leadership and Management ● Strong Organizational Culture ● Robust and Comprehensive Risk Management Systems

Business Units

	Batch 1	Batch 2
Holding Company	● Nickel Asia Corporation	
Nickel Mining	● Cagdianao Mining Corporation (CMC) ● Dinapigue Mining Corporation (DMC) ● Hinatuan Mining Corporation (HMC) ● Rio Tuba Mining Corporation (RTN) ● Taganito Mining Corporation (TMC)	● HMC Manicani Nickel Project (HMC MNP)
Gold and Copper Exploration	● Cordillera Exploration Co., Inc. (CEXCI) ● Newminco Pacific Mining Corporation (NEWMINCO)	
Renewable Energy	● Emerging Power Inc. (EPI) ● Jobin-SQM Inc. (JSI)	● Biliran Geothermal Incorporated (BGI) ● Mindoro Geothermal Power Corporation (MGPC)
Services		● CDTN Services Company, Inc.

Engaging with our Stakeholders

GRI 2-29, 207-3

Stakeholder engagement and communication play a vital role in the business of NAC. It is embedded in the Company’s operational DNA to be sensitive and responsive to the respective concerns of all stakeholders. Key concerns are defined to align with stakeholders’ understanding and acceptance of the Sustainability concept. Material issues are addressed to achieve support and collaboration from both internal and external stakeholders. Programs and initiatives are designed to further drive NAC’s Sustainability goals. Events are conducted to promote stakeholder interactions and discussions. NAC puts a premium on annual reports and various collaterals such as the corporate website and access to social media for accurate communication.

How are stakeholders consulted on economic, environmental, and social topics?
Continuous information dissemination is made available through various media, education, and communication activities. Consultation and focus group discussions are conducted particularly on matters of concern to stakeholders allowing for feedback, inputs, and engagements.

Are the consultations delegated to certain positions?
Consultations are done at different levels. A Corporate and Regulatory Affairs sector manages most interactions with government agencies and regulators, and the Community Relations Sector primarily functions to hear and address concerns from the communities while other sectors such as the Admin and HR are actively involved in gathering inputs from various stakeholders particularly the employees and other members of the supply chain.

What is the Board's role in identifying and managing ESG topics and their impacts, risks, and opportunities?
The Board, the Sustainability Committee, and the Board Risk Oversight Committee discuss these regularly in meetings coordinating closely with Public Affairs, Sustainability and Communications Groups. As a follow-on to the Risk Conferences attended by officers and managers of the NAC Group in 2023, Assessment, Mitigation, and Calibration Sessions (AMCAL) were conducted throughout the Group through each site’s respective Risk Management Councils.

How are the feedback reported back to the board?
The Chief Sustainability Officer quarterly reports to the Board ensuring they are updated with data and insights on plans and actions in order that they perform their crucial role in challenging management for strategies to identify and capture opportunities.

Stakeholders/Stakeholder Group	Key Issues/Concerns Identified	Engagement Channels	Engagement Activities Highlights
Employees	Equal opportunities at all levels and all backgrounds	Survey, Trainings, Information dissemination, E-learning platforms, Health and safety seminars	◎ NAC Policy on Diversity, Equality, and Inclusivity approval and implementation
	Work life balance		◎ Implementation of NAC LiveWell programs and activities such as: Mental Health Awareness, Disease awareness and prevention, Medical Advisories and Outpatient procedures
	Occupational Health and Safety - Mental health - Healthcare access		◎ Implementation of Occupational Health and Safety programs and activities
	Protection of Human Rights		◎ Implementation of NAC Group's Human Rights policy
	Freedom of Association and Collective Bargaining		◎ Labor management consultations and presence of grievance mechanism venues
	Human Capital Development		◎ Continuing learning and development programs
	Climate Change issues		◎Conduct of Climate Risk Assessment
	Data protection and Cybersecurity		◎ NAC Personal Data Privacy Governance and Management Manual approval and implementation ◎ Approval and implementation of the following policies: Policy on the Prevention of Phishing Attacks; Email use Policy; Information Security Policy; Password Policy; Policy on Company-Issued Computer Equipment; and Software Installation Policy
Contractors, Business Partners, Suppliers	Occupational Health and Safety - Mental health - Healthcare access	Survey, Trainings, Information dissemination, Health and safety seminars	◎ Contractual obligation of Service Contractors to comply with Occupational Safety and Health Standards ◎ Annual monitoring and evaluation of safety performance ◎ Awareness and Trainings on Safety and Health
	Freedom of Association and Collective Bargaining		◎ Acknowledgement and adherence to the existing NAC's Code Business Conduct and Ethics, Anti-Bribery Policy, and other applicable policies by the Supply Chain
	Protection of Human Rights		◎ Inclusion of the Supply Chain in the Human rights policy, human rights risk assessment and due diligence
Government and Regulatory Agencies	Transparency, anti-corruption, tax strategy	Public consultations, meetings, conferences	◎ Strong supporter of Philippine Extractive Industry Transparency Initiative (Ph-EITI)
	Zero bribery		
	Data protection and Cybersecurity		◎ Annual Data Protection Officer Registration ◎ Registration of Data Processing System ◎ Annual Security Incident Report
	Environmental impacts management		◎ Implementation and monitoring of environment programs; regular monitoring of abidance to related environment parameter standards and regulations
	Climate Change issues		
	Energy Management and security		

	Community Climate Resilience and Disaster Risk Reduction and Management		◎ Capacity building and training for Local DRRM units, support in rescue and relief efforts
	Opportunity for Local and Marginalized Populations		◎ Partnership with TESDA for training and accreditation of facilities and personnel as training centers
	Access to basic services		◎ Support in the LGU's master development plan
	Sustainable Livelihoods		◎ Collaboration with DTI and other responsible agencies for livelihood creation and technology support for community groups.
	Natural Habitats Protection		◎ Biodiversity management plans and implementation
	People's Organizations and Good Governance		◎ Capacity building and support for transparency and values formations of local and partner People's Organizations
	Access to clean water		◎ Water management programs and regular monitoring of water quality parameters to ensure abidance to water quality standards and regulations
	Proper waste management		◎ Development and implementation of waste management programs
	Protection of Human Rights		◎ Collaboration with DOLE in ensuring labor and human rights standards are being followed
Community and Indigenous Peoples	Opportunity for Local and Marginalized Populations	Public consultations, meetings, conferences, site visits, community programs, projects, and activities	◎ Provision of training and skills development for the local and vulnerable groups
	Access to basic services		◎ Support for the construction for the access to clean and safe water; construction of roads, pathways, and bridges; and provision of electricity systems to the community and households
	Sustainable Livelihoods		◎ Support for feasible and sustainable livelihoods, provision of capacity building trainings, value adding facilities and marketing
	Community Climate Resilience and Disaster Risk Reduction and Management		◎ Conduct of rescue and relief efforts, provision of relief packages
	Natural Habitats Protection		
	Preservation of Biodiversity		◎ Biodiversity management plans and implementation
	Climate Change issues		◎ Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA)
	People's Organizations and Good Governance		◎ Capacity building and support for transparency and values formations of local and partner People's Organizations
	Access to clean water		◎ Implement water risk mitigation and enhancement of water management programs
	Proper waste management		◎ Implementation of waste management programs and provision of support to community

	Indigenous Peoples Partnership		
	Protection of Human Rights		◎ Community involvement and human rights due diligence, open and transparent grievance mechanism avenues
Academe and Research Institutions	Climate Change Issues	Conferences, consultations, meetings, research implementation	◎ Conduct of research with state university on environment and mining related topics including but not limited to Land Use Change Greenhouse Gas emission, water, biodiversity
			◎ Conduct of Sustainability Contest with students and faculty as contestants to boost research and development and help country achieve sustainable development
	Environmental impacts management		◎ Tap academic experts on conducting capacity building on Biodiversity Protection for Environment staff of NAC Group; Attended conferences related to Environmental Protection and Management organized by Academic and Research Institutions
Civil Society Organizations and Industry Associations	Climate change issues	Public consultations, meetings, conferences, information dissemination	◎ Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA)
			◎ Active participant of United Nations Global Compact (UNGC) and local chapter of the network, Global Compact Network Philippines (GCNP)
			◎ Membership in the major industry associations in the Philippines - Chamber of Mines of the Philippines (COMP) and Philippine Nickel Industry Association (PNIA)
	Nation building through economic growth		◎ Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA)
	Sustainable Communities		◎ Strong supporter of Philippine Extractive Industry Transparency Initiative (Ph-EITI)
	Community Climate Resilience and Disaster Risk Reduction and Management		◎ Conduct of Sustainability Run with proceeds to be used in mangrove rehabilitation in partnership with non-government organization and community organization
	Environmental impacts management		
	Protection of Human Rights		
	Transparency, anti-corruption and anti-bribery, tax payments		
Investors and Shareholders	Sustainability reporting and disclosures	Consultations, meetings, information dissemination, and reporting	◎ Quarterly results briefing
			◎ Investor conferences
			◎ Sustainability Reporting

Material Aspects of Sustainability

A Materiality Assessment was conducted from December 2021 to April 2022 that identified and validated issues and opportunities most relevant to the Group and the communities where NAC operates. Creating a shared vision with stakeholders, the issues identified proved critical and material to the Company's continued ability to grow. The result of the assessment demonstrated matters crucial to the value creation and Sustainability Agenda of NAC.

The Materiality Assessment was designed to surface and align key issues with the Group's Sustainability strategies, strengthen the approach to stakeholder engagement, refine the implementation of commitments and policies toward a sustainable business and community, and set a standard for Sustainability reporting.

Methodology

In 2022, the NAC Board of Directors and Management Committee identified the following material topics on Environment, Social, and Governance:

- Climate Resilience
- Corporate Behavior
- Corporate Governance
- Diversity and Inclusion
- Energy Efficiency
- Greenhouse Gas
- Health and Safety
- Incident/Risk Management Systems
- Indigenous Peoples Partnership
- Nation-building through Economic Growth
- Sustainable Communities
- Waste Management
- Water Management
- Work Conditions

The identified topics were validated through a survey that covered both internal stakeholders (regular and probationary employees), and external stakeholders (government agencies, media, academe, downstream market, community, and civil society organizations). Random sampling was done for the total population of internal and external stakeholders with a 9% to 10% margin of error.

OPCO	Internal Stakeholders		External Stakeholders	
	Population	Sample Size (10% MoE)	Population	Sample Size (9% MoE)
NAC	121	6	17	7
RTN	568	28	234	28
TMC	677	36	80	14
CMC	253	13	22	7
HMC	296	3	62	12
DMC	42	2	116	16
JSI	45	2	41	10
CEXCI/NEWMINCO	12	1	152	3
TOTAL	**1,914**	**91**	**724**	**97**

Population and Sample Size of Internal and External Stakeholders

A total of 1,914 internal stakeholders participated in the survey. RTN and TMC have the greatest employee population and, thus, the largest sample size. For external stakeholders, the Group identified 724 stakeholders, of which RTN and DMC have the largest sample size. Among external stakeholders, the government, both national regulatory agencies and local government units, composed 36% of the respondents. Community members accounted for 25% of external stakeholders, with civil society organizations following at 18%.

The survey was designed to assess the significance, impact, and relevance of ESG issues to stakeholders and businesses. Respondents were either sent a survey via email or were interviewed in person. The interviews were conducted by the Community Development and Relations Office and Human Resources of each subsidiary.

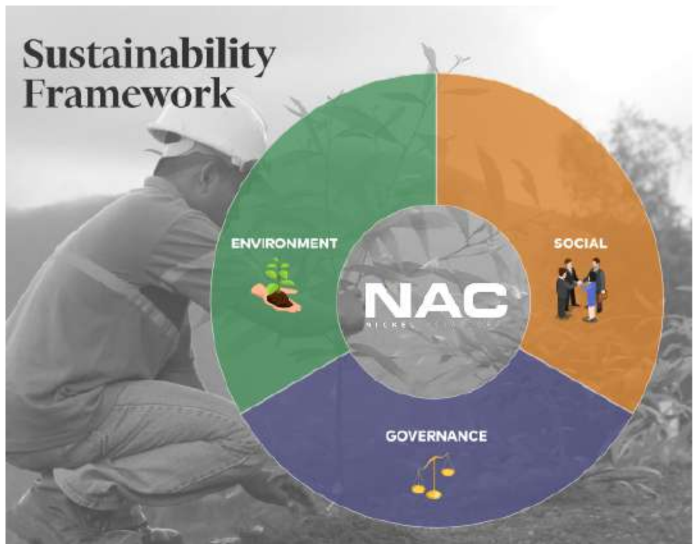
The evaluation used the following rating system:

Impact on Stakeholder	**Impact on Business**
1 - Least important to stakeholders	1 - Least relevant to business
2 - Somewhat important	2 - Somewhat relevant
3 - Important	3 - Relevant
4 - Very important	4 - Very relevant

The materiality matrix on the right summarizes the assessment results. The horizontal axis shows the importance of ESG Material Topics to stakeholders while the vertical axis shows the importance of ESG Material Topics to business. According to the matrix, the most important and relevant topics to both NAC and its stakeholders are Health and Safety, Water Management, and Waste Management.

Sustainability Framework

NAC pursues sustainable growth through a framework of policies and processes anchored on our OneNAC Vision.



The Group's strategies and decisions place utmost consideration to lasting impact to the communities where we operate, fostering balance in resource utilization and ecological stability, and ensuring accountable risk management in governance and operations while monitoring and measuring ESG assessments using benchmarks and standard, scientific, metrics.

NAC is confident that the trove of best practices, developed from continued vigilance in Sustainability performances, delivered the positive impact that pushed on its Sustainability Agenda, which is strongly aligned with the country's commitments to the UN SDGs.

The Company's relationship with its stakeholders is built on trust and corporate ethics. As NAC engages its stakeholders and seeks to create value for all, the framework helps identify the most relevant issues with economic, social, and environmental impacts to its operations and to its entire supply chain.

ESG and Materiality Topics

Environment			
Themes and Goals	1. Greenhouse Gases 2. Biodiversity Protection	3. Water Management 4. Waste Management	5. Energy Efficiency 6. Climate Resilience
Phase 1	E1. GREENHOUSE GASES 10% Emission reduction by 2025 and 42% by 2030; Net zero carbon target by 2050	E2. BIODIVERSITY PROTECTION No net loss impact by 2025; Net positive by 2030	E3. WATER MANAGEMENT Net positive water impact by 2030
Phase 2	E4. WASTE MANAGEMENT Circular economy in all camp/townsite by 2030	E5. ENERGY EFFICIENCY 100% Clean energy by 2050	E6. CLIMATE RESILIENCE Client resilient operations by 2030

Social			
Themes and Goals	1. Health & safety 2. Sustainable Communities	3. Nation Building through Economic Growth 4. Indigenous Peoples Partnership	5. Work Conditions (Decent Work) 6. Diversity and Inclusion
Phase 1	S1. HEALTH & SAFETY Good health and well-being	S2. DIVERSITY & INCLUSION Equal opportunity at all levels and across all backgrounds	S3. SUSTAINABLE COMMUNITIES Sustainable communities after conversion
Phase 2	S4. WORK CONDITIONS Decent work at all levels	S5. INDIGENOUS PEOPLES PARTNERSHIP Empowered and self-reliant Indigenous Cultural Communities	S6. NATIONBULDING THRU ECONOMIC GROWTH Catalyst for economic growth

Governance			
Themes and Goals	Incident/Risk Management Systems	Corporate Governance	Corporate Behavior
	G1. CORPORATE GOVERNANCE Inclusive leadership and management	G2. CORPORATE BEHAVIOR Strong organizational culture	G3. INCIDENT/RISK MANAGEMENT SYSTEMS Robust and comprehensive risk management systems

Our Sustainability Performance

Stewards of the Planet

The Group embraces an ecosystem-based approach that recognizes the interconnectedness of all elements, driving its commitment to balanced and holistic environmental stewardship. Grounded in the principles of sustainability and responsible mining, NAC reinforces its dedication to the UN Sustainable Development Goals (SDGs) by integrating scientifically backed programs for land restoration and enhancement into its business operations.

The Group's environmental management approach, implemented consistently across all its operating mines, is guided by its Environmental Protection and Enhancement Programs (EPEPs). These comprehensive and strategic frameworks outline sustainable resource management plans focused on water, air, and land protection. Supported by legally mandated annual funds, these programs also allocate resources for environmental monitoring, research, and conservation value assessments.

As a result of these initiatives, the Group's mining subsidiaries have been recognized with the prestigious PMIEA for Best Forest and Environmental Protection Practices. This award is granted to companies demonstrating exemplary efforts in reforestation, rehabilitation of disturbed areas, construction and maintenance of environmental facilities, solid and hazardous waste management, air quality monitoring, and downstream water quality preservation. Progress on these efforts is publicly reported through the Annual EPEP scorecard, which is monitored by the Mines and Geosciences Bureau (MGB) under the DENR Department Administrative Order (DAO) 2018-02.

EPEP Spending (₱)	RTN	TMC	HMC TNP	HMC MNP	CMC	DMC	TOTAL
Land Protection	32,208,722	97,749,282	43,613,856	8,917,626	48,184, 689	3,521,318	**232,283,121**
Air Protection	25,681,238	29,480,743	6,608,303	3,202.839	10,141,264	1,870,154	**76,316,285**
Water Protection	24,792,222	46,264,686	26,488,623	6,951,291	18,454,199	3,196,585	**128,387,140**
Environmental Monitoring	6,239,973	2,977,083	5,011,590	5,017,139	6,724,295	4,956,051	**25,874,045**
Other Initiatives	13,693,777	11,477,667	6,788,839	3,479,858	9,848,117	813,870	**51,495,305**
TOTAL EPEP	**102,615,931**	**187,949,461**	**88,511,211**	**27,568,753**	**93,352,563**	**14,357,977**	**514,335,897**
TOTAL APPROVED EPEP BUDGET FOR 2024	**103,688,761**		**84,676,835**	**34,178,526**	**97,292,000**		
PERCENTAGE ACCOMPLISHMENT	**99%**		**105%**	**80.7%**	**95.95%**		

E1. Greenhouse Gas and Non-Greenhouse Gas

NAC conducted a GHG inventory to compile a five-year historical baseline of emissions across all its subsidiaries, covering those classified under Scopes 1 and 2. This inventory serves as a key reference for ongoing assessments and analyses, helping to identify the most effective emission reduction strategies.

For non-GHG emissions, operating companies conduct regular testing and monitoring to ensure compliance with air quality regulations. In-house air quality assessments are performed quarterly for Total Suspended Particulate (TSP) and Particulate Matter (PM10), while other parameters are evaluated annually. Additionally, independent air quality testing is conducted as required by the Environmental Management Bureau (EMB) under the Permit to Operate Air Pollution Source and Control Installations. Monitoring reports are submitted to the EMB to confirm that emissions remain within regulatory limits.

Ozone-depleting substances (ODS), including refrigerants, are also closely monitored through routine equipment inspections and vehicle maintenance. Under DENR Administrative Order 2004-26, which amends Rule XIX of DENR Administrative Order No. 2000-81 (Implementing Rules and Regulations of RA 8749), companies are required to test for ODS in accordance with source-specific monitoring and reporting requirements outlined in their permits issued by the DENR through the EMB. In 2022, all operating mining companies conducted ODS testing to enhance their materials inventory system, ensuring proper identification and screening of ODS used in operations.

Regular testing conducted throughout the year confirmed that air pollution levels remained within regulatory limits, with no recorded violations. The Group remains proactive in its monitoring efforts and is committed to further reducing both GHG and non-GHG emissions in the coming years. This includes monitoring refrigerant use in air conditioning units (ACUs) and identifying other potential sources of ozone-depleting substances (ODS) in operations. Additionally, the Group strictly adheres to the DENR's phase-out schedule, importation bans, and regulatory controls on ODS.

GHG Emissions

2024	RTN	TMC	HMC TNP	HMC MNP	CMC	DMC	EPI	JSI	CDTN	TOTAL
GHG (Scope 1) TCO_{2e}	29,722.60	64347.12		29,685.85	77,695.54	61,322.28	2.76		2,176.28	**264,952.43**
GHG (Scope 2) TCO_{2e}	534.79	2,593.20			0.00	3.97	28.00	1,272.97	11.54	**4,444.47**

E2. Biodiversity Protection

In line with the adoption of DENR's DAO 2022-04, the Group complied with the mandate to establish 'reference forests' or portions of mining tenements to remain in their untouched states to serve as models for ecosystem restoration during the rehabilitation process.

As stewards of the environment, the Group consistently places a strong emphasis on the protection and conservation of native and endemic species to restore the natural functions of forest after the mining process.

As part of the Group's effort to assess biodiversity ecosystems within its MPSAs, it has continued to collaborate with experts from UPLB and is working to protect the flora and fauna included within the 'Red

List of Threatened" species under the conservation list of the International Union for Conservation of Nature (IUCN).

Land Protection[1]

2024	Operating mine/project in or near protected area	No of sites conducted with Risk and Impact Assessment on Biodiversity	No of sites assessed for biodiversity risks	No of sites with existing monitoring program	Habitat Conversion (Ha)	Extent of Areas Affected (Ha)	No. of Species Affected
RTN	No	0	0	0	83.00	0.00	0
TMC	Yes	1	1	1	0.00	0.00	0
HMC TNP							
HMC MNP							
CMC	Yes	9	2	2	283.00	697.00	270
DMC	Yes	1	1	1	0.00	111.00	0
EPI	No	0	0	0	0	0	0
JSI	No	0	0	0	0	0	0
CDTN	No	0	0	0	0	0	0
NAC HO	No	0	0	0	0	0	0

IUCN Red List species and National Conservation List species with habitats in areas affected by operations

Biodiversity Programs			
RTN		CMC	
Least Concern	Great Egret, Eurasian Coot, Wandering Whistling Duck, Olive backed Sunbird, Osprey, Common Iora, Common Emerald Dove, Whitevented Shama, Monitor Lizard, Palawan Flowerpecker, Brahminy Kite, White-bellied Sea Eagle, Blue Paradise Flycatcher, Blue Rock Thrush, Crested Serpent Eagle, Yellow-throated Leafbird, Yellow vented Bulbul, Scaly-breasted Munia, Pygmy Flowerpecker, Paddy field Pipit, Grey Wagtail, Palawan Bulbul, Hooded Pitta, Tufted Duck, Garganey, Crested Goshawk, Changeable Hawk-Eagle, Oriental Dwarf Kingfisher, Pink-necked Green Pigeon, Gunther's Whip Snake, Green-crested Lizard, Palawan Flying Lizard	Critically Endangered	Buhon-buhon, Yakal, Mayapis
		Endangered	Philippine Forest Turtle, Pitcher Plant (*Nepenthes bellii* and *Nepenthes surigaoensis*), Teakwood, Tugas, Philippine Ironwood (Mangkono), Tree Fern
		Vulnerable	Philippine Sailfin Lizard, Lapnisan, Antipolo, Kamagong Dagat, Kamagong, Ituman, Red Nato, Wakatan, Narra, White Lauan, Red Lauan, Tanguile, Tiga Pula, Tiga Puti, Dao
		Near Threatened	Mindanao Fanged Frog, Philippine Tarsier, Island Flying Fox, Katmon, Kalingag, Anislag, Duguan, Balakat, Lokinay

HMC		DMC	
Critically Endangered	Short haired paphiopedilum, Mapilig	Critically Endangered	Philippine Eagle
Endangered	Pitcher Plant, Mangkono	Endangered	Dalingdingan, Yakal, Igem-dagat, Narra, Kamagong
Vulnerable	Zebra plant, Antipolo, Borneo teak, Philippine Mahogany, Tanguile	Vulnerable	Philippine (Dwarf) Kingfisher, Philippines Duck, Philippine Eagle-Owl, Ashy Thrush, Southeast Asian Box Turtle, Dalingdingan, Guijo/Red Balau, Red Nato, Malaikmo
Near Threatened	Giant Philippine Frog, Small Flying Fox, Anislag, Guijo	Near Threatened	Almon, Batikuling, Manaring, Ipil/Merbau
Least Concern	White bellied Sea Eagle, Collared Kingfisher, Pygmy Swiftlet, Glossy Swiftlet, Large-billed Crow, Emerald Dove, Orange-bellied Flowerpecker, Red-keeled Flowerpecker, Olive-backed Sunbird, Yellow-vented Bulbul, Malaysian Pied Fantail, Asian Glossy Starling, Eurasian Tree Sparrow, Gecko, Lesser short-nosed Fruit bat, Lesser musky Fruit bat, Geoffroy's Rousette	Least Concern	Asian Water Monitor, Red Lauan, Tanguile, Mayapis, Agoho, Duguan, Gatasan, Malabayabas, Malakmalak, Palomaria/Tamanu, Kulipapa, Maladuhat/Bikuas, Malasantol/Sentul
TMC		**JSI**	
Critically Endangered	Yakal, *Pandanus patelliformis*	Vulnerable	Alalangad, Kupang, Lauan, Akle
Endangered	Saguisi-mina, Pasnit-kitid, Pandan, Lady's Slipper Orchid, Dayopod, Dalinsoi	Near threatened	Puso-Puso, Lanete
Vulnerable	Palosapis, Dalindingan, Kalingag, Mancono, Pitcher Plant, Philippine Duck, Philippine Warty Pig, Philippine Sailfin Lizard	Least concern	Balete, Bilua, Gmelina, Lamio, Antipolo, Putat
Near Threatened	Malapandan		

Biodiversity Programs	
RTN	**HMC**
Mangrove rehabilitation projects	
Protection of Ursula Island game refuge and bird sanctuary	
Rehabilitation of mined-out areas	
National Greening Program	
Bamboo Plantation Project	
Community Partnership Program	
CMC	**TMC**
Habitats protected or restored	

E3. Water Management

Water is an essential resource in the Group's domestic and operational needs particularly in drilling, maintenance, and cleaning of equipment, and road watering as part of the Group's dust suppression activities, and in the maintenance of nurseries where trees for rehabilitation are grown.

The Group participates in water preservation, protection, and conservation activities and strictly adheres to government-prescribed guidelines and regulations.

The Group's operational sites consistently monitor water quality in compliance with Republic Act 9275 or the Clean Water Act of 2004, DENR DAO No. 2016-08 or the Water Quality Guidelines and General Effluent Standards, and DAO 2021-19 or the Updated Water Quality Guidelines (WQG) and the General Water Effluent Standards (GES) for Selected Parameters.

Water Use and Protection

2024	Water Withdrawal (m3)	Water Consumption (m3)	Water Recycled (m3)	Water Discharge (m3)	Silt Collected (m3)
CDTN	0.00	9,681.12	0.00	0.00	0.00
CMC	72,456.30	72,456.30	12.00	72,456.30	69,480.00
DMC	18,863.39	18,863.39	0.00	0.00	0.00
EPI	0.00	282.84	0.00	0.00	0.00
HMC MNP					
HMC TNP					
JSI	0.00	967.00	0.00	0.00	0.00
RTNMC	1,658,124.00	1,658,124.00	125,876.00	600,471.48	146,019.60
TMC	511,799.70	511,743.70	0.00	0.00	0.00
TOTAL	**2,261,243.39**	**2,272,428.18**	**125,888.00**	**672,927.78**	**215,499.60**

E4. Waste Management

As part of its roadmap, NAC aims to establish a circular economy across all its operations' campsites and townsites by 2030. Achieving this goal requires the implementation of comprehensive programs and policies to ensure efficient waste management.

NAC's operating mining companies adhere to DENR Memorandum Order No. 99-32, Series of 1999, which establishes policy guidelines and standards for mine waste and mill tailings management. Mine wastes particularly silt from siltation ponds, are commonly repurposed as backfilling materials for surface mining openings, road construction, and the rehabilitation of mined-out areas.

Across all business units, hazardous waste management is carried out with the support of an external treatment provider. A DENR-accredited third-party service provider handles the transport of hazardous waste, ensuring all necessary permits are secured from the Environmental Management Bureau (EMB). Once the waste is properly treated and disposed of, the external provider obtains a Certificate of Treatment (COT) from EMB and submits it to the company's Pollution Control Officer (PCO). The PCO then reports the details of the treated hazardous waste, including the COT, to the EMB.

Waste Management in Tons

2024	RTN	TMC	HMC TNP	HMC MNP	CMC	DMC	JSI	CDTN	TOTAL
Waste Generated									
Non-Hazardous (t)	185.49	22.67	26.58	3.56	24.98	11.52	4.22	18.33	**297.35**
Hazardous (t)	124.12	198.73	37.09	2.21	59.54	15.24	0.05	10.06	**447.03**
Total Waste Generated	**309.61**	**221.40**	**63.67**	**5.77**	**84.52**	**26.76**	4.27	28.39	**744.38**
Waste Diverted from Disposal									
Non-Hazardous (t)	123.73	17.42	0.00	0.00	22.97	0.00	0.87	0.00	**164.99**
Hazardous (t)	78.39	47.73	0.00	0.00	0.00	0.00	0.00	0.00	**126.12**
Total Waste Diverted from Disposal	**202.12**	**65.15**	**0.00**	**0.00**	**22.97**	**0.00**	**0.87**	**0.00**	**291.11**
Waste Directed to Disposal									
Non-Hazardous (t)	61.76	5.25	26.58	3.56	2.01	11.52	3.34	18.33	**132.36**
Hazardous Waste (t)	45.73	151.00	37.09	2.21	59.54	15.24	0.05	10.06	**320.91**
Total Waste Directed to Disposal	**107.49**	**156.25**	**63.67**	**5.77**	**61.55**	**26.76**	3.39	28.39	**453.26**

E5. Energy Efficiency

In 2024, the Group continuously improved its operational efficiency and productivity through strategic investments and the use of innovative new technologies such as hybrid excavators and fuel-efficient Articulated Dump Trucks (ADT).

The Company continues to expand its renewable energy portfolio through its subsidiary, EPI, and its joint venture agreement with Shell Overseas Investments B.V. with an emphasis on solar power.

The Group regularly establishes a culture of energy efficiency through information dissemination and awareness programs that foster awareness on the need for energy conservation at each site.

Additionally, the Company partnered with Global Electric Transport (GET) Philippines to provide a free electric shuttle service for its employees at the Head Office in Bonifacio Global City as part of its efforts to facilitate an easy and sustainable means of commuting for its employees and reduce its carbon footprint and achieve Net Zero Carbon.

Energy Consumption

2024	RTN	TMC	HMC TNP	HMC MNP	CMC	DMC	EPI	JSI	CDTN	TOTAL
Genset (L)	113,988.00	67,144.00		490,681.28	643,418.00	222,266.00			568.00	1,538,065.28
Vehicles - Diesel (L)	10,925,950.00	16,923,009.32		1,001,435.28	4,435,586.00	2,358,219.00	678.73		802,011.00	36,446,889.33
Vehicles - Gasoline (L)	24,393.00	9,471.14		410.00	10,780.00	2,713.50	413.470		0.00	48,181.11

2024	RTN	TMC	HMC TNP	HMC MNP	CMC	DMC	EPI	JSI	CDTN	TOTAL
Total fuel consumption (vehicles)	10,950,343.00	16,932,480.46		1,001,845.28	4,446,366.00	2,360,932.50	1,092.20		802,011.00	36,495,070.44
Electricity from Local Supply (MwH)	1,612.75	3,042.95		0.00	0.00	5.73	37.20		16.64	6,550.84
LPG (KG)	792.00	2,982.00				1,320.00	NA		0.00	
Total fuel consumption (L)	11,085,040.00	17,009,060.08		1,494,351.56	5,094,087.00	2,592,119.50			802,579.00	
Total electricity consumption (MwH)	1,612.75	3,042.95		0.00	0.00	5.73	37.20		16.64	6,554.01

Integrated Management Systems

All operating mining companies are ISO 14001:2015 (Environmental Management System) certified. In addition, CMC, HMC- Tagana-an, HMC- Manicani Nickel Project, RTN, and TMC are ISO 9001:2015 (Quality Management System), and ISO 45001:2018 (Occupational Health and Safety Management System) certified.

TMC was endorsed for certification by the international certifying body TÜV Rheinland. RTN's ISO certifications were endorsed by TÜV Nord; while the ISO certifications of CMC, HMC-Tagana-an, DMC, and HMC Manicani Nickel Project were endorsed by the NQA Global Accredited Certification body.

ISO 14001:2015 (Environmental Management System)	Provides details on the specifications for an environmental management system that a company can use to improve its environmental performance
ISO 9001:2015 (Quality Management System)	Specifies requirements for a quality management system to demonstrate a company's ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements
ISO 45001:2018 (Occupational Health and Safety Management System)	Gives guidance on providing a safe and healthy workplace and implementing the OH&S management system

The scope of these ISO certifications covers the following: Mining Operations and Post Mining Activities,

Creating Shared Value

S1 Maintaining a Safe and Healthy Workplace

The Group's operational sites uphold the highest standards for health and safety as part of putting its people first. Apart from strict compliance with government-mandated safety and health regulations, it fosters a culture of safety within the workplace through safety toolbox meetings and ensures that safety is treated as a shared responsibility.

Injuries and Accidents[2]

Injuries and Accidents	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	JSI	TOTAL
No. of employees in health & safety committee	30	28	25	39	45	41	24	6	**238**
Total hours of health & safety and emergency response training	356	323	270	304	263	832	40	48	**2,436**
Total man hours	2,913,501	2,027,915	1,255,233	3,280,856	6,410,602	9,449,079	889,529	907,702	**27,134,417**
Safe man hours	13,533,105	5,593,557	4,847,286	43,057,047	33,000,831	39,177,828	4,160,921	6,825,052	**150,195,627**
Lost time accidents	0	0	0	0	0	0	0	0	**0**
Number of occupational injuries	0	5	0	0	0	1	0	0	**6**
Incidence rate	0.00	2.47	0.00	0.00	0.00	0.11	0.00	0.00	**0.22**
Severity Rate	0	0	0	0	0	0	0	0	**0**
Lost days	0	0	0	0	0	0	0	0	**0**
Fatalities	0	0	0	0	0	0	0	0	**0**
Work-related fatalities	0	0	0	0	0	0	0	0	**0**
No. of safety drills	16	22	5	4	7	85	4	1	**144**

Training Programs on Health and Safety

The Group also provides non-occupational medical and healthcare services that aim to look after employees' physical and mental wellness.

The Company partnered with Mental Health First Aid to empower employees to recognize and respond to mental health crises throughout the Group.

Mental Health	HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	JSI	TOTAL
No. of mental health professionals	7	5	2	12	6	2	9	3	1	**47**
Ave. hours of training for mental health professionals	8	8	8	8	8	8	8	8	8	**8**
No. of mental health activities	5	4	2	9	3	8	12	1	2	**46**
No. of participants in mental health activities	69	109	48	89	44	2,632	685	222	40	**3,983**

[2] Not applicable for EPI

Preventive Health		HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	JSI	TOTAL
Employee health record	Class A	0	13	8	1	33	34	390	14	1	**494**
	Class B	69	127	76	41	159	422	297	179	20	**1,390**
		HEAD OFFICE	**CMC**	**DMC**	**HMC MNP**	**HMC TNP**	**RTN**	**TMC**	**CDTN**	**JSI**	**TOTAL**
	Class C	0	160	45	23	0	50	2	2	7	**289**
	Class D	0	1	0	0	0	0	0	0	0	**1**
% of employees covered by APE		100%	100%	100%	100%	100%	100%	100%	100%	100%	**100%**
No. workplace health promotion activities		25	31	20	25	6	30	13	3	18	**171**

S2 Diversity and Inclusion

In keeping with the Company's core value of People First, NAC supports the human rights principle that all human beings are born free and equal in dignity and rights. The Company's policy on Diversity, Inclusivity, and Equality affirms the Company's commitment to recognize what makes each individual unique and ensure that the Company remains a discrimination-free workplace.

Employee Breakdown

Employment by Contract Type and Gender

		HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Male	Regular/ Probationary	116	180	103	52	142	444	574	188	15	38	**1852**
	Seasonal*	0	77	146	43	153	275	447	0	0	0	**1141**
	Project-based	0	0	0	66	0	267	4	24	0	0	**361**
	Total	**116**	**257**	**249**	**161**	**295**	**986**	**1025**	**212**	**15**	**38**	**3354**
		HEAD OFFICE	**CMC**	**DMC**	**HMC MNP**	**HMC TNP**	**RTN**	**TMC**	**CDTN**	**EPI**	**JSI**	**TOTAL**
Female	Regular/ Probationary	101	50	34	22	59	66	121	7	18	9	**487**
	Seasonal*	0	8	3	0	16	1	42	0	0	0	**70**
	Project-based	0	0	0	0	0	16	7	1	0	0	**24**
	Total	**101**	**58**	**37**	**22**	**75**	**83**	**170**	**8**	**18**	**9**	**581**
Total Regular/Probationary		**217**	**230**	**137**	**74**	**201**	**510**	**695**	**195**	**33**	**47**	**2339**
Total Seasonal		**0**	**85**	**149**	**43**	**169**	**276**	**489**	**0**	**0**	**0**	**1211**
Total Project-based		**0**	**0**	**0**	**66**	**0**	**283**	**11**	**25**	**0**	**0**	**385**

* **Seasonal employee count: CMC – October, MNP – August, TNP – June, TMC – July, RTN - December**

Employment by Position and Gender and Age Group (Regular/Probationary)

Employment by Position and Gender (Regular/Probationary)		HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Male	Managers	26	9	11	7	10	21	45	4	2	5	**140**
	Supervisors	20	59	37	14	14	57	117	7	2	5	**332**
	Non-supervisor/ technical	15	0	0	18	29	26	42	5	2	22	**159**
	Rank and File	28	112	55	13	88	339	369	170	4	6	**1184**
	Officers	27	0	0	0	1	1	1	0	5	0	**35**
Female	Managers	23	5	3	3	3	9	20	0	9	2	**77**
	Supervisors	36	38	24	3	4	12	43	1	3	3	**167**
	Non-supervisory / technical	15	0	0	12	40	34	41	7	0	3	**152**
	Rank and File	17	7	7	4	12	11	17	1	3	1	**80**
	Officers	10	0	0	0	0	0	0	0	3	0	**13**
Total		**217**	**230**	**137**	**74**	**201**	**510**	**695**	**195**	**33**	**47**	**2339**

Employment by Position and Age Group (Regular/ Probationary)	HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Below 30 yrs old											
Managers	4	2	0	1	0	0	6	0	2	1	**16**
Supervisors	20	36	36	1	1	6	52	1	1	1	**155**
Non-supervisory/ technical	8	0	0	10	28	12	8	4	1	10	**81**
Rank and File	2	6	14	0	6	2	20	13	3	0	**66**
Officers	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	34	44	50	12	35	20	86	18	7	12	**318**
30 to 50 yrs old											
Managers	41	8	13	5	13	24	50	4	8	6	**172**
Supervisors	27	54	24	15	17	50	87	5	4	7	**290**
Non-supervisory/ technical	17	0	0	18	36	44	63	10	1	14	**203**
Rank and File	37	77	39	11	74	267	244	132	3	5	**889**

Employment by Position and Age Group (Regular/ Probationary)	HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Officers	15	0	0	0	0	0	0	0	5	0	**20**
TOTAL	137	139	76	49	140	385	444	151	21	32	**1574**
Over 50 yrs old											
Managers	4	4	1	4	0	6	9	0	1	0	**29**
Employment by Position and Age Group (Regular/ Probationary)	**HEAD OFFICE**	**CMC**	**DMC**	**HMC MNP**	**HMC TNP**	**RTN**	**TMC**	**CDTN**	**EPI**	**JSI**	**TOTAL**
Supervisors	9	7	1	1	0	13	21	0	0	0	**52**
Non-supervisory/ technical	5	0	0	2	5	4	12	0	0	1	**29**
Rank and File	6	36	9	6	20	81	122	26	1	2	**309**
Officers	22	0	0	0	1	1	1	0	3	0	**28**
TOTAL	46	47	11	13	26	105	165	26	5	3	**447**
OVERALL TOTAL	**217**	**230**	**137**	**74**	**201**	**510**	**695**	**195**	**33**	**47**	**2339**

Employment from Local Communities and IPs

2024		HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Male	Regular/ Probationary	63	81	45	22	47	396	531	183	7	33	**1408**
	Seasonal *	0	58	51	26	116	269	434	0	0	0	**954**
	Project-based	0	0	0	0	0	264	3	0	0	0	**267**
	Employees from the Local Community (%)	54%	54%	39%	30%	55%	94%	94%	86%	47%	87%	**78%**
	Local Communities (Total)	63	139	96	48	163	929	968	183	7	33	**2629**
	Indigenous People	0	0	14	0	0	149	9	0	0	5	**177**
Female	Regular/ Probationary	65	19	13	10	20	54	98	7	12	6	**304**
	Seasonal *	0	8	2	0	15	1	41	0	0	0	**67**
	Project-based	0	0	0	0	0	16	7	0	0	0	**23**
	Employees from the Local Community (%)	64%	47%	41%	45%	47%	86%	86%	88%	67%	67%	**68%**
	Local Communities (Total)	65	27	15	10	35	71	146	7	12	6	**394**

	2024	HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
	Indigenous People	0	0	13	0	0	11	3	0	0	1	**28**
Total Local Communities		**128**	**166**	**111**	**58**	**198**	**1000**	**1114**	**190**	**19**	**39**	**3023**

New Hires and Employee Turnover

2024		HEAD OFFICE	CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	CDTN	EPI	JSI	TOTAL
Male	New Hires	16	13	32	12	8	16	9	0	3	9	118
	Turnover (Voluntary)	10	10	3	7	8	3	5	4	4	3	57
	Turnover (Involuntary)	4	5	0	0	0	34	12	3	1	0	59
	Turnover	14	15	3	7	8	37	17	7	5	3	116
Female	New Hires	19	5	9	8	6	4	1	0	4	0	56
	Turnover (Voluntary)	11	8	0	1	0	2	6	1	5	0	34
	Turnover (Involuntary)	4	0	0	0	0	3	0	0	0	0	7
	Turnover	15	8	0	1	0	5	6	1	5	0	41
TOTAL TURNOVER		**29**	**23**	**3**	**8**	**8**	**42**	**23**	**8**	**10**	**3**	**157**

S3 Building Sustainable Communities

The Group focuses on building strong and harmonious relationships with its host and neighboring communities through the implementation of the Social Development and Management Program (SDMP) and Corporate Social Responsibility (CSR) tailored to address the unique needs of each host and neighboring community.

SDMP and CSR

		SDMP & CSR Spending (Million ₱)								
2024		CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	JSI	NAC	TOTAL
SDMP	Required Spending	36.24	10.50	10.18	22.54	54.65	91.94	-	-	226.06
	Actual Spending	34.36	10.22	9.56	22.12	53.12	91.94	-	-	221.34

2024		CMC	DMC	HMC MNP	HMC TNP	RTN	TMC	JSI	NAC	TOTAL
CSR	Non-IP Communities	9.59	3.41	-	19.95	96.95	15.68	0.69	10.00	156.27
	IP Communities	-	0.55	-	-	21.29	2.10	1.67	-	25.61

Community Relations

To ensure that the needs of Host and Neighboring Communities (HNC) are met, the Community Relations (ComRel) team conducts engagements through household surveys and barangay consultations. They also facilitate Barangay Development Council Focus Group Discussions and Planning to identify and develop community projects.

This approach aligns with MGB Circular 2021-06, which guides the formulation of the Social Development and Management Program (SDMP). Once plans are approved, ComRel collaborates with communities to discuss project implementation. Progress is then monitored through regular consultations and meetings, keeping stakeholders informed about project developments. Upon completion, reports and post-monitoring activities are conducted to gather insights and lessons that can be applied to future initiatives.

Community Health and Wellness

The Group conducted various Medical-Surgical missions for the benefit of its Host and Neighboring Communities.

RTN conducted its regular Medical/Surgical Mission which began in 1990 in collaboration with Hope For the World Foundation, Inc., Manila Adventist Hospital, Palawan Adventist Hospital, and Rio Tuba Nickel Foundation Inc. (RTNFI) Hospital.

The NAC Foundation also partnered with St. Luke's Medical Center Foundation Inc. (SLMCFI) to conduct a medical mission in Borongan, Eastern Samar.

Educational Support

In 2024, NAC continued to support education for its host and neighboring communities through various SDMP and CSR programs in the form of full and partial scholarships, provision of school materials and uniforms, and subsidies to school teachers and auxiliary staff.

Strengthening Livelihood Programs

In 2024, initiatives were launched to empower and support Host and Neighboring Communities (HNCs) by strengthening their livelihood cooperatives and associations. These efforts included providing raw materials, equipment, training, and networking opportunities to help ensure their sustained growth and profitability.

Community Disaster Resilience

To establish disaster-resilient communities, the Group through its Community Relations departments provides improvement of Barangay facilities and infrastructure. In the event of disasters, the Company is ready to provide assistance in the form of emergency response and rescue and provision of relief items such as water, food, and other essential items for affected stakeholders.

S4 Work Conditions

Ensuring Fair Labor Practices

The Group diligently follows and promotes the Philippine Labor Code including other regulations governing child labor, forced labor, and human rights. As an Equal Opportunity Employer, the Group enforces a non-discrimination policy from application until employment.

Accusations of discrimination are processed in a private setting. The Compliance Officers and HR Heads of the Group ensure the confidentiality of the complaint, and the parties involved.

The Group ensures that all employees have open lines of communication and promotes ongoing interaction between subordinates and employees. Following the Whistleblowing Policy, whistleblowers are protected from reprisals. An assigned email address, phone, and fax number are available for reporting purposes. The option to identify oneself or remain anonymous is available for the complainants depending on their preference.

The Group endeavors to provide a healthy, safe, and productive working environment for all employees. The relevant provisions of the Labor Code are followed during regular working hours. Exigencies requiring adjustments are also addressed according to regulations. Eligible employees rendering work beyond the prescribed regular hours of work per day receive compensation based on existing national and local orders and Collective Bargaining Agreements, if any. At the same time, eligible employees who are rendering work hours that are subject to night differential receive compensation based on agreed guidelines.

All operating companies satisfactorily passed the DOLE audit for general labor and occupational health and safety standards.

The Group is committed to providing a safe, healthy, and rewarding workplace for its employees, where individuals can learn, grow, and develop their careers and professions. It has the facilities, resources, policies, and standard processes in place to equip its employees to perform duties and roles safely and professionally.

Aligned with its OneNAC Vision, the Company declares that *OneNAC* means that, as an organization, – *"We focus on One Vision and align all our goals. We leverage on each other's strength. We synergize as a team."* – continuously aiming to be the leaders in the industry by taking its ESG responsibilities to heart. Under *OneNAC,* the Company upholds and emphasized the importance of people in sustaining a successful organization. Thus, defining *OneNAC* values by putting premium to people-centered concepts with the acronym PIE: ***P***eople First, ***I***ntegrity and ***E***xcellence. With this restructuring, the OneNAC Way becomes the guiding principle that will help the whole organization achieve its corporate goals and realize the OneNAC Mission and Vision.

In November 2024, the Group unveiled the OneNAC Way initiative to emphasize the power of unity through synergy in diversity across the organization along with the adoption of the company's new core values – People first, Integrity, and Excellence.

To ensure good work conditions for all, the following best practices were applied:

- Promotion of a healthy work-life balance
- Creation of a positive company culture – the Group fosters a supportive, inclusive, and collaborative environment where employees feel comfortable expressing their ideas and concerns. It also holds team-building activities and social events to strengthen relationships among employees.
- Provision of competitive compensation and benefits (e.g., HMO, accident and life insurance, retirement plans, training, additional leaves, bonuses, and various allowances.
- Recognition and reward of employee achievements to boost morale and motivate employees to continue performing at their best.
- Investments in employee development and continuous learning – the Group offers ongoing training, education, and professional development opportunities as part of its commitment to people's growth and success.

The Employee Engagement Framework L.I.V.E. Well aims to increase employees' level of engagement and empowerment. This is seen to have a direct impact on the organization's productivity, customer satisfaction, and business transformation.

It has eight key pillars, each representing a distinct aspect of employee experience, development, and involvement:

- Life Skills
- Interest
- Volunteerism
- Engagement on Strategy
- Wellness Spiritual
- Wellness Social
- Wellness Physical
- Wellness Mental Health

By implementing the L.I.V.E.Well framework, the Group is able to prioritize the holistic development and engagement of employees, resulting in a healthier, more motivated, and committed team that contributes positively to achieving both personal and organizational goals. This framework has also been adopted by the operating sites, ensuring that employees from across the Group are able to grow and thrive, in all aspects of their lives.

S5 Indigenous Peoples Partnership

The Group provides support to Indigenous Peoples (IP) communities through its SDMP and CSR programs where there are IP stakeholders.

IP communities in Isabela, Palawan, and Surigao del Norte are being supported to ensure their cultural beliefs, practices, and traditions are preserved and promoted.

Indigenous learning systems are also provided for willing Indigent learners. These platforms are specialized to encourage them to take on further learning. Lessons are tailored to their local dialects and use native examples for easier understanding.

The Group also hires Indigenous Peoples in its workforce.

S6 Nation Building through Economic Growth

ECONOMIC	NAC	RTN	TMC	HMC	CMC	DMC	CDTN	JSI	EPI
1. Shareholding Percentage (%)		60%	65%	100%	100%	100%	100%	85%	91%
2. Direct economic value generated (Million ₱)	**4,086.99**	**4,909.67**	**9,387.89**	**2,532.00**	**2,648.84**	**870.17**	**752.56**	**1,133.38**	**-**
a. Net Sales	208.74	4,887.99	9,334.49	2,531.49	2,646.28	870.17	752.04	1,133.38	-
b. Revenues from Financial investment	3877.12 (A)	11.53	15.33	0.05	-	-	-	-	-
c. Revenues from sale of assets	1.13	10.15	38.06	0.46	2.56	-	0.51	-	-
3. Direct economic value distributed (Million ₱)	**3,062.66**	**5,053.00**	**10,681.53**	**2,032.75**	**2,898.11**	**1,106.33**	**962.70**	**582.48**	**733.92**
a. Operating Costs	550.24	1,633.23	4,223.20	974.56	1,437.19	831.90	342.02	385.97	153.99
b. Employee wages & benefits	407.01	662.55	729.03	228.98	211.33	101.53	119.79	24.44	94.94
c. Payments to capital providers	1,811.05	1,300.00	3,048.32	-	625.00	34.15	400.00	103.54	472.05
d. Payments to government	284.36	1,106.71	2,271.11	620.92	471.81	95.20	99.71	62.34	12.94
d.1 National	254.58	977.78	2,133.59	580.60	425.87	74.73	88.07	62.34	12.72
d.1.1 Corporate Income Tax	5.96	467.53	796.32	227.18	161.21	4.94	69.37	28.78	2.74
d.1.2 Excise Tax	-	195.45	352.79	101.28	105.95	34.81	-	-	-
d.1.3 Government Royalty Tax	-	-	440.99	122.52	132.31	-	-	-	-
d.1.4 Others (National)	248.61	314.81	543.49	129.63	26.40	34.99	18.70	33.57	9.98
d.2 Local	29.78	128.93	137.51	40.32	45.93	20.47	11.64	-	0.22
d.2.1 Business Tax	12.67	94.43	77.08	18.58	29.32	8.56	11.58	-	0.08
d.2.2 Real Property Tax	6.99	16.60	21.86	5.75	1.55	0.73	-	-	0.14
d.2.3 Others (Local)	10.12	17.89	38.57	15.99	15.06	11.18	0.06	-	-
e. Community Investment	10.00	220.22	197.17	51.63	43.95	22.89	-	5.62	-

ECONOMIC	NAC	RTN	TMC	HMC	CMC	DMC	CDTN	JSI	EPI
e.1 Total amount of SDMP	-	53.12	91.94	31.69	34.36	10.22	-	-	-
e.2 Total amount of CSR spending	10.00	118.24	17.78	19.95	9.59	3.97	-	2.35	-
e.3 Total IP Royalty Payments	-	48.86	87.45	-		8.70	-	3.26	-
f. Total amount of other mandatory expenditures	-	130.28	212.70	156.65	108.84	20.66	1.18	0.56	-
F.1 ASHP	-	27.67	24.75	40.57	15.49	6.30	1.18	0.56	-
F.2 AEPEP	-	102.62	187.95	116.08	93.35	14.36	-	-	-
F.3 Others	-	-	-	-	-	-	-	-	-
Retained Economic Value (Million ₱)	1,024.33	-143.33	-1,293.64	499.25	-249.27	-236.16	-210.14	550.91	-733.92
Ratios									
Operating Costs	13.46%	33.27%	44.99%	38.49%	54.26%	95.60%	45.45%	34.05%	-
Wages and Benefits	9.96%	13.49%	7.77%	9.04%	7.98%	11.67%	15.92%	2.16%	-
Capital Providers	44.31%	26.48%	32.47%	0.00%	23.60%	3.92%	53.15%	9.14%	-
Payment to Government	6.96%	22.54%	24.19%	24.52%	17.81%	10.94%	13.25%	5.50%	-
Community Investments	0.24%	4.49%	2.10%	2.04%	1.66%	2.63%	0.00%	0.50%	-
Other mandatory expenditures	0.00%	2.65%	2.27%	6.19%	4.11%	2.37%	0.16%	0.05%	-
Amount of ore sold (Thousand WMT)		4,186.33	8,582.32	1,697.33	1,957.90	595.99	N/A	N/A	N/A

(A) Includes dividend income amounting to P3,795 million which is eliminated in the consolidated balances.

In 2024, the Group's operations continued to contribute to the local economies of each province and municipality where its mines operate. This was achieved through job creation, stimulating economic activities via local procurement of goods and services, and fulfilling tax and royalty obligations.

NAC reported an attributable net income of ₱1,521 million and recorded a total sales volume of 17 million WMT from its mining businesses.

A Regular Cash Dividend of ₱0.13 per share was paid to stockholders in April of 2024.

Supply Chain Management

The Supply Chain Management (SCM) of the Group is centralized in the Company and serves all its subsidiaries. Its functions include procurement, logistics, and inventory management. This ensures that all domestic or international suppliers are subject to quality service monitoring.

Spending on Local and Overseas Suppliers (Million ₱)	NAC HO	RTN	TMC	HMC	CMC	DMC	CDTN	EPI	JSI	TOTAL
Total spending	406.77	2,360.24	4,269.45	1,327.74	1,255.12	1,279.85	308.31	1.57	1,195.82	12,404.87
Spending on local suppliers	348.66	2,354.49	4,200.28	1,326.42	1,253.96	1,268.68	282.30	-	246.02	11,280.81
Spending on overseas suppliers	58.11	5.75	69.17	1.32	1.16	11.17	26.01	1.57	949.80	1,124.06
Percentage of spending on local suppliers	**85.71%**	**99.76%**	**98.38%**	**99.90%**	**99.91%**	**99.13%**	**91.56%**	**0.00%**	**20.57%**	**90.94%**

Transformational Governance

G1 Corporate Governance

Inclusive Leadership and Management

To promote responsive, inclusive, and representative decision-making, NAC values diversity and inclusion among leadership positions. NAC sets a target of 30% average female representation in top-level management positions by 2025. As of 2024, NAC has two (2) female members of the Board, representing 28 percent of the Board composition. NAC also aims to achieve diverse Board competencies covering Economic, Environmental, and Social.

Enabling Policies

The principles embodied in the CG Manual and the Code are further underscored by the Company's well-established policies that serve as clear guidance to all directors, officers, and employees in their day-to-day work.

Anti-Bribery and Anti-Corruption Policy

The policy confirms the commitment of the Company to (1) adhere to the highest norms of ethical conduct, not only in words, but more importantly, in its actions; (2) conduct its business honestly, equitably, and fairly; (3) strive for consistency in the Company's actions; and (4) comply with all laws and regulations applicable to its business activities in all communities it operates in. This policy expressly prohibits the direct or indirect commission of all forms of bribery and corruption, including government bribery, commercial bribery, and facilitation payments.

Insider Trading Policy

This policy provides for certain restrictions on corporate insiders' dealings involving the Company's shares or securities. The policy considers all directors, officers, employees, and consultants of the Company who have access to material non-public information about the Company, and their relatives within the second degree of consanguinity or affinity, as Corporate Insiders. When in possession of material non-public information concerning NAC or its securities, Corporate Insiders shall not trade in, or buy and/or sell, shares of stock and other securities of the Company. Further, such information is to be kept strictly confidential.

Corporate Insiders who do not possess material non-public information are allowed to deal with shares and securities of the Company subject to the disclosure policies of the Company, the provisions of the Securities Regulation Code (SRC) on insider trading, and all rules and regulations pertaining thereto.

Conflict of Interest Policy

All directors, officers, and employees are charged with the duty of loyalty to the corporate interest and their personal interests should not prevail against the interests of the Company. Even the appearance of a conflict of interest must be avoided and any activity that may compromise or seem to compromise the integrity of the Company or of any Director, Officer, or Employee must be avoided.

Procurement Governance Policy
This policy affirms the commitment of NAC to maintain the highest standard of transparency, probity, ethics, and integrity as it seeks to maximize value for money and ensure quality goods and services while ensuring accountability, consistency, and alignment in procurement practices across its various entities and Business Units. The Company shall commit to fair and effective competition, innovation, and continuous improvement; identify sustainable and socially responsible procurement solutions; and provide efficient processes, flexibility, and support to the Company and its suppliers.

Gifts, Hospitality and Sponsored Travel Policy
Directors, officers, or employees, as well as consultants, shall not accept gifts, hospitality, or sponsored travel from suppliers and other parties with whom the Company has business dealings, except if the value of such gifts or hospitality is a token amount or such sponsored travel is of a technical or business nature and is relevant to the Company's business. Likewise, gifts, hospitality, or sponsored travel shall not be offered to any person to improperly influence and benefit the Company and its representatives.

Whistleblowing Policy
The policy provides for a system intended to assist those who believe they have discovered impropriety, fraud, or offenses covered by the existing Code or other corporate governance rules of the Company to report such matters to the Company without fear of retaliation or harassment.

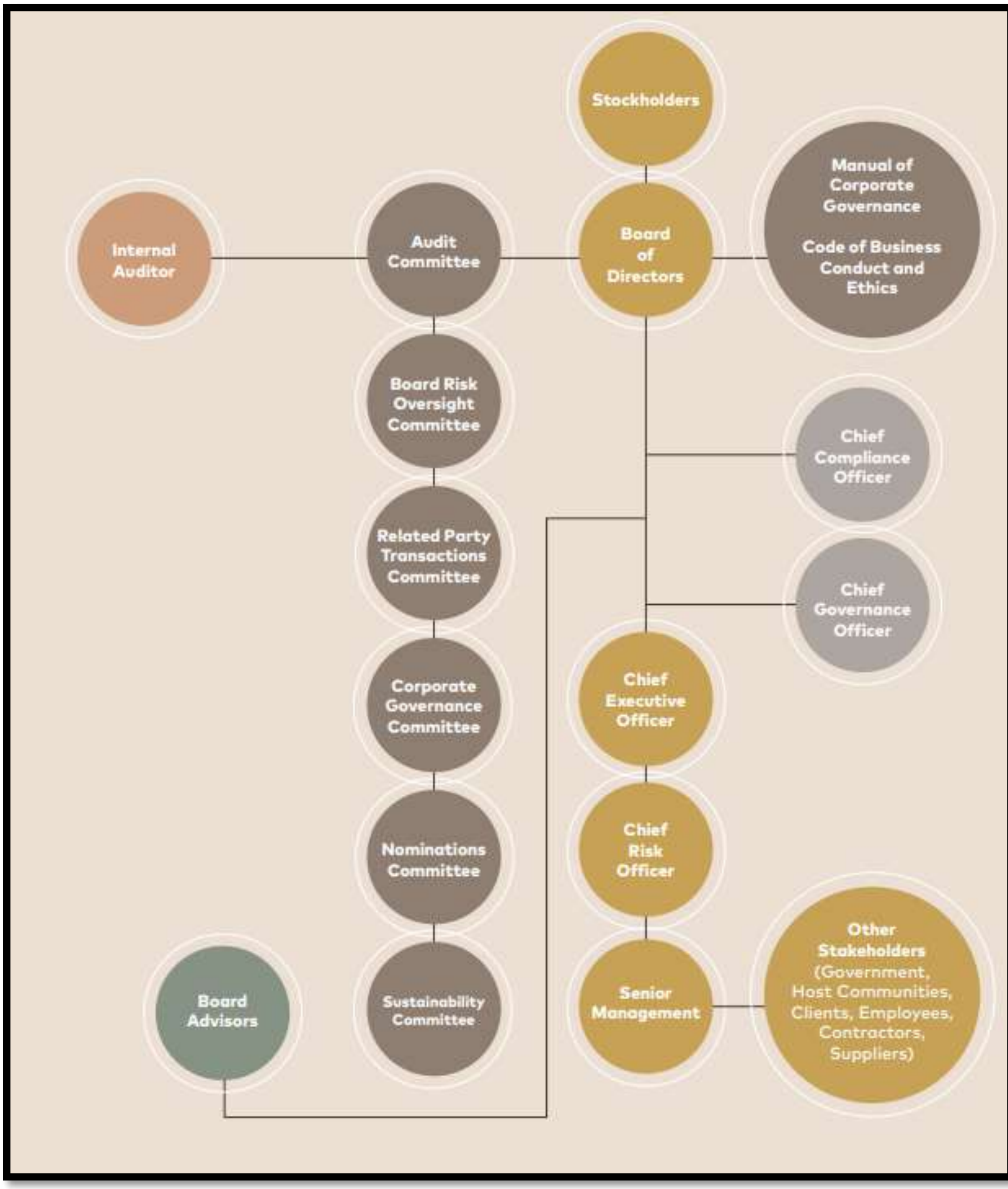
Policy on Related Party Transactions
The policy ensures that material transactions between the Company and any Related Party shall be subject to prior review and approval by the Board to ensure that such transactions are at arms' length and that the terms and conditions of such transactions are fair and will redound to the best interest of the Company, its subsidiaries, and shareholders. This policy also requires the Company to disclose the details of its material-related party transactions to the Securities and Exchange Commission and the Philippine Stock Exchange.

Policy on Diversity, Inclusivity and Equality
The Company's core value of People First includes respect for diversity and inclusivity across the Company and all its subsidiaries. NAC supports the fundamental human rights principle that all human beings are born free and equal in dignity and rights. This Policy on Diversity, Inclusivity, and Equality affirms the Company's commitment to the achievement of gender equality (SDG 5), decent work and economic growth (SDG 8), and reduction of inequality (SDG 10). This policy affirms the Company's commitment to respect diversity and uphold the fundamental rights and dignity of each person in the Group, in the communities where the Group operates, and in its relationship with other stakeholders; create a work environment where every employee is treated with fairness and in a non-discriminatory manner, and valued and given an opportunity to improve and grow; and comply with all laws and policies upholding diversity and equal opportunity applicable to its business activities. The policy was approved by the Board of Directors of NAC in June 2023.

Compliance

The Compliance Sector has been proactive and efficient in keeping relevant NAC groups informed about applicable laws and policies by providing summaries of new government issuances. For instance, when the DENR releases new guidelines affecting NAC subsidiaries' operations, the Compliance team promptly notifies the appropriate employees, shares a summary of the issuance, and provides a link to the full document. Additionally, the Compliance and Legal Sectors conduct training sessions on key legal topics, including labor laws, contractual obligations, and corporate governance policies.

Corporate Governance Structure



Leadership Profiles

The NAC Board of Directors is composed of a diverse and experienced team. They represent the interests of our shareholders and are guided by respect, integrity, and transparency.

JOSE ISIDRO N. CAMACHO
Executive Director
Chairman of the Board of Directors
Age: 69
Date first elected to the Board: June 07, 2024
Average tenure in years: 6 months

Jose Isidro N. Camacho is Nickel Asia's Chairman of the Board of Directors. He is the Chairman of the Corporate Governance Committee and Finance Committee of the Company. He is currently the Chairman of SunLife Canada (Philippines) and the University of Arts Singapore. He briefly served as Secretary of Energy in 2001 and then the Secretary of Finance until 2003.

He also had a distinguished career in international banking spanning four decades. Camacho was formerly the Managing Director and Vice Chairman for Credit Suisse Asia Pacific from 2005-2022, Chief Country Officer for the Philippines at Deutsche Bank from 1999-2000, and had senior positions at Bankers Trust from 1979-1999 in several global financial centers.

Camacho graduated cum laude from De La Salle University with a Bachelor's degree in Mathematics. He received his Master's in Business Administration with a concentration in finance from Harvard University. In 2017, he was awarded an honorary degree of Doctor of Business Administration from Eastern Asia University, Thailand.

MARIA PATRICIA Z. RIINGEN
Vice Chair
Age: 59
Date First Elected to the Board: May 20, 2019
Average tenure in years: 5 years

Maria Patricia Z. Riingen is the Vice Chair of the Company. She is a member of the Sustainability Committee of the Board, the Vice Chair of RTN and TMC, and a Director of DMC, CDTN, CEXCI, Newminco, and EPI. She also is the Chairman of GRHI. She is the President of Manta Equities, Inc. ("Manta") and Manta Foundation, Inc., and a Director of Mantra Resources, Inc. She previously held various positions in Western Union Company and was the Senior Vice President and Regional Head for Asia Pacific of the said company. Her other previous roles were as Executive Director and a member of the Board of Directors at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble. She is a member of the Young President's Organization (YPO). She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines.

Ms. Riingen obtained her Bachelor of Science in Business Administration, major in Marketing, Magna Cum Laude, from the University of the Philippines.

MARTIN ANTONIO G. ZAMORA
Executive Director
President and CEO
Age: 52
Date First Elected to the Board: June 16, 2010
Average tenure in years: 14 years

Martin Antonio G. Zamora is the President and CEO of the Company. He is the President of all the mining subsidiaries of the Company and the Chairman of the Board of Directors of EPI and its subsidiaries. He is the Chairman of the Sustainability Committee and Nominations Committee and a member of the Board Risk Oversight Committee of the Board. Before joining NAC in 2007, Mr. Zamora was the Philippine Country Manager and Director of UPC Renewables, a global developer, owner, and operator of wind farms and solar facilities. Prior to that, he worked for ten (10) years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV & Co. He received his Bachelor of Science in Management from Ateneo de Manila University (Philippines), his MBA from London Business School (UK), and his Master's in Organizational Psychology from INSEAD.

HARVEY T. ANG
Director
Age: 51
Date First Elected to the Board: June 3, 2022
Average tenure in years: 2 years

Harvey T. Ang is a Director of the Company and a Director of CMC, HMC, CEXCI, Newminco, and EPI. He is the President of Yeeloofa Development Corporation. Prior thereto, he was Business Development Manager of Exchange Properties Resources Corporation from July 2004 to July 2007. He was also the Export Director of Solid Mills, Inc. from July 1999 to October 2003. Aside from his experience in the real estate and textile industries, he has had significant experience in the logistics, retail and marketing industries. Mr. Ang obtained his Bachelor of Science in Management, minor in Legal Management, from the Ateneo De Manila University.

SHIRO IMAI
Director
Age: 51
Date first elected to the Board: June 30, 2022
Average tenure in years: 2 years

Shiro Imai is the Chairman of the Related Party Transactions Committee and a member of the Audit Committee and Nominations Committee of the Board. Mr. Imai is the President of SMMPHC, CBNC, and THNC. He has been working for SMM since 1995. He was with the Sales and Marketing Section of the Electronics Division from April 1995 to January 2001 and the Sales and Marketing Section of the Advanced Materials Division from February 2001 until October 2009. In November 2009, Mr. Imai became a member of the Nickel Sales and Raw Materials Department of the Non-Ferrous Metals Division until June 2014, when he was assigned as SMM's Chief Representative of its London Office. He was the Manager of the

Copper and Precious Raw Materials Department from June 2016 until September 2019. He obtained his Bachelor's degree in Economics from Tohoku University in Miyagi, Japan.

YUSUKE NIWA
Director
Age: 58
Date First elected to the Board: August 5, 2021
Average tenure in years: 3 years

Yusuke Niwa is the General Manager of the Nickel Sales and Raw Materials Department, Non-Ferrous Metals Division of SMM. He has more than thirty (30) years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile. Mr. Niwa is also an incumbent director of the Company's affiliates, THNC, CBNC, and NAHI. He obtained his Bachelor of Science in Political Science and Economics from Waseda University in Tokyo, Japan.

LEONIDES JUAN MARIANO C. VIRATA
Director
Age: 44
Date First Elected to the Board: June 30, 2022
Average tenure in years: 2 years

Leonides Juan Mariano C. Virata is a member of the Corporate Governance Committee of the Board. Mr. Virata is the CEO of Cavitex Holdings Inc. and the Managing Director of MTC Investment Properties. Prior thereto, he was with the Broking Research team of Platinum Securities from 2006 to 2010. He is a member of the Makati Business Club. He received his Bachelor of Arts, Major in Philosophy of Religions from the University of Pennsylvania.

FLORENCIA G. TARRIELA
Lead Independent Director
Age: 78
Date First Elected to the Board: August 4, 2022
Average tenure in years: 2 years

Florencia G. Tarriela is the Lead Independent Director, Chair of the Audit Committee, and a member of the Board Risk Oversight, Related Party Transactions, and Corporate Governance Committees of the Board. Ms. Tarriela is a Board Advisor of the Philippine National Bank (PNB), an Independent Director of the LT Group Inc., a Director of PNB International Investment Corporation, Gozon Development Corporation and a Trustee of Tulay sa Pag-unlad, Inc., a microfinance NGO. She is also a liaison director to the Financial Executives Institute's Ethics and Financial Inclusion committees, a fellow of the Institute of Corporate Directors, a GoNegosyo mentor and a member of the Filipina CEO Circle and Women Business Council Philippines. She previously served as Board Chair and Independent Director of PNB for 15 years and Undersecretary for the Department of Finance. She was the first Filipina Vice President in Citibank N.A., President of the Bankers Institute of the Philippines, Director of the Bankers Association of the Philippines, and of the Philippine Bible Society. She has co-authored and compiled several books on ethics, mentorship, and gardening, among others, and continues to be a regular columnist for Manila Bulletin and Business World. Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in

Economics, from the University of the Philippines and Master's degree in Economics from the University of California, Los Angeles.

JAMES J.K. HUNG
Independent Director
Age: 78
Date First Elected to the Board: June 7, 2024
Average tenure in years: 6 months

James J.K. Hung is an Independent Director and Chairman of the Board Risk Oversight Committee and member of the Audit Committee, Nominations Committee, Related Party Transactions Committee, and Sustainability Committee.

He is also the Chairman of Asia Securities Global Group (Hong Kong) and Chairman of ASG Inspiration Lab (Singapore). A former Chairman of Asia Securities in Taiwan and Independent Director of Security Bank, Hung also served as a Director of Franklin Templeton Investment Fund in Luxembourg, Franklin Sealand Fund Management Co. Ltd. in Shanghai and other international funds. Hung also has an active interest in nickel, electric vehicles, and renewable energy.

Mr. Hung graduated from Babson College in Massachusetts with a Master's degree in Business Administration, major in Finance.

BOARD ADVISORS

MANUEL B. ZAMORA, JR.
Age: 85
Date First Appointed as Board Advisor: June 4, 2021

Manuel B. Zamora, Jr. is the founder of the Company and **served as its** from 2008 until 2018. He was also Chairman Emeritus from 2018 to June 2021. He is a Director of RTN and TMC. He is also a director of a number of other companies in the Philippines including CLSA Exchange Capital, Inc. (CLSA). He previously served as Chairman of the Chamber of Mines of the Philippines. Mr. Zamora is a lawyer and a member of the Integrated Bar of the Philippines. He earned his Bachelor's degree from the University of the Philippines and placed third in the Bar Examinations after receiving his Bachelor of Laws degree from the University of the Philippines.

FREDERICK Y. DY
Age: 69
Date first Appointed as Board Advisor: June 4, 2021

Frederick Y. Dy served as an Independent Director of the Company from 2009 to 2021. He is also the Chairman Emeritus of Security Bank Corporation and the Chairman of St. Luke's Medical Center. He earned his Bachelor of Science in Industrial Engineering from Cornell University, USA.

PHILIP T. ANG
Age: 83
Date First Appointed as Board Advisor: June 3, 2022

Philip T. Ang served as Vice Chairman of the Board of Directors of the Company, RTN, and TMC, and Director of CMC, DMC, HMC, CEXCI, Newminco, CDTN, and EPI until June 3, 2022. He was previously involved in the textile industry as Chairman and President of Solid Mills, Inc. and Unisol Industries and Manufacturing Corp., and as a Director of Investors Assurance Corp. and International Garments Corp. He obtained his Bachelor of Science in Business Administration from Oregon State University and his Master of Business Administration from the University of Denver, USA.

Board Committees

Audit Committee

The Audit Committee is composed of Ms. Florencia G. Tarriela (Independent Director) as Chairperson, and Mr. James J.K. Hung (Independent Director) and Mr. Shiro Imai as members. The Audit Committee reports to the Board and is required to meet at least once every three (3) months. Aside from overseeing the internal and external auditors of the Company, the Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing independent and objective assurance to the Management and shareholders of the continuous improvement of the risk management system, business operations, and the proper safeguarding and use of Company resources and assets. The Audit Committee provides a general evaluation and assistance in the overall improvement of the risk management, control, and governance processes. Mr. Patrick S. Garcia is the Company's Chief Audit Executive and Vice President for Internal Audit.

The table below shows the attendance of the members of the Audit Committee at Committee meetings held in 2024:

Position	Name	No. of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Florencia G. Tarriela	4	4	100%
Member	James J.K. Hung[3]	2	2	100%
Member	Shiro Imai	4	4	100%
Member	Angelo Raymundo Q. Valencia[4]	2	2	100%

Board Risk Oversight Committee

The Board Risk Oversight Committee is composed of Mr. James J.K. Hung (Independent Director) as Chairperson, and Mr. Martin Antonio G. Zamora and Ms. Florencia G. Tarriela (Independent Director) as members. The Committee assists the Board in its oversight responsibility for the Company's Enterprise Risk Management and shall review the effectiveness of the risk management system. The Committee reports to the Board and is required to meet at least once every three months.

[3] Appointed as Member of the Audit Committee on June 7, 2024
[4] Ceased to be a Member of the Audit Committee effective June 7, 2024

The table below shows the attendance of the members of the Board Risk Oversight Committee during its meetings held in 2024:

Position	Name	No. of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	James J.K. Hung[5]	2	2	100%
Member	Martin Antonio G. Zamora	4	4	100%
Member	Florencia G. Tarriela	4	4	100%
Chairperson	Angelo Raymundo Q. Valencia[6]	2	2	100%

Corporate Governance Committee

The Corporate Governance Committee is composed of Mr. Jose Isidro N. Camacho as Chairperson, and Ms. Maria Patricia Z. Riingen and Ms. Florencia G. Tarriela (Independent Director) as members. The Committee is responsible for ensuring compliance with and proper observance of corporate governance principles and practices. It also oversees the implementation and periodic review of the Company's corporate governance framework to ensure that it remains responsive to the Company's size, complexity, and business strategy. Further, the Committee conducts an annual evaluation of the Board, its Committees, and the Management of the Company; and develops and implements action plans and programs to improve the performance of the Board, Committees, Directors, and the Management of the Company. The Committee also functions as the Compensation and Remuneration Committee. The Committee is tasked to establish and maintain a formal and transparent procedure for developing policy on the remuneration of the Directors and officers to ensure that their compensation is consistent with the Company's culture, strategy, and the business environment in which it operates. The Committee is also responsible for administering the Company's stock option policies and plans and for approving bonuses for all employees of the Company and its subsidiaries.

The table below shows the attendance of the members at the Committee meetings held in 2024:

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Jose Isidro N. Camacho	1	1	100%
Chairperson	Gerard H. Brimo[7]	2	2	100%
Member	Florencia G. Tarriela	3	3	100%
Member	Leonides Juan Mariano C. Virata[8]	2	2	100%
Member	Maria Patricia Z. Riingen[9]	1	1	100%

[5] Appointed as a Chairperson of the Board Risk Oversight Committee effective June 7, 2024
[6] Ceased to be a Chairperson of the Board Risk Oversight Committee effective June 7, 2024
[7] Ceased to be Chairperson of the Corporate Governance Committee effective June 7, 2024
[8] Ceased to be a Member of the Corporate Governance Committee effective August 7, 2024
[9] Appointed as Member of the Corporate Governance Committee on August 7, 2024

Related Party Transactions Committee

The Related Party Transactions Committee is composed of Mr. Shiro Imai as Chairperson and Ms. Florencia G. Tarriela (Independent Director) and Mr. James J.K. Hung (Independent Director) as members. The Committee is tasked with reviewing all material and related party transactions of the Company to ensure that such transactions are conducted on terms which are no more favorable than the terms of similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Company are misappropriated or misapplied. The Committee is also responsible for identifying potential or actual conflicts of interest and reputational risk issues that may arise from such related party transactions. The Committee further ensures that transactions between and among related parties are properly identified, monitored, and reflected in reports to the Board and relevant regulatory authorities. The Committee is required to meet at least once a year.

The table below shows the attendance of the members at the Committee meetings held in 2024:

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Shiro Imai	6	6	100%
Member	James J.K. Hung[10]	4	4	100%
Member	Florencia G. Tarriela	6	6	100%
Member	Angelo Raymundo Q. Valencia[11]	2	2	100%

Nominations Committee

The Nominations Committee is composed of Mr. Martin Antonio G. Zamora as Chairperson, and Messrs. Shiro Imai and James J.K. Hung (Independent Director) as members. The Nominations Committee is responsible for setting qualification standards to facilitate the selection of potential nominees to Board seats and of all nominees to other positions in the Company requiring appointments by the Board, to provide shareholders with an independent and objective evaluation of, and assurance that, the members of its Board and the officers appointed by the Board are competent and will foster the Company's long-term success and secure its competitiveness.

The Nominations Committee assists the Board in the review and evaluation of the qualifications of all persons nominated to be a Director of the Company and of all nominees to other positions in the Company requiring appointments by the Board.

The Nominations Committee held one meeting in 2024, wherein all members were present.

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Martin Antonio G. Zamora	1	1	100%

[10] Appointed as Member of the Related Party Transactions Committee on June 7, 2024

[11] Ceased to be a Member of the Related Party Transactions Committee effective June 7, 2024

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Member	Angelo Raymundo Q. Valencia[12]	1	1	100%
Member	Shiro Imai	1	1	100%

Sustainability Committee

President and CEO, Mr. Martin Antonio G. Zamora, is Chairman of the NAC Sustainability Committee with Mr. James J.K. Hung (Independent Director) and Mr. Leonides Juan Mariano C. Virata (Independent Director) as members. The Committee's determining role is as support to the Board in conducting an in-depth analysis of the company's sustainability issues, presenting insights and findings to the Board to ensure that all initiatives are aligned with the Company's sustainability goals. The Sustainability Committee is responsible for the identification and assessment of significant economic, environmental, ethical, and social impacts of the business and operations of the Company and its subsidiaries. The Sustainability Committee stands as a guide to the NAC Group in the crafting and improvements of ESG strategies based on updates in global sustainability trends, regulations, benchmarks, and best practices. Progress is tracked, monitored, and reported during regular meetings of the Sustainability Committee held every quarter.

To promote effective Board and management performance and continuing qualification of the Directors and officers, there is an annual continuing training program for Directors and officers to make certain they are continuously informed of the developments in the business and the regulatory environment, including emerging risks relevant to the Company.

Under the Manual of Corporate Governance, the Company shall ensure that the material and reportable non-financial and sustainability issues are disclosed. The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Company shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

The table below shows the attendance of the members at the Committee meetings held in 2024:

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Chairperson	Martin Antonio G. Zamora	4	4	100%
Member	James J.K. Hung[13]	2	2	100%
Member	Maria Patricia Z. Riingen[14]	3	3	100%

[12] James J.K. hung was not yet a director when the meeting of the Nominations Committee was held
[13] Appointed as Member of the Sustainability Committee on June 7, 2024
[14] Ceased to be a Member of the Sustainability Committee effective August 7, 2024

Position	Name	Number of Meetings Held in 2024	No. of Meetings Attended	Percentage of Attendance
Member	Angelo Raymundo Q. Valencia[15]	2	2	100%
Member	Leonides Juan Mariano C. Virata[16]	1	1	100%

Finance Committee
The primary purpose of the Committee is to oversee the Company's capital structure, financial policies and strategies, and investment activities, including but not limited to, capital raising, capital adequacy and capital planning processes, dividend policy, acquisitions, mergers, and divestments, treasury management and activities, and financing proposals, that may be brought to the Board for approval and to take such action and make such reports and recommendations to the Board as it deems advisable. The Committee was created in November 2024 and the first meeting was in February 2025. Members of the Committee are the following:

Position	Name
Chairperson	Jose Isidro N. Camacho
Member	Martin Antonio G. Zamora
Member	Harvey T. Ang

BOARD ADVISORS
The Company's Board has three (3) Advisors: Mr. Manuel B. Zamora, Jr., Mr. Frederick Y. Dy, and Mr. Philip T. Ang.

The Board Advisors (1) attend Board of Directors' meetings and Board Committee meetings as necessary; (2) provide guidance and suggestions, as needed, on matters deliberated upon during Board and Committee meetings; and (3) provide recommendations and/or key information and materials regarding specific matters being considered by the Board and referred to the Board Advisors.

EXECUTIVE IMPLEMENTATION

Chairman
Mr. Jose Isidro N. Camacho is the Chairman of the Board of Directors of the Company. The Chairman is responsible for the leadership of the Board. He ensures the effective operation of the Board and its committees in conformity with the highest standards of corporate governance. He is accountable to the Board. The Chairman ensures that the Board sets an agenda that is focused on strategy, performance, and accountability taking into consideration the recommendations of the Directors and management. He assures the availability of training opportunities to all Directors, including an orientation program for first-time Directors. He ensures that the Board's performance is evaluated at least once a year. Mr. Camacho works with the President and Chief Executive Officer (CEO) to develop the strategy for the Company's future growth, including identifying opportunities for value-enhancing initiatives, such as acquisitions and

[15] Ceased to be a Member of the Sustainability Committee effective June 7, 2024
[16] Appointed as Member of the Sustainability Committee on August 7, 2024

joint ventures, as may be deemed beneficial for the long-term interest of the Company. He also oversees the Company's copper-gold initiatives.

President and CEO

Mr. Martin Antonio G. Zamora is the President and CEO of the Company. The President provides the leadership for Management to develop and implement sound business strategies, plans, budgets, and a system of internal controls. He ensures that the overall business and affairs of the Company are managed in a sound and prudent manner in accordance with the Company's strategic plan. He also guarantees that business risks are identified and properly addressed. He also ensures that operational, financial, and internal controls are adequate and effective in order to generate sound and reliable financial and operational information, to maximize the effectiveness and efficiency of operations, to safeguard Company assets and resources, and to comply with all laws, rules, regulations, and contracts.

As CEO, he acts as a direct liaison between the Board and the Management of the Company.

The President and CEO, together with the Management, have the responsibility to provide the Board with a balanced, understandable, and accurate account of the Company's performance, financial condition, results of operations, and prospects on a regular basis. The President also serves as the link between internal operations and external stakeholders.

Chief Risk Officer

Mr. Jose Bayani D. Baylon, Senior Vice President of Sustainability, Risk, Corporate Affairs, and Communication, and Chief Sustainability Officer, also serves as the Chief Risk Officer of the Company. The Chief Risk Officer supervises the Company's Enterprise Risk Management System and spearheads its implementation, review, and continuous improvement. He leads the identification of key risks and exposure relating to economic, environmental, social, and governance factors that may affect the achievement of the Company's strategic objectives, as well as the development of risk mitigation plans. He communicates the top risks and the status of implementation of the Company's risk management strategies and action plans to the Board Risk Oversight Committee and works with the President and CEO in updating and making recommendations to the Board Risk Oversight Committee.

Chief Governance Officer

Ms. Georgina Carolina Y. Martinez, Senior Vice President and head of the Corporate Support and Compliance Services Group, is the Company's Chief Governance Officer. The Chief Governance Officer is tasked with ensuring that corporate governance policies are disseminated, adopted throughout the organization, and become an integral part of the Company's culture. In addition, she also ensures that the necessary systems are in place to monitor compliance.

Chief Compliance Officer

Ms. Georgina Carolina Y. Martinez also serves as the Chief Compliance Officer of the Company. She ensures the Company's strict adherence to all laws, regulations, guidelines, and specifications relevant to the business.

Corporate Secretary

Atty. Barbara Anne C. Migallos is the Corporate Secretary of the Company. She ensures that all Board procedures, rules, and regulations are strictly followed. The Corporate Secretary is a lawyer with years of experience in corporate law practice, including corporate secretarial work. She is also a professional lecturer in advanced securities regulation.

AUDITORS

Chief Audit Executive
Mr. Patrick S. Garcia is the Company's Chief Audit Executive. The Chief Audit Executive is primarily tasked with evaluating the adequacy and effectiveness of the Company's governance and operations, the reliability and integrity of financial information, the safeguarding of assets, and compliance with laws, rules, and regulations.

External Auditor
The external auditor is appointed by the shareholders upon the recommendation of the Audit Committee, which reviews its qualifications, performance, and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change (every five years for the engagement partner); general prohibitions on hiring of staff of the external auditor; and full and appropriate disclosure and prior approval by the Audit Committee of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an external auditor or would compromise its objectivity or independence as such.

INVESTOR RELATIONS PROGRAM

The Company is committed to making timely, full, and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.

External communications are handled by the Corporate Affairs, Corporate Services and Compliance, and Investor Relations Sectors. Major company announcements are reviewed and approved by the VP-Treasury, Investor Relations, and Sales, SVP- Sustainability, Risk Management and Corporate Affairs, SVP-Corporate Support and Compliance Services, the Chief Financial Officer, and the President and CEO.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

G2 Strong Organizational Culture

Transparency

NAC is a strong supporter of the Philippine Extractive Industry Transparency Initiative (Ph-EITI) – a government-led, multi-stakeholder initiative implementing EITI, the global standard that promotes open, accountable management, and good governance of oil, gas, and mineral resources. Ph-EITI, through an Independent Administrator, monitors material tax payments, social contributions, and environmental funds and disbursements.

NAC makes every effort to ensure regulatory compliance and is ready to address any specific compliance areas identified during internal and external audits, regular review of regulatory requirements, and the latest regulations applicable to the Company.

The Company's tax strategy is linked to business and sustainable development strategies. Under the ERM, NAC can identify, manage, and monitor tax risks to maintain consistent tax performance and transparency on its tax contributions. This is the way that the Company maintains and builds trust with its stakeholders.

Anti-Bribery and Anti-Corruption

Integrity and honesty are ingrained in the core values of NAC. All employees of the Group are expected to act with integrity and honesty in their day-to-day work and when dealing with stakeholders.

The Company's Anti-Bribery and Anti-Corruption Policy articulates the commitment of the Company, and Directors, officers, and employees to (1) adhere to the highest norms of ethical conduct, not only in words, but more importantly, in actions; (2) conduct business honestly, equitably, and fairly; (3) strive for consistency; and (4) comply with all laws and regulations applicable to the business activities of NAC in all communities it operates in. This Policy amplifies the Company's stance against bribery and corruption expressed in its Code of Business Conduct and Ethics, Conflict of Interest Policy, Procurement Governance Policy, Policy on Gifts, Hospitality and Sponsored Travel, and Whistleblowing Policy. Further, the Anti-Bribery and Anti-Corruption Policy expressly imposes the prohibition against all acts of bribery and corruption upon its Directors, officers, and employees. The policy also requires the Company to ensure that its third-party contractors shall not engage in acts of bribery and corruption.

All employees are required to know, understand, and comply with the Company's corporate governance policies that promote integrity and honesty. All employees are asked to submit an Annual Certificate of Integrity and Compliance to confirm that they have read or refreshed their knowledge of the rules in the CG Manual, the Code, and all the related policies during the year. The Compliance Sector targets 100% for this requirement. In support of this drive, aside from the regular Corporate Governance seminars being offered, the Group conducted online courses on Anti-Bribery and other Corporate Governance policies in 2024.

There were no reports or findings of bribery and corruption for 2024.

G3 Incident/Risk Management System
Robust and Comprehensive Risk Management System

Enterprise Risk Management

NAC embraces a risk management philosophy focused on enhancing shareholder value by maintaining a competitive edge, effectively managing risks, and enabling the organization to pursue strategic growth opportunities with greater agility, expertise, and confidence.

To implement this approach, the Board, through the Board Risk Oversight Committee, has established an Enterprise Risk Management (ERM) system that proactively identifies, assesses, and mitigates business risks within a structured and continuous framework.

Since laying the foundation for its Risk Management roadmap in 2022, the Company has made strides in its Integrated ERM by conducting the Assessment, Mitigation, and Calibration (AMCAL) sessions at each operating site to assess their risk assessments and the calibration of their respective Business Continuity Plans and Business Impact Assessments.

Data Security

In 2024, NAC remains vigilant in addressing data security risks, recognizing that SAP and Microsoft 365 computing platforms continue to be potential targets for cyberattacks. Key departments, such as Finance, Purchasing, Logistics, Budgeting, and HR are particularly at risk from threat actors.

Although no data breaches were reported in 2024, NAC further strengthened its cybersecurity measures by proactively educating end-users on identifying and avoiding phishing attempts. The company also implemented its Personal Data Privacy Governance and Management Manual which outlines policies and frameworks to safeguard personal data processing.

To mitigate cybersecurity threats, NAC closely monitors its ICT infrastructure using integrated next-generation firewalls and communication gateways to detect inbound and outbound network risks. Workstation protection has been enhanced through managed anti-virus and anti-ransomware software, while Microsoft Active Directory ensures secure identity management and controlled user role access.
For employees working remotely, NAC has added an extra layer of security by implementing VPN (Virtual Private Network) access, utilizing DocuSign for secure electronic signatures, and maximizing Office 365 for encrypted communication and collaboration.

To safeguard both company systems and personnel from predatory behavioral advertising and to protect customer privacy, NAC strictly prohibits the use of corporate email for social media, online shopping, and other non-business-related activities. Additionally, the company conducts ongoing cybersecurity awareness campaigns and issues timely advisories on data protection when necessary.

Cybersecurity risks continue to be reviewed by the Board Risk Oversight Committee to ensure NAC's defenses remain robust against evolving threats.

Climate-related Risks and Opportunities

Climate-related risks and opportunities significantly impact NAC's business, strategy, and financial planning. The Company faces policy, market, and physical risk exposures, that could affect demand, input costs, and operations.

With the governance and leadership of the Board of Directors and the Management Team, the NAC ERM system helps establish a risk management strategy that addresses climate-related risks and identifies action plans, persons responsible, and expected timelines to maintain operations or reduce the duration of operation disruptions. The NAC Board of Directors addresses climate challenges through dedicated oversight structures. The Board-level Sustainability Committee and Board Risk Oversight Committee spearhead the Company's climate strategy, monitor progress, and advise the Board on crucial climate matters. Quarterly reports from Management keep the Board informed of climate risks and opportunities. Climate risks are firmly embedded in the overall risk management framework, and it is part of the Company's implementation of the ERM system.

NAC follows IFRS S2 Climate-related Disclosures/Task Force for Climate-Related Financial Disclosure (TCFD) guidelines for climate risk. The Risk Management Sector of NAC categorizes, assesses, and prioritizes risks based on their impact and develops mitigation and adaptation strategies for the most crucial ones. The Company continuously monitors risks and integrates identified risks and opportunities into plans and processes, influencing procedures, budgets, and long- and short-term planning.

NAC faces both physical and transition risks from climate change. Floods and extreme weather pose short-term threats to infrastructure and production, while carbon pricing and shifting market demands present longer-term challenges. However, NAC also sees these as opportunities in developing low-carbon technologies and tapping new markets.

Over the short, medium, and long term, NAC identified a range of climate-related risks and opportunities. The Company entrusted Sustainable1 to assess its exposure to climate risks. This comprehensive analysis covers physical risks, and two key aspects of transition risk: potential impacts from evolving policies and market dynamics.

Risk Categories

1. Transition Risk: Policy Risk Exposure - Risk of policy action to encourage low-carbon transition in direct operations or upstream supply chain (e.g. through carbon taxes).
2. Transition Risk: Market Risk Exposure - Increased costs for key suppliers.
3. Physical Risk Exposure - Increasing frequency and severity of climate hazards generating financial impacts on company assets.

Transition Risk: Policy Risk Exposure

The emergence of increasing taxes on fuel or GHG emissions may leave the Company with increased expenses which it may choose to either pass on to customers, absorb, or invest in lowering its emissions. NAC carbon pricing risk assessment projects indicate a potential increase in annual expenditure under the high-cost scenario by 2030. This increase translates to a 3% rise in costs. In contrast, the low-cost scenario projects significantly lower potential exposure for the same year.

Transition Risk: Market Risk Exposure

Climate change shifts markets through the evolving supply and demand of carbon-sensitive goods. Sustainable1 assessed NAC market risk by analyzing supplier and customer carbon pricing exposure under different scenarios. For suppliers, Sustainable1 calculated "EBITDA at Risk," estimating the potential financial impact of future carbon pricing on their earnings. This allows NAC to identify upstream value chain segments exposed to carbon pricing risks under a 2°C scenario and influence suppliers to reduce emissions, mitigating risk. Similarly, for customers, the assessment identifies downstream segments vulnerable to carbon pricing under a 2°C scenario. All these are crucial to help NAC gauge its level of resilience and adapt its strategies accordingly.

Physical Risk Exposure

Indicators:

Atmospheric data related to temperature, precipitation, drought, and wildfire, as well as other data related to coastal flooding, tropical cyclones, water stress, and fluvial flooding to provide a rigorous estimate of risk under various conditions were processed and analyzed.

The top three climate hazards were identified and quantified based on absolute risk. Coastal flooding poses the highest risk to NAC asset value in 2030, followed by temperature extremes and fluvial flooding.

Top 3 Physical Risks

1. Coastal flooding - Changes in frequency of coastal flooding of various magnitudes. Extreme coastal high water depends on average sea level, tides, and regional weather systems. Extreme coastal high-water events are usually defined in terms of the higher percentiles (e.g. 90th to 99.9th) of a distribution of hourly values of observed sea level at a station for a given reference period.
2. Temperature Extremes - Changes in the frequency of occurrence of temperature extremes. A temperature extreme event is generally defined as the occurrence of the temperature variable above (or below) a threshold value near the upper (or lower) ends ('tails') of the range of observed values of the variable.
3. Fluvial flooding - The annual probability of a 100-year riverine flood, relative to the historical baseline of 1950-1999. This metric uses three climate variables and four topographic variables.

Physical Risk Scenarios Assessed

Sustainable1 looked at climate scenarios RCP 4.5 and RCP 8.5 over decadal intervals from the 2020s to the 2090s.

RCP 4.5 Moderate Emissions – Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees Celsius by 2100.

RCP 8.5 High Emissions – Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees Celsius by 2100.

NAC faces a low physical risk in the 2030s under both RCP 4.5 and 8.5 scenarios. Coastal flooding and temperature extremes dominate the risk landscape, contributing over 83% of the potential financial impact. The majority of NAC assets are classified as low risk for these assessed hazards.

Analyzing the RCP 4.5 scenario, NAC gained insights into the timing of significant increases in specific climate hazards. Notably, water stress emerges as the fastest-growing risk in the 2020s, with an average annual absolute risk increase of 14%. Closely following, coastal flooding exhibits a steady growth rate of 8%, while fluvial flooding and temperature extremes experience the lowest average increases. Interestingly, tropical cyclones, though present, show a projected decrease in financial impact compared to the historical baseline. This decadal risk analysis empowers NAC to prioritize mitigation strategies effectively.

NAC tracks its climate impact and progress through a comprehensive set of metrics and targets. These include carbon emissions, sequestration efforts, adoption of green technologies, tree planting initiatives, rehabilitated land areas, and ongoing environmental research. To further solidify its commitment, NAC has set ambitious emission reduction targets using a 2021 baseline: 10% by 2025, 42% by 2030, and ultimately achieving net-zero carbon emissions by 2050.

CAGDIANAO MINING

CERTIFICATION

As of 31 December 2024, the total Mineral Reserve of Cagdianao Mining Corporation (CMC) is at 4.1 million WMT for saprolite and 0.46 million WMT for limonite with the following details.

Table 1. Mineral Reserves of Cagdianao Mine (as of 31 December 2024)

Ore	Class	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Mineral Reserve						
Saprolite	Proved and Probable	4.10	2.66	1.44	23.60	38
Limonite		0.46	0.30	1.12	43.78	3

The undersigned is issuing this certification in his capacity as a licensed mining engineer and active member of the Philippine Society of Mining Engineers. The undersigned is fully aware that, under the employment of NAC, the certification may be reviewed or scrutinized by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

Prepared by:

Gascon

Christian Jae R. Gascon
Resident Mine Manager
PRC No. 00002873 (Mining Engineer)
Accredited Competent Person (Mining Engineering)
EM-ACP-206-0002873

DMC

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Dinapigue Mining Corporation (DMC). It is located at Brgy. Dimalaude, Dinapigue, Isabela.

As December 31, 2024, the Total Mineral Reserves of DMC are as follows:

Ore	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	Ni (%)	Fe (%)	Contained Ni (Kt)
Saprolite	Proved and probable	33.47	19.90	1.36	19.15	270
Limonite		73.83	43.62	0.99	42.90	432

The undersigned is issuing this certification in his capacity as an Accredited Competent Person and active member of the Philippine Society of Mining Engineers. The undersigned is fully aware that, being under the employment of NAC, the certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

DMC is currently working on its full compliance with the PMRC 2020 edition.

DocuSigned by:

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Francisco J. Arañes, Jr.
PRC MINING ENGINEER, License No. 2305
PMRC Competent Person for Nickel
CP Registration No.: EM-ACP-030-0002305
PTR No. 05013446
Issued: January 22, 2025 at Surigao Del norte

Dinapigue Mining Corporation

Main Office:
29th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Philippines 1634

Phone: (02) 7798 7622

Liaison Office:
Blk. 5 Lot 6, Camella Homes Subd., Brgy. Malvar, Santiago City, Isabela, Philippines 3311

Site Address:
Brgy. Dimaluade, Dinapigue, Isabela, Philippines 3336

Web: nickelasia.com

HMC

nqa. ISO 9001 ISO 14001 ISO 45001 INTEGRATED MANAGEMENT

UKAS MANAGEMENT SYSTEMS 0015

CERTIFICATION

Hinatuan Mining Corporation

Main Office:
29th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: +63 2 7798 7626

Liaison Office:
2nd Floor NAC Building,
Km 3, National Highway,
Brgy. Luna, Surigao City,
Philippines 8400

Phone: +086 826 5077

Site Address:
Hinatuan Island, Brgy.
Talavera, Tagana-an,
Surigao del Norte,
Philippines 8403

Web: nickelasia.com

Nickel Asia Corporation (NAC) fully owns Hinatuan Mining Corporation – Manicani Nickel Project (HMC-MNP). It is located at Manicani Island, Brgy. Buenavista, Guiuan, Eastern Samar.

As December 31, 2024, the Total Mineral Reserves of HMC-MNP are as follows:

Ore	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	Ni (%)	Fe (%)	Contained Ni (Kt)
Saprolite	Proved and Probable	41.36	28.12	1.53	18.16	430
Limonite		12.32	8.38	1.09	49.01	91

The undersigned is issuing this certification in his capacity as an Accredited Competent Person and active member of the Philippine Society of Mining Engineers. The undersigned is fully aware that, being under the employment of NAC, the certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

HMC-MNP is currently working on its full compliance with the PMRC 2020 edition.

FRANCISCO J. ARAÑES, JR.
PRC MINING ENGINEER, License No. 2305
PMRC Competent Person for Nickel
CP Registration No.: EM-ACP-030-0002305
PTR No. 05013446 Issued: January 22, 2025 at Surigao Del Norte

HMC

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Hinatuan Mining Corporation – Tagana-an Nickel Project (HMC-TNP). It is located at Hinatuan Island, Brgy. Talavera, Tagana-an, Surigao del Norte.

As December 31, 2024, the Total Mineral Reserves of HMC-TNP are as follows:

Ore	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	Ni (%)	Fe (%)	Contained Ni (Kt)
Saprolite	Proved and Probable	2.63	1.79	1.39	17.46	25
Limonite		0.83	0.56	1.00	48.79	6

The undersigned is issuing this certification in his capacity as an Accredited Competent Person and active member of the Philippine Society of Mining Engineers. The undersigned is fully aware that, being under the employment of NAC, the certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

HMC-TNP is compliant with the PMRC 2020 edition.

FRANCISCO J. ARAÑES, JR.
PRC MINING ENGINEER, License No. 2305
PMRC Competent Person for Nickel
CP Registration No.: EM-ACP-030-0002305
PTR No. 05013446 Issued: January 22, 2025 at Surigao Del Norte

Hinatuan Mining Corporation

Main Office:
29th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: +63 2 7798 7626

Liaison Office:
2nd Floor NAC Building,
Km 3, National Highway,
Brgy. Luna, Surigao City,
Philippines 8400

Phone: +086 826 5077

Site Address:
Hinatuan Island, Brgy.
Talavera, Tagana-an,
Surigao del Norte,
Philippines 8403

Web: nickelasia.com

C E R T I F I C A T I O N

Nickel Asia Corporation (NAC) owns 60% of Rio Tuba Nickel Mining Corporation (RTNMC). It is located at Brgy. Rio Tuba, Bataraza, Palawan.

As of December 31,2024, the Mineral Reserves of RTNMC are as follows:

Mineral Reserve	Class	Tonnes (mWMT)	Tonnes (mDMT)	%Ni	%Fe	Contained Ni (kt)
Saprolite	Proved and Probable	35.03	23.85	1.49	18.09	354
Limonite	Proved and Probable	33.07	23.32	1.07	35.95	252

Note:

1. The Contained Ni (kt) is derived from the multiplication of the average %Ni and estimated tonnage (DMT) of the reserve. It does not consider mining losses and dilution. Discrepancies may appear due to rounding-off of figures in the table.
2. The %Ni and %Fe cut-off grades used in this estimation are as follows:
   Limonite: ≥0.5 %Ni, ≥20 %Fe
   Saprolite: ≥1.0 %Ni, <20 %Fe

The undersigned is issuing this certification in his capacity as a licensed mining engineer and as an active member of the Philippine Society of Mining Engineers. He is fully aware that, being under the employment of Rio Tuba Nickel Mining Corporation, his certification may be subjected to review or scrutiny by other independent Competent Persons whom the concerned government institution/s of financing bodies might choose to employ.

RTNMC is currently working on its full compliance with the PMRC 2020 Edition.

Ronelbert A. Suguitan
Mining Engineer, PRC No. 2534
Accredited Competent Person for Nickel, ACP Reg. No. 052-0002534
PTR No. 7004932
Date Issued:
January 09, 2025
Municipality of Bataraza, Palawan

TMC

CERTIFICATION

Nickel Asia Corporation (NAC) owns 65% of the Taganito Mining Corporation (TMC). The Project is located within the municipality of Claver in the province of Surigao del Norte on the island of Mindanao.

As of December 31, 2024, the Total Mineral Reserves of TMC are as follows:

Ore	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Proved & Probable	80.38	55.38	1.45	12.04	801
Limonite	Proved & Probable	52.95	35.51	1.01	47.33	359

The undersigned is issuing this certification in his capacity as a licensed mining engineer and active member of the Philippine Society of Mining Engineers. The undersigned is fully aware that, being under the employment of NAC, the certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

ARTEMIO E. VALEROSO
Registered Mining Engineer
PRC No. 2641
PTR No. 8076851 Z
EM-ACP No. 166-002641

Taganito Mining Corporation

Main Office:
29th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: (02) 7798 7624

Liaison Office:
2nd Floor NAC Building,
Km. 3, Brgy. Luna,
Surigao City,
Philippines 8400

Phone: (086) 826 3005
(0998) 597 8520

Site Address:
Brgy. Taganito, Claver,
Surigao del Norte,
Philippines 8410

Web: nickelasia.com

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Cagdianao Mining Corporation (CMC). It is located at Brgy.Valencia, Cagdianao, Dinagat Islands.

As of December 31,2024, the Mineral Resources of CMC are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	7.5	4.9	1.23	20.27	60
Limonite	Measured and Indicated	13.0	8.4	0.85	38.61	72

Note:

1. The 'Contained Ni (kT)' is derived from the multiplication of the average Ni% and estimated tonnage (DMT) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding off figures in the table.
2. The Ni% and Fe% cut-off grades used in this estimation are as follows:

Limonite: 0.45% Ni, 29% Fe

Saprolite: 0.79% Ni

3. The data cut-off date for the estimate is December 31, 2024.

The undersigned is issuing this certification in her capacity as an Accredited Competent Person and as an active member of the Geological Society of the Philippines. She is fully aware that, being under the employment of Cagdianao Mining Corporation, her certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

ANGILHIZA MARIE B. FRANCISCO
Geologist, PRC No. 0002252
Accredited Competent Person for Nickel, ACP Reg. No. 24-07-03
Professional Tax Receipt No. 8355608
Issued: 13 Jan 2025
Concepcion, Iloilo

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Dinapigue Mining Corporation (DMC). It is located at Brgy. Dimaluade, Dinapigue, Isabela.

As of December 31,2024, the Mineral Resources of DMC are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	44.0	26.2	1.38	19.10	360
Limonite	Measured and Indicated	95.6	56.5	0.99	43.44	561

Note:

1. The 'Contained Ni (Kt)' is derived from the multiplication of the average Ni% and estimated tonnage (Mdmt) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding off of figures in the table.
2. The Ni% and Fe% cut-off grades used in this estimation are as follows:

Limonite: 25 %Fe, 0.8 %Ni

Saprolite: 1.1 %Ni

3. The data cut-off date for the estimate is November 15, 2024.

The undersigned is issuing this certification in her capacity as an Accredited Competent Person and as an active member of the Geological Society of the Philippines. She is fully aware that, being under the employment of Nickel Asia Corporation, her certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

Kgvictoria

KRISTINE GRACE CAPUZ VICTORIA
Geologist, PRC No. 1721
Accredited Competent Person for Nickel, ACP Reg. No. 19-08-02
Professional Tax Receipt No. 5085902
Issued: January 06,2025
Plaridel, Bulacan

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Hinatuan Mining Corporation - Manicani Nickel Project (HMC-MNP). It is located on Manicani Island, Guiuan, Eastern Samar.

As of December 31,2024, the Mineral Resources of HMC-MNP are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	49.5	33.6	1.51	18.06	507
Limonite	Measured and Indicated	13.3	9.1	1.13	48.94	102

Note:

1. The 'Contained Ni (Kt)' is derived from the multiplication of the average Ni% and estimated tonnage (Mdmt) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding off of figures in the table.

2. The Ni% and Fe% cut-off grades used in this estimation are as follows:

Limonite: 47 %Fe

Saprolite: 1.0 %Ni

3. The data cut-off date for the estimate is November 30,2024

The undersigned is issuing this certification in her capacity as an Accredited Competent Person and as an active member of the Geological Society of the Philippines. She is fully aware that, being under the employment of Nickel Asia Corporation, her certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

HMC-MNP is currently working on its full compliance with the PMRC 2020 Edition.

Kgrawyvictoria

KRISTINE GRACE CAPUZ VICTORIA
Geologist, PRC No. 1721
Accredited Competent Person for Nickel, ACP Reg. No. 19-08-02
Professional Tax Receipt No. 5085902
Issued: January 06,2025
Plaridel, Bulacan

CERTIFICATION

Nickel Asia Corporation (NAC) fully owns Hinatuan Mining Corporation – Taganaan Nickel Project (HMC-TNP). It is located on Hinatuan Island, Taganaan, Surigao del Norte.

As of December 31,2024, the Mineral Resources of HMC are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	10.0	6.5	1.29	21.44	84
Limonite	Measured and Indicated	3.4	2.2	0.95	47.34	21

Note:

1. The 'Contained Ni (Kt)' is derived from the multiplication of the average Ni% and estimated tonnage (Mdmt) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding off of figures in the table.
2. The Ni% and Fe% cut-off grades used in this estimation are as follows:

Limonite: 46 %Fe

Saprolite: 1.0 %Ni

3. The data cut-off date for the estimate is November 30, 2024.

The undersigned is issuing this certification in her capacity as an Accredited Competent Person and as an active member of the Geological Society of the Philippines. She is fully aware that, being under the employment of Nickel Asia Corporation, her certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

Kgracevictoria

KRISTINE GRACE CAPUZ VICTORIA
Geologist, PRC No. 1721
Accredited Competent Person for Nickel, ACP Reg. No. 19-08-02
Professional Tax Receipt No. 5085902
Issued: January 06,2025
Plaridel, Bulacan

CERTIFICATION

Nickel Asia Corporation (NAC) owns 60% of Rio Tuba Nickel Mining Corporation (RTNMC). It is located at Brgy. Rio Tuba, Bataraza, Palawan.

As of December 31, 2024, the Mineral Resources of RTNMC are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	31.7	19.4	1.50	13.85	291
Limonite	Measured and Indicated	41.5	28.7	1.20	35.21	344

Note:

1. The 'Contained Ni (Kt)' is derived from the multiplication of the average Ni% and estimated tonnage (Mdmt) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding-off of figures in the table.

2. The Ni% and Fe% cut-off grades used in this estimation are as follows:
Limonite: 0.5 %Ni, 20.0 %Fe
Saprolite: 1.0 %Ni, 8.85 %Fe

3. The data cut-off for the Estimate is December 15, 2024

The undersigned is issuing this certification in his capacity as a licensed geologist and as an active member of the Geological Society of the Philippines. He is fully aware that, being under the employment of Rio Tuba Nickel Mining Corp., his certification may be subjected to review or scrutiny by other independent Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

RTNMC is currently working on its full compliance with the PMRC 2020 Edition.

Michael Angelo C. Tan
Geologist, PRC No. 1958
Accredited Competent Person for Nickel, ACP Reg. No. 23-07-02
PTR No. 7004933R
Issued: January 9, 2025
Municipality of Bataraza, Palawan

CERTIFICATION

Nickel Asia Corporation (NAC) owns 65% of Taganito Mining Corporation (TMC). It is located at Brgy. Taganito, Claver, Surigao del Norte.

As of December 31,2024, the Mineral Resources of TMC are as follows:

Mineral Resources	Classification	Tonnes (Mwmt)	Tonnes (Mdmt)	%Ni	%Fe	Contained Ni (Kt)
Saprolite	Measured and Indicated	75.9	52.3	1.32	14.04	691
Limonite	Measured and Indicated	84.0	56.2	0.88	45.80	494

Note:

1. The 'Contained Ni (kT)' is derived from the multiplication of the average Ni% and estimated tonnage (DMT) of the resource. It does not consider mining losses and dilution. Discrepancies may appear due to rounding off of figures in the table.
2. The Ni% and Fe% cut-off grades used in this estimation are as follows:

Limonite: 40 %Fe

Saprolite: 0.95 %Ni

3. The data cut-off date for the estimate is Dec.31,2024

The undersigned is issuing this certification in her capacity as an Accredited Competent Person and as an active member of the Geological Society of the Philippines. She is fully aware that, being under the employment of Nickel Asia Corporation, her certification may be subjected to review or scrutiny by other independent Accredited Competent Persons whom the concerned government institution(s) of financing bodies might choose to employ.

KRISTINE GRACE CAPUZ VICTORIA
Geologist, PRC No. 1721
Accredited Competent Person for Nickel, ACP Reg. No. 19-08-02
Professional Tax Receipt No. 5085902
Issued: January 06,2025
Plaridel, Bulacan

COVER SHEET

C	S	2	0	0	8	1	1	5	3	0	

SEC Registration Number

NICKEL ASIA CORPORATION AND
SUBSIDIARIES

(Company's Full Name)

28th Floor NAC Tower, 32nd Street
Bonifacio Global City, Taguig
City

(Business Address: No. Street City/Town/Province)7

IRYAN JEAN U. PADILLO
(Contact Person)

(632) 8892-6669 / 7777-7622
(Company Telephone Number)

12 **31**
Month *Day*
(Calendar Year)

17-Q
(Form Type)

06 **07**
Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign
97	₱9,616.4 million	₱512.9 million

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

S.E.C. Number CS200811530
File Number______

NICKEL ASIA CORPORATION
(Company's Full Name)

28th Floor NAC Tower, 32nd Street,
Bonifacio Global City, Taguig City
(Company's Address)

+63 2 8892 6669 / +63 2 7777 7622
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month & day)

SEC Form 17-Q Quarterly Report
Form Type

____
Amendment Delegation (If applicable)

For the Three Months Ended
March 31, 2025
Period Ended Date

____
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **MARCH 31, 2025**
2. SEC Identification Number: **CS200811530**
3. BIR Tax Identification No.: **007-085-191-000**
4. Exact name of issuer as specified in its charter: **NICKEL ASIA CORPORATION**
5. Province, Country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: ______ (SEC Use Only)
7. Address of principal office — Postal Code
   28th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City — **1634**
8. Issuer's telephone number, including area code: **+63 2 8892 6669 / +63 2 7777 7622**
9. Former name, former address, and former fiscal year, if changed since last report.
   N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**13,931,125,094 shares**
Short and Long-term Debts	**Php10,129.3 million**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [**X**] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

12. Check whether the issuer:
    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

NICKEL ASIA CORP.

May 8, 2025

Atty. Johanne Daniel M. Negre
Officer-in-Charge, Disclosure Department
Philippine Stock Exchange Tower,
5th Avenue corner 28th Street, BGC Taguig City

Mr. Vicente Graciano P. Felizmenio, Jr.
Director - Markets and Securities Regulation Department
Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Nickel Asia Corporation

Main Office:
28th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: +63 2 8892 6669
+63 2 7798 7622

Fax: +63 2 8892 5344

Web: nickelasia.com

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

Gentlemen/Madam:

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

We trust everything is in order.

Very truly yours,

Maria Angela G. Villamor
Senior Vice President and Chief Financial Officer

NICKEL ASIA CORPORATION

17-Q QUARTERLY REPORT

MARCH 31, 2025

TABLE OF CONTENTS	**Page No.**

PART I – FINANCIAL INFORMATION

Item A. Financial Statements

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

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

Summary Consolidated Statements of Income

	For the Three Months Ended March 31		**Increase**	**Percent**
	2025	**2024**	**(Decrease)**	**Inc (Dec)**
	(In Thousand Pesos)			
Revenues	₱2,926,043	₱2,660,829	₱265,214	10%
Costs	(1,765,322)	(1,499,220)	266,102	18%
Operating expenses	(704,574)	(622,815)	81,759	13%
Finance income	135,281	158,244	(22,963)	-15%
Finance expenses	(116,243)	(119,083)	(2,840)	-2%
Equity in net loss of associates	(91,908)	(193,896)	(101,988)	-53%
Other income - net	714,024	173,679	540,345	311%
Provision for income tax	(424,265)	(172,814)	251,451	146%
Net income	₱673,036	₱384,924	₱288,112	75%
Net income attributable to:				
Equity holders of the parent	₱501,032	₱202,376	₱298,656	148%
Non-controlling interests	172,004	182,548	(10,544)	-6%
	₱673,036	₱384,924	₱288,112	75%

Summary Consolidated Statements of Financial Position

	March 31, 2025 (Unaudited)	**December 31, 2024** (Audited)	**Increase (Decrease)**	**Percent Inc (Dec)**
	(In Thousand Pesos)			
Current assets	₱20,760,961	₱23,835,707	(₱3,074,746)	-13%
Noncurrent assets	38,490,783	37,815,094	675,689	2%
Total assets	₱59,251,744	₱61,650,801	(₱2,399,057)	-4%
Current liabilities	₱10,730,670	₱12,752,199	(₱2,021,529)	-16%
Noncurrent liabilities	5,310,031	4,485,380	824,651	18%
Equity attributable to equity holders of the parent	34,887,532	36,626,525	(1,738,993)	-5%
Non-controlling interests	8,323,511	7,786,697	536,814	7%
Total liabilities and equity	₱59,251,744	₱61,650,801	(₱2,399,057)	-4%

Summary Consolidated Statements of Cash Flows

	For the Three Months Ended March 31		Increase	Percent
	2025	2024	(Decrease)	Inc (Dec)
	(In Thousand Pesos)			
Net cash flows from (used in):				
Operating activities	(₱1,582,856)	(₱428,187)	₱1,154,669	270%
Investing activities	531,169	(1,358,245)	(1,889,414)	-139%
Financing activities	(770,886)	(205,447)	565,439	275%
Net decrease in cash and cash equivalents	(1,822,573)	(1,991,879)	(169,306)	-8%
Cash and cash equivalents, beginning	12,935,272	15,482,465	(2,547,193)	-16%
Cash and cash equivalents, end	₱11,112,699	₱13,490,586	(₱2,377,887)	-18%

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

RESULTS OF OPERATIONS

The following discussion and analysis are based on the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and 2024, prepared in conformity with Philippine Accounting Standards 34, *Interim Financial Reporting* and included herein, and should be read in conjunction with those unaudited interim condensed consolidated financial statements.

Three months ended March 31, 2025 compared with three months ended March 31, 2024

Revenues

	2025	2024
	(In Thousands)	
Sale of ore and limestone	₱2,394,233	₱2,087,830
Sale of power	296,827	249,928
Services	234,983	323,071
	₱2,926,043	₱2,660,829

Revenues during the first quarter of 2025 were ₱2,926.0 million, higher by ₱265.2 million, or 10%, compared to ₱2,660.8 million during the same period last year.

Sale of Ore

Revenues from the sale of ore were up by 16% due to a more favorable ore prices.

The Group’s operating mines sold a combined 2.48 million wet metric tons (WMT) of nickel ore during the first quarter of 2025, or 5% lower than last year’s 2.61 million WMT. The weighted average nickel ore sales price during the period rose by 18% to $16.40/WMT, compared with $13.84/WMT in the same period last year. The Group realized ₱57.85/US$ from these nickel ore sales, a 3% increase from ₱56.13/US$ year-on-year.

Breaking down the ore sales, the Group exported 0.66 million WMT of saprolite ore at an average price of $36.60/WMT during the first quarter of 2025, compared to 0.61 million WMT of saprolite ore at $25.57/WMT in the same period last year. Similarly, the Group delivered 1.82 million WMT of limonite ore to the Coral Bay and Taganito High-Pressure Acid Leach (HPAL) plants, realizing an average price of $7.05 per pound of payable nickel. This compares to 2.00 million WMT at $7.53 per pound of payable nickel during the first quarter of 2024. Expressed in US$ per WMT, deliveries to the two HPAL plants generated $9.10 and $10.27 in the first quarters of 2025 and 2024, respectively.

On a per mine basis, the Group's Rio Tuba mine exported 0.66 million WMT of saprolite ore and delivered 0.72 million WMT of limonite ore to the Coral Bay processing plant during the first quarter of 2025. This compares to sales of 0.61 million WMT of saprolite ore and 0.72 million WMT of limonite ore to the Coral Bay processing plant during the same period last year.

The Group's Taganito mine delivered 1.10 million WMT of limonite ore to the Taganito processing plant during the first quarter of 2025. Compared to the same period last year, there were 1.27 million WMT of limonite ore delivered to the Taganito processing plant.

Sale of Limestone
Limestone deliveries to Coral Bay Nickel Corporation (CBNC) declined by 37%, resulting in the same percentage decrease in revenue from the sale of limestone during the first quarter of 2025 which amounted to ₱37.0 million, compared to ₱58.7 million during the same period last year.

Sale of Power
Despite a year-on-year decrease in the average effective price from Php4.77/ kilowatts per hour (kWh) to Php4.49/kWh, revenue from the sale of power in the first quarter of 2025 increased by 19%, reaching ₱296.8 million compared to ₱249.9 million last year. This rise was primarily attributed to a 29% increase in generation volume – an additional 13.2 million kWh – resulting from the increase in the overall capacity by the end of February 2024.

Services
Service revenue, which includes payments for hauling, manpower, and ancillary services provided by CDTN Services Company Inc. (CDTN) and Taganito Mining Corporation (TMC) to CBNC, Taganito HPAL Nickel Corporation (THNC), and other third parties, declined by ₱88.1 million to ₱235.0 million in the first quarter of 2025, compared to ₱323.1 million for the same period last year. This decrease was mainly attributed to the completion of additional activities related to CBNC's TSF-3 project at the end of the first half of 2024.

Costs
Costs went up by 18%, or ₱266.1 million, from ₱1,499.2 million to ₱1,765.3 million.

	2025	2024
	(In Thousands)	
Cost of sales	₱1,508,419	₱1,161,685
Power generation	151,491	132,548
Services	105,412	204,987
	₱1,765,322	₱1,499,220

Cost of Sales
The increase in production costs in the current period was due to longer hauling distances, as ore sourcing has shifted from nearby the pier to more distant locations. Additionally, unexpected adverse weather conditions at the Rio Tuba mine from January to February contributed to these higher costs.

Cost of Power Generation
The cost of power generation rose by 14% to ₱151.5 million from ₱132.5 million due to a 29% increase in the generation volume over the same period last year, resulting from significant capacity increase at the end of February 2024.

Cost of Services
Costs associated with services declined by 49%, from ₱205.0 million to ₱105.4 million, following the completion of the additional activities carried out by CDTN for CBNC's TSF-3 project at the end of the first half of 2024.

Operating Expenses

	2025	2024
	(In Thousands)	
General and administrative	₱335,920	₱319,991
Shipping and loading costs	222,068	159,550
Excise taxes and royalties	146,586	143,274
	₱704,574	₱622,815

General and Administrative
General and administrative expenses increased slightly by 5% to ₱335.9 million, up from ₱320.0 million last year, largely due to annual merit increases, retirement or severance payouts, and payments to professionals engaged in land acquisition for Nazareno project.

Shipping and Loading Costs
Shipping and loading costs increased by 39% as a result of hiring additional landing craft transports and tugboats to support loading operations and ensure timely transfer of ore into vessels. Despite these efforts, approximately ₱39.5 million charges were incurred due to loading delays caused by unexpected adverse weather conditions at the site.

Excise Taxes and Royalties
Excise taxes and royalties rose by 2% to ₱146.6 million from ₱143.3 million, primarily driven by increased revenue from nickel ore and limestone sales, influenced by more favorable nickel ore prices in the first quarter of 2025.

Finance Income
Finance income decreased by 15% to ₱135.3 million from ₱158.2 million, attributed to lower short-term cash investment rates, which averaged around 3.91% this quarter, compared to approximately 4.55% during the same period last year.

Finance Expenses
Finance expenses saw a slight decrease of 2% in the first quarter of 2025, primarily due to higher capitalized borrowing costs associated with solar projects in the renewable energy sector.

Equity in Net Loss of Associates
The Parent Company reported a loss from its equity interest in an associate amounting to ₱91.9 million during the current period, marking a significant decrease from the combined loss of ₱193.9 million incurred from the two HPAL plants in the previous year. The improved performance was due to the sale of the investment in CBNC. Meanwhile, the net loss attributable to THNC resulted from the timing of THNC's plant shutdown, which took place in March of this year, compared to April of the previous year.

Other Income - Net
Other income - net stood at ₱714.0 million for the current period, significantly higher than ₱173.7 million during the same period last year. This increase was mainly due to the reclassification of cumulative translation adjustments on investment in an associate of ₱800.5 million previously recorded in other comprehensive income. This was partially offset by a reversal from foreign exchange, moving from a gain of ₱136.2 million in the first quarter of 2024 to a loss of ₱105.9 million in the current period.

Provision for Income Tax
Due to the factors mentioned above, taxable income slightly increased in the current period compared to the same period last year. Additionally, there were reversals of deferred income tax assets. Consequently, the net provision for income tax increased by 146%.

Net Income
As a result of the above factors, the consolidated net income reached ₱673.0 million for the first quarter of 2025, compared to ₱384.9 million during the same period last year. Net of non-controlling interests, the net income attributable to the equity holders of the parent amounted to ₱501.0 million, up from ₱202.4 million in the prior year.

STATEMENT OF FINANCIAL POSITION
As of March 31, 2025, total assets were ₱59,251.7 million, down from ₱61,650.8 million as of December 31, 2024. Current assets decreased by 13% to ₱20,761.0 million from ₱23,835.7 million, while noncurrent assets increased by 2%, from ₱37,815.1 million to ₱38,490.8 million. The decline in current assets was primarily due to: 1) sale of investment in CBNC (classified as asset held for sale); 2) dividend payments; 3) remittances of taxes; and 4) payments to various suppliers or creditors, while the increase in noncurrent assets was driven by the construction of the 240 megawatts (MW) San Isidro Solar Power Project and Phase 1 – 70MW of Cawag Solar Power Project (CSP Project).

Current liabilities decreased by 16% to ₱10,730.7 million from ₱12,752.2 million due to payments of: 1) interest-bearing loan to Security Bank Corporation (SBC) amounting to ₱1,500.0 million; 2) tax obligations and dividends; and 3) trade payables to various creditors.

Noncurrent liabilities rose by 18% to ₱5,310.0 million from ₱4,485.4 million, reflecting net proceeds from bank loans used to fund the construction of the CSP Project.

The equity net of non-controlling interests fell slightly by 5% to ₱34,887.5 million due to the combined effects of current period earnings, dividend payments, and decrease in cumulative translation adjustments.

STATEMENT OF CASH FLOWS

During the first quarter of 2025, net cash used in operating activities totaled ₱1,582.9 million, an increase from ₱428.2 million last year, mainly due to payments made to creditors and tax remittances.

The Group saw a positive cash position in investment activities in the first quarter of the current period because of the proceeds of ₱1,855.0 million from the sale of investment in CBNC. In contrast, the previous year involved significant capital expenditures primarily associated with the construction of the Dinapigue causeway and the re-fleeting of mining equipment, amounting to ₱1,308.1 million.

For financing activities in the first quarter of 2025, the Group paid cash dividends of ₱1,707.4 million, which was partially offset by ₱948.9 million in proceeds from long-term bank loans for the CSP Project. Additionally, equity contributions received by Greenlight Renewables Holdings Inc. (GRHI) amounted to ₱383.9 million, partially counterbalanced by net payments on short-term debts.

As of March 31, 2025 and 2024, cash and cash equivalents amounted to ₱11,112.7 million and ₱13,490.6 million, respectively.

KEY PERFORMANCE INDICATORS

1) ***TOTAL COST PER VOLUME SOLD***

   The total cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance as well as changes in per unit costs from period to period.

   The total cost includes the cost of sale of ore, general and administrative, shipping and loading costs, and excise taxes and royalties incurred by the Group.

   The average cost per volume of nickel ore sold for the first quarter of 2025 was ₱823/WMT based on aggregate costs of ₱2,045.6 million and total sales volume of 2.48 million WMT of ore. This compares to ₱626/WMT during the first quarter of 2024 based on aggregate costs of ₱1,633.9 million and total sales volume of 2.61 million WMT of ore.

2) ***ATTRIBUTABLE NET INCOME***

   Attributable net income represents the portion of consolidated profit or loss for the period, net of income taxes, which is attributable to the Parent Company. This is a relevant and transparent metric of the information contained in the consolidated financial statements. The income attributable to equity holders of the Parent Company for the first quarter of 2025 was ₱501.0 million compared to ₱202.4 million in the same period last year.

3) ***NUMBER OF HECTARES OF OPEN AREA PER MILLION WMT SOLD***

   The Group adheres to the principles and practices of sustainable development. The Group is committed to complying with and following environmental regulations by implementing best practices in managing the environmental impact of its operations. In 2018, the Department of Environment and Natural Resources (DENR), through the issuance of DENR Administrative Order (DAO) No. 2018-20, prescribes Guidelines for Additional Environmental Measures for Operating Surface Metallic Mines and provides limits of maximum disturbed areas for nickel mines depending on the scale of their mining operations. The DAO also requires that temporary revegetation be immediately implemented in the disturbed areas. During the first quarters of 2025 and 2024, there were around 132 and 98 open hectares per million WMT sold, respectively.

4) *FREQUENCY RATE*

Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize risks to health arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations. The Group measures our safety effectiveness through the Frequency Rate which is the ratio of lost-time accidents to total million man-hours worked for the period. The Group's frequency rate was nil for both the first quarters of 2025 and 2024.

RECENT DEVELOPMENTS

- On January 8, 2025, the Securities and Exchange Commission approved the change in corporate name of Manta Baguio Properties Corp. to Nazareno Solar Power Corp. (NSPC), including its primary and secondary purpose of business.
- On March 29, 2025, Jobin-SQM Inc. (JSI) received the Final Certificate of Approval to Connect the 72MW Subic New Photovoltaic Power Plant from the National Grid Corporation of the Philippines.
- On April 8, 2025, the Department of Energy (DOE) approved the assignment of Solar Energy Operating Contract No. 2023-12-804 to NSPC and granted the latter the exclusive right to explore, develop and utilize solar energy resources within 53 hectares of land located in the municipality of Hermosa, Bataan.
- Construction of Northern Palawan Power Generation Corporation's (NPPGC) 145MW CSP Project is still ongoing with target energization of Phase 1 - 70MW in the first quarter of 2026.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2025 and December 31, 2024, the Group's principal source of liquidity was cash from operations. TMC incurred long-term debt to finance the construction of the Taganito pier facilities. TMC receives income from THNC under a throughput agreement for the use of the pier facilities. The revenues that TMC receive from THNC under the throughput agreement have typically been sufficient to service its long-term debt. In addition, the Group also incurred short-term and/or long-term debts to finance the solar projects of JSI, GRHI and NPPGC, and the permanent causeway of Dinapigue Mining Corporation (DMC). Any revenue that will be earned by JSI, GRHI, NPPGC and DMC upon start of or during their commercial operations will be used to pay-off the debt.

As at March 31, 2025 and December 31, 2024, the Group's working capital, defined as the difference between the current assets and current liabilities, was ₱10,030.3 million and ₱11,083.5 million, respectively. The Company expects to meet the working capital, capital expenditure and investment requirements from the cash flow coming from operations and pay-off the debts that the Group incurred to finance the construction of pier facilities at the Taganito properties, the construction of the permanent causeway in Dinapigue, and the solar projects and other project development costs of Emerging Power Inc. (EPI), JSI, GRHI and NPPGC. The Group may also from time to time seek other sources of funding, which may include debt or equity financing, depending on the financing needs and market conditions.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

The price of nickel is subject to fluctuations driven primarily by changes in global demand and global production of similar and competitive mineral products. This, therefore, required the Group to change the pricing mechanism on the sale of saprolite ore to Japanese customers, which was traditionally linked to London Metal Exchange (LME) prices, to a negotiated price per WMT of ore, similar to the pricing of ore to China. The price of limonite ore is closely correlated to the international iron ore price index. The prices of nickel ore delivered to CBNC and THNC are determined based on a payable percentage of the nickel contained in the ore delivered and a formula related to LME prices over the period the nickel ore was delivered. To mitigate the impact of such price movements, the Group may opt to enter commodity put option contracts.

Foreign Currency Risk
The foreign currency risk results primarily from movements of the peso against the US$ on transactions in currencies other than the Peso. Such exposure arises mainly from cash and cash equivalents, financial assets in debt and equity securities, long-term debt and sales of beneficiated nickel ore denominated in US$. Because almost all the revenues are earned in US$ while most of the expenses are paid in Peso, appreciation of Peso against the US$ effectively reduces the revenue without a corresponding reduction in the expenses and can result in a reduction in the net income. In addition, because a portion of the cash and cash equivalents, financial assets in debt and equity securities and long-term debt are denominated in US$, the appreciation of the peso against the US dollar reduces the value of the total assets and liabilities in peso terms in the consolidated financial statements.

To mitigate the effect of foreign currency risk, the Group:

- seek to accelerate the collection of foreign currency-denominated receivables and the settlement of foreign-currency denominated payables, whenever practicable;
- Monitor daily the foreign exchange movements; and
- Uses derivatives, particularly currency options, as cash flow hedges to reduce exposure to market risk.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock prices relating to the quoted equity securities owned by the Group. The Group's exposure to equity price risk relates primarily to the financial assets in various stocks of listed companies.

The Group's policy is to maintain the risk to an acceptable level. Movement in the share price and market value of the assets are monitored regularly to determine the impact on the financial position.

Seasonality of Operations
Mining operations at the majority of the Group's mines are often unable to load ore into shipping vessels during the rainy season. This seasonality results in quarter-to-quarter volatility in the Group's operating results with more revenue being earned and more expenses being incurred in the second and third fiscal quarters than in the first and fourth fiscal quarters.

Off-balance Sheet Arrangements
The Parent Company and SBC executed a Suretyship Agreements in relation to the loans obtained by EPI and DMC. Under the Suretyship Agreements, the Parent Company solidarily with EPI and DMC guarantees and warrants to SBC, its assigns and successors-in-interest, prompt and full payment and performance of EPI's obligations to SBC.

On August 2, 2021, JSI entered into an Omnibus Loan and Security Agreement to document the syndicated loan with two (2) banks as lenders, i.e., Industrial and Commercial Bank of China and SBC, with the Parent Company forming part of the Share Collateral Security Grantors and Sponsors together with EPI and TBEA International Engineering Co., Ltd. The principal loan was used to partly refinance the shareholders' loans used for the Phase 3A and 3B expansions. Payment of the loan is secured by chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

Other than those mentioned above, the Parent Company has not entered into any off-balance sheet transactions or obligations (including contingent obligations), or other relationships with unconsolidated entities or other persons.

Exploration [1]

Nickel

No exploration activities were conducted across the following operating companies and their respective deposits for the first quarter of 2025:

- Taganito Mining Corporation - Taganito Nickel Laterite Property
- Cagdianao Mining Corporation - Valencia Nickel Laterite Deposit
- Hinatuan Mining Corporation - Tagana-an Nickel Laterite Deposit and Manicani Nickel Laterite Deposit
- Dinapigue Mining Corporation - Dinapigue Nickel Laterite Deposit
- Rio Tuba Nickel Mining Corporation - Rio Tuba Nickel Laterite Deposit

Drilling activities during the period ended March 31, 2025 were focused solely on supporting development and production operations.

No Exploration Targets have been previously declared for these deposits, and no new exploration data were generated during the reporting period. Accordingly, there are no Exploration Results or updates to disclose for the quarter.

Gold and Copper

Zambales (Exploration Permit (EP)-001-2015-III)

A drone magnetic survey was conducted over the northern half of the Zambales tenement between January 12 and March 10, 2025, covering a total of 355.12 line-kilometers. The survey, completed by Austhai Geophysical Consultants (Philippines) Corporation, a consultant and service provider for geophysical surveys, aims to define structural and lithologic trends favorable for gold-copper mineralization. As of this reporting period, all field data have been collected and are currently undergoing processing and geophysical interpretation. The results will guide subsequent target generation and ground validation work.

In accordance with Philippine Mineral Reporting Code (PMRC) principles of sustainability and social responsibility, a Safety Officer, Community Relations Officer, and Environmental Officer were hired. Community Development Program (CDP) implementation included the construction of 15 toilets in Sitio Yangil, Maloma, San Felipe; an Information, Education, and Communication campaign in the Maporac, Cabangan Indigenous People’s Community; and initial planning for classroom and road construction projects in coordination with Barangays Sta. Fe in San Marcelino and New San Juan in Cabangan, respectively.

Cordon (EP-000026II)

Field activities in the first quarter of 2025 focused on detailed geological mapping and sampling across multiple target areas:

- Adit08: Re-sampling of historical trenches encountered quartz-hematite-limonite alteration, indicative of possible epithermal gold systems.

[1] The update on exploration is reviewed and prepared under the supervision of an Accredited Competent Person - Geology as defined under the 2020 Edition of the PMRC and its Implementing Rules and Regulations. The relevant Consent Forms, Statements and Certificates are attached as Annex A.

- San Luis: Mapping identified a structurally controlled mineralized zone trending NNE-SWW, geologically similar to the known Marian Gold Zone, with potential for gold mineralization of economic interest.
- QGVM (Quemaldero-Gawed-Villamiemban): Porphyry-style features were noted, with copper-oxide mineralization visible at surface.
- Camarao: Geochemical sampling delineated anomalous values in Cu-Au-Mo, warranting further exploration to assess the potential for a polymetallic deposit.

A technical conference within Cordillera Exploration Co., Inc. finalized the locations of eight (8) priority drill holes for the upcoming drilling campaign. Drill planning and collar siting were based on a combination of field mapping, alteration signatures, and assay results.

CDPs were formalized for Barangays Dallao and Camarao of Cordon and San Luis, Diadi, Nueva Vizcaya including Day Care Center improvements, a drying facility, a water well system, and solar lighting installations. A multi-agency task force operation was executed in Barangay Anonang, Cordon to address illegal mining activities, supporting regulatory compliance. Several camp improvements were also implemented to ensure operational efficiency and safety.

Known Trends, Events, or Uncertainties

Termination of Mindoro Geothermal Power Corporation's (MGPC) Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013

On May 7, 2024, MGPC received from the DOE a termination letter of GRESC No. 2010-02-013 covering the Montelago Geothermal Power Project (MGP Project). On May 20, 2024, MGPC responded through a Letter of Request for Reconsideration to Reinstate GRESC No. 2010-02-013.

After a thorough review of the documents submitted by MGPC, the DOE granted on July 5, 2024 the reinstatement of GRESC No. 2010-02-013 and approved the proposed 5-year Work Program. In relation to this, MGPC has re-evaluated the MGP Project with the assistance of a third-party expert by conducting field examinations and evaluation of previous technical reports and studies. As a result of the re-evaluation done, technical findings indicated that the mass flow rate of each existing well is approximately 18 tons/hour which is below the minimum flow rate required for a typical organic rankine cycle power generation unit which indicates that the MGP Project may not be economically viable due to low mass flow and the power generation potential is very limited. Relative to this, the Group recognized provision for impairment losses on the "Geothermal exploration and evaluation assets".

As at March 31, 2025, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- Material changes in the financial statements of the Group for the periods ended March 31, 2025 and December 31, 2024, except those mentioned in the preceding.

- Known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation that has not been booked, although the Group could be contingently liable for lawsuits and claims arising from the ordinary course of business, which contingencies are not presently determinable.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
PART II - FINANCIAL SOUNDNESS INDICATORS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

Ratios	Formula	**2025**	2024
A. *Liquidity analysis ratios*			
Current ratio or working capital ratio	Current assets / Current liabilities	**1.93**	2.35
Quick ratio	Current assets - Inventories - Prepayments and other current assets / Current liabilities	**1.37**	1.75
Solvency ratio	Total assets / Total liabilities	**3.69**	4.00
B. *Financial leverage ratios*			
Debt ratio	Total liabilities / Total assets	**0.27**	0.25
Debt-to-equity ratio	Total liabilities / Total equity	**0.37**	0.33
Asset-to-equity ratio	Total assets / Total equity	**1.37**	1.33
Interest coverage ratio	Earnings before interest and taxes / Interest expense	**3.21**	2.90
C. *Profitability ratios*			
Net profit margin	Net income / Revenue	**0.23**	0.14
Return on assets	Net income / Total assets	**0.01**	0.01
Return on equity	Net income / Total equity	**0.02**	0.01
Gross profit margin	Sales - Costs / Revenue	**0.40**	0.44
Price/earnings ratio	Price per share / Earnings Per Share	**55.25**	400.00

SIGNATURES

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

Issuer: **NICKEL ASIA CORPORATION**

By:

Martin Antonio G. Zamora
President and Chief Executive Officer

May 8, 2025

Maria Angela G. Villamor
Senior Vice President and Chief Financial Officer

May 8, 2025

NICKEL ASIA CORPORATION
SEC FORM 17-Q
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2025

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2025
(With Comparative Audited Figures as at December 31, 2024)
(Amounts in Thousands)

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱11,112,699**	₱12,935,272
Trade and other receivables (Notes 5 and 28)	**1,613,459**	1,390,414
Inventories (Note 6)	**3,483,932**	3,356,296
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	**1,453,190**	1,421,570
Fair value through other comprehensive income (FVOCI)	**406,456**	429,188
Amortized cost	**100,000**	100,000
Assets held for sale (Note 8)	–	1,864,775
Prepayments and other current assets	**2,591,225**	2,338,192
Total Current Assets	**20,760,961**	23,835,707
Noncurrent Assets		
Property and equipment (Note 9)	**26,599,808**	26,429,296
Investment in an associate (Note 10)	**3,312,173**	3,438,021
Financial assets at - net of current portion (Note 7):		
FVTPL	**980,929**	985,979
Amortized cost	**275,000**	275,000
Deferred income tax assets - net	**310,100**	554,613
Other noncurrent assets	**7,012,773**	6,132,185
Total Noncurrent Assets	**38,490,783**	37,815,094
TOTAL ASSETS	**₱59,251,744**	₱61,650,801
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 11 and 28)	**₱2,419,752**	₱4,281,493
Income tax payable	**416,050**	401,528
Short-term debts (Note 12)	**6,827,999**	6,985,614
Current portion of:		
Long-term debts (Notes 12 and 28)	**352,397**	372,149
Lease liabilities (Note 29)	**78,750**	95,693
Other current liabilities	**635,722**	615,722
Total Current Liabilities	**10,730,670**	12,752,199
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Notes 12 and 28)	**2,948,925**	2,060,388
Lease liabilities (Note 29)	**894,913**	877,441
Deferred income	**30,883**	29,329
Provision for mine rehabilitation and decommissioning (Note 13)	**932,501**	927,398
Deferred income tax liabilities	**380,601**	505,869
Pension liability	**122,208**	84,955
Total Noncurrent Liabilities	**5,310,031**	4,485,380
Total Liabilities	**16,040,701**	17,237,579

(Forward)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 14)	**₱6,999,974**	₱6,999,974
Additional paid-in capital	**9,205,802**	9,205,802
Share in cumulative translation adjustment (Note 10)	**760,289**	1,469,552
Other components of equity:		
Cost of share-based payment plan	**154,296**	154,296
Asset revaluation surplus	**29,320**	29,416
Net valuation gains (losses) on:		
Forward contracts	**6,950**	7,659
Financial assets at FVOCI	**1,146**	(1,226)
Retained earnings:		
Unappropriated	**17,728,769**	18,760,066
Appropriated (Note 14)	**135,000**	135,000
Treasury stock (Note 14)	**(134,014)**	(134,014)
	34,887,532	36,626,525
Non-controlling Interests (NCI)	**8,323,511**	7,786,697
Total Equity	**43,211,043**	44,413,222
TOTAL LIABILITIES AND EQUITY	**₱59,251,744**	₱61,650,801

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Amounts in Thousands, Except Earnings per Share)

	2025	2024
	(Unaudited)	
REVENUES (Notes 27 and 28)		
Sale of ore and limestone	**₱2,394,233**	₱2,087,830
Sale of power	**296,827**	249,928
Services	**234,983**	323,071
	2,926,043	2,660,829
COSTS		
Cost of sales (Note 16)	**1,508,419**	1,161,685
Power generation (Note 17)	**151,491**	132,548
Services (Note 18)	**105,412**	204,987
	1,765,322	1,499,220
OPERATING EXPENSES		
General and administrative (Note 19)	**335,920**	319,991
Shipping and loading costs (Note 20)	**222,068**	159,550
Excise taxes and royalties (Note 21)	**146,586**	143,274
	704,574	622,815
FINANCE INCOME (Note 24)	**135,281**	158,244
FINANCE EXPENSES (Note 25)	**(116,243)**	(119,083)
EQUITY IN NET LOSS OF ASSOCIATES (Note 10)	**(91,908)**	(193,896)
OTHER INCOME – net (Note 26)	**714,024**	173,679
INCOME BEFORE INCOME TAX	**1,097,301**	557,738
PROVISION FOR INCOME TAX (Note 30)		
Current	**179,703**	158,379
Deferred	**244,562**	14,435
	424,265	172,814
NET INCOME	**₱673,036**	₱384,924
Net income attributable to:		
Equity holders of the parent	**₱501,032**	₱202,376
NCI	**172,004**	182,548
	₱673,036	₱384,924
Basic/Diluted Earnings Per Share (EPS; Note 15)	**₱0.04**	₱0.01

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Amounts in Thousands)

	2025	2024
	(Unaudited)	
NET INCOME	**₱673,036**	₱384,924
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:		
Share in translation adjustment of associates	**(709,263)**	59,424
Net valuation gains (losses) on:		
Financial assets at FVOCI	**2,372**	(476)
Forward contracts	**206**	–
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	**(706,685)**	58,948
Other comprehensive loss not to be reclassified to consolidated statements of income in subsequent periods:		
Asset revaluation surplus	**(95)**	(95)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**(706,780)**	58,853
TOTAL COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**(₱33,744)**	₱443,777
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	**(₱206,664)**	₱261,229
NCI	**172,920**	182,548
	(₱33,744)	₱443,777

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent									
	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Share in Cumulative Translation Adjustment (Note 10)	Other Components of Equity (Note 7)	Retained Earnings Unappropriated	Retained Earnings Appropriated (Note 14)	Treasury Stock (Note 14)	Total	NCI	Total
Balances at December 31, 2024	**₱6,999,974**	**₱9,205,802**	**₱1,469,552**	**₱190,145**	**₱18,760,066**	**₱135,000**	**(₱134,014)**	**₱36,626,525**	**₱7,786,697**	**₱44,413,222**
Net income	–	–	–	–	**501,032**	–	–	**501,032**	**172,004**	**673,036**
Other comprehensive income (loss) - net of tax	–	–	**(709,263)**	**1,567**	–	–	–	**(707,696)**	**916**	**(706,780)**
Total comprehensive income (loss)	–	–	**(709,263)**	**1,567**	**501,032**	–	–	**(206,664)**	**172,920**	**(33,744)**
Cash dividends - ₱0.11 per share	–	–	–	–	**(1,532,424)**	–	–	**(1,532,424)**	–	**(1,532,424)**
Cash dividends to NCI	–	–	–	–	–	–	–	–	**(20,000)**	**(20,000)**
Investment of NCI in a subsidiary	–	–	–	–	–	–	–	–	**383,894**	**383,894**
Asset revaluation surplus transferred to retained earnings	–	–	–	–	**95**	–	–	**95**	–	**95**
Balances at March 31, 2025 (Unaudited)	**₱6,999,974**	**₱9,205,802**	**₱760,289**	**₱191,712**	**₱17,728,769**	**₱135,000**	**(₱134,014)**	**₱34,887,532**	**₱8,323,511**	**₱43,211,043**

See accompanying Notes to Unaudited Consolidated Financial Statements.

	Equity Attributable to Equity Holders of the Parent									
					Retained Earnings					
	Capital Stock	Additional Paid-in Capital	Share in Cumulative Translation Adjustment	Other Components of Equity	Unappropriated	Appropriated (Note 14)	Treasury Stock (Note 14)	Total	NCI	Total
Balances at December 31, 2023	₱6,999,974	₱9,205,802	₱869,185	₱182,780	₱19,000,052	₱135,000	(₱134,014)	₱36,258,779	₱6,846,207	₱43,104,986
Net income	–	–	–	–	202,376	–	–	202,376	182,548	384,924
Other comprehensive income (loss) - net of tax	–	–	59,424	(571)	–	–	–	58,853	–	58,853
Total comprehensive income (loss)	–	–	59,424	(571)	202,376	–	–	261,229	182,548	443,777
Asset revaluation surplus transferred to retained earnings	–	–	–	–	95	–	–	95	–	95
Balances at March 31, 2024 (Unaudited)	₱6,999,974	₱9,205,802	₱928,609	₱182,209	₱19,202,523	₱135,000	(₱134,014)	₱36,520,103	₱7,028,755	₱43,548,858

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Amounts in Thousands)

	2025	2024
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,097,301**	₱557,738
Adjustments for:		
Reversal of cumulative translation adjustment (Note 8)	**(800,487)**	–
Depreciation, depletion and amortization (Notes 9 and 23)	**515,160**	537,070
Interest income (Note 24)	**(126,635)**	(158,244)
Equity in net loss of associates (Note 10)	**91,908**	193,896
Interest expense (Notes 12 and 25)	**80,099**	85,721
Movements in:		
Pension liability	**28,976**	27,621
Deferred income	**1,554**	(1,048)
Accretion of interest on:		
Lease liabilities (Notes 25 and 29)	**22,266**	17,829
Provision for mine rehabilitation and decommissioning (Notes 13 and 25)	**5,103**	6,996
Loss (gain) on:		
Changes in fair value of financial assets at FVTPL (Notes 7 and 26)	**(11,372)**	2,959
Sale of property and equipment (Note 26)	–	2,922
Unrealized foreign exchange losses (gains) - net	**8,422**	(5,585)
Dividend income (Notes 7 and 26)	**(1,175)**	(14,697)
Operating income before working capital changes	**911,120**	1,253,178
Decrease (increase) in:		
Prepayments and other current assets	**(418,214)**	(581,368)
Trade and other receivables	**(223,136)**	35,145
Inventories	**(127,636)**	(678,158)
Decrease in trade and other payables	**(1,724,990)**	(456,984)
Net cash flows used in operating activities	**(1,582,856)**	(428,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Asset held for sale (Note 8)	**1,853,411**	–
Financial assets at (Note 7):		
FVOCI	**26,836**	51,994
FVTPL	**7,976**	494,828
Property and equipment	–	714
Increase in other noncurrent assets	**(881,379)**	(182,932)
Acquisitions of:		
Property and equipment (Note 9)	**(563,233)**	(1,308,084)
Financial assets at (Note 7):		
FVTPL	**(38,818)**	(505,434)
FVOCI	**(1,732)**	(67,495)
Interest received	**128,108**	144,617
Dividends received	–	13,547
Net cash flows from (used in) investing activities	**531,169**	(1,358,245)

(Forward)

	2025	2024
	(Unaudited)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends	**(₱1,707,424)**	₱–
Short-term debts (Notes 12 and 33)	**(1,700,000)**	–
Interest	**(149,730)**	(147,199)
Long-term debts	**(74,601)**	(69,768)
Principal portion of lease liabilities (Note 29)	**(21,737)**	(19,943)
Debt issue cost, short-term debts	**(12,960)**	(20,258)
Proceeds from availments of:		
Short-term debts, net of debt issue costs (Notes 12 and 33)	**1,542,793**	–
Long-term debts, net of debt issue costs (Note 12)	**948,879**	17,721
Investment of NCI in a subsidiary	**383,894**	–
Increase in other current liability	**20,000**	34,000
Net cash flows used in financing activities	**(770,886)**	(205,447)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,822,573)**	(1,991,879)
CASH AND CASH EQUIVALENTS AT JANUARY 1	**12,935,272**	15,482,465
CASH AND CASH EQUIVALENTS AT MARCH 31 (Note 4)	**₱11,112,699**	₱13,490,586

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except Number of Shares, Per Share Data and as Indicated)

1. Corporate Information

Nickel Asia Corporation (NAC; Ultimate Parent Company, Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 2008. The Parent Company is primarily engaged in investing in and holding of assets of every kind and description and wherever situated, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of mining of all kinds of ore, metals and minerals and in the business of generation, transmission, distribution and supply of electricity to cities and other localities and to the public in general.

The common shares of the Parent Company were listed on the Philippine Stock Exchange on November 22, 2010.

The registered office address of the Parent Company is on the 28th floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City.

<u>The Subsidiaries</u>
Hinatuan Mining Corporation (HMC)
HMC was registered with the SEC on October 9, 1979, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Hinatuan Island, Surigao del Norte and Manicani Island, Eastern Samar.

Cagdianao Mining Corporation (CMC)
CMC was registered with the SEC on July 25, 1997, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Valencia, Municipality of Cagdianao, Province of Dinagat Islands.

Dinapigue Mining Corporation (DMC)
DMC was registered with the SEC on October 9, 1998, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, exploitation and mining of metallic and non-metallic minerals, including, but not limited to, nickel, iron, cobalt, chromite and other associated mineral deposits in Dinapigue, Isabela.

Samar Nickel Mining Resources Corporation (SNMRC)
SNMRC was registered with the SEC on March 11, 2010, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of mineral ores. SNMRC has not yet started commercial operations.

CDTN Services Company Inc. (CDTN)
CDTN was registered with the SEC on December 21, 2020, is a 100% owned subsidiary of the Parent Company and is primarily engaged in general engineering construction, contracting and machinery, and supply sales business in all its phases, extend and receive any contracts or assignments or contracts related thereto or connected therewith, and manufacture and furnish building materials and supplies. It is also engaged in the handling of materials in

connection with construction or manufacturing, warehousing, distribution or disposal activities, or other similar activities.

Coral Pearl Developments Limited (CPDL)
CPDL was incorporated on June 18, 2019 in the British Virgin Islands (BVI) under the BVI Business Companies Act 2004, is a 100% owned subsidiary of the Parent Company and is primarily engaged in the leasing of aircraft.

La Costa Shipping and Lighterage Corporation (LCSLC)
LCSLC was registered with the SEC on October 23, 1992, is a 100% owned subsidiary of the Parent Company through HMC and is primarily engaged in the chartering out of Landing Craft Transport (LCT) and providing complete marine services. In May 2014, the Board of Directors (BOD) of LCSLC authorized the sale of all of its LCTs to HMC. In April 2024, LCSLC acquired a fast craft.

Falck Exp Inc. (FEI)
FEI was registered with the SEC on November 22, 2005, is an 88% owned subsidiary of the Parent Company through HMC, CMC and Taganito Mining Corporation (TMC), and is primarily engaged in the business of exploring, prospecting and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. On August 8, 2014, the BOD of FEI approved the immediate dissolution of FEI. Thereafter, the liquidation process commenced and as a result, FEI changed from going concern to liquidation basis of accounting. On November 17, 2016, the termination of FEI's registration with the Bureau of Internal Revenue was approved. Final dissolution will take place after the approval of FEI's application with the SEC. As at May 8, 2025, FEI is still waiting for the approval of the SEC.

Cordillera Exploration Co., Inc. (CEXCI)
CEXCI was registered with the SEC on October 19, 1994, is a 71.25% owned subsidiary of the Parent Company and is primarily engaged in the business of large-scale exploration, development and utilization of mineral resources. CEXCI has a number of mining properties at various stages of exploration. CEXCI is currently not engaged in any development or commercial production activities.

Newminco Pacific Mining Corporation (Newminco)
Newminco was registered with the SEC on October 9, 2006, is a 71.25% owned subsidiary of the Parent Company through CEXCI, and is primarily engaged in the exploration, mining, development, utilization, extraction, beneficiation and marketing of minerals and mineral resources. Newminco is currently not engaged in any development or commercial production activities.

Taganito Mining Corporation
TMC was registered with the SEC on March 4, 1987, is a 65% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Claver, Surigao del Norte. TMC also provides services which involve the handling, hauling and transportation of materials required in the processing operations of Taganito HPAL Nickel Corporation (THNC).

Rio Tuba Nickel Mining Corporation (RTN)
RTN was registered with the SEC on July 15, 1969, is a 60% owned subsidiary of the Parent Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Rio Tuba, Municipality of Bataraza, Palawan.

Emerging Power Inc. (EPI)
EPI was registered with the SEC on October 16, 2007, is a 91.03% owned subsidiary of the Parent Company and is primarily engaged in the renewable energy business.

Mindoro Geothermal Power Corporation (MGPC)
MGPC was registered with the SEC on May 7, 2014, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business. On November 24, 2014, by virtue of a Deed of Assignment of rights and obligations of EPI under Geothermal Renewable Energy Service Contract (GRESC) No. 2010-02-013, MGPC acquired the exclusive rights to explore, develop and exploit geothermal resources covering a geothermal field in the municipality of Naujan, Oriental Mindoro. The transfer of GRESC No. 2010-02-013 to MGPC was approved by the Department of Energy (DOE) on February 16, 2016.

On February 26, 2019, MGPC received from the Philippine Government, through the DOE, the Confirmation of Commerciality for the 10-megawatt (MW) project.

MGPC has an anticipated operating capacity of 40MW and aims to supply electricity to the Mindoro Island grid.

On May 7, 2024, MGPC received from the DOE a termination letter of GRESC No. 2010-02-013 covering the Montelago Geothermal Power Project, to which MGPC responded requesting reconsideration to reinstate. On July 5, 2024, the DOE granted the reinstatement of the GRESC and approved the proposed five (5)-Year Work Program of MGPC.

Biliran Holdings Inc. (BHI)
BHI was registered with the SEC on July 31, 2015, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of infrastructure, power generation, real estate, manufacturing, trading and agribusiness and to pay other evidence of indebtedness or securities of this or any other corporation.

Northern Palawan Power Generation Corporation (NPPGC)
NPPGC was registered with the SEC on July 5, 2017, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and in producing and generating electricity, as well as engaging in agrovoltaic business to utilize viable areas of land, and processing fuels alternative for power generation.

NPPGC is the developer and owner of the Cawag Solar Power Project, a ground-mounted solar photovoltaic (PV) farm located in Subic, Zambales and covered by Solar Energy Operating Contract (SEOC) No. 2023-10-715. As at May 8, 2025, the Cawag Solar Power Project is in the development stage.

Emerging Energy Resources 1, Inc. (EER 1)
EER 1 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at May 8, 2025, EER 1 is in the pre-operating stage.

Emerging Energy Resources 2, Inc. (EER 2)
EER 2 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected.

EER 2 is the developer and owner of the following ground-mounted solar PV farm projects: 1) Cabcaben Solar Power Project located in Mariveles, Bataan and covered by SEOC No. 2024-04-851; and 2) Sinawal Solar Power Project located in General Santos City and covered by SEOC No. 2024-05-866 with the DOE. As at May 8, 2025, both projects are in the pre-development stage.

Emerging Energy Resources 3, Inc. (EER 3)
EER 3 was registered with the SEC on February 12, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the renewable energy business and carry on the business of producing and generating and sale of electricity from various sources in the Philippines that are utility scale and grid connected. As at May 8, 2025, EER 3 is in the pre-operating stage.

Emerging Energy Saver Corporation (EESC)
EESC was registered with the SEC on February 2, 2024, is a 91.03% owned subsidiary of the Parent Company through EPI and is primarily engaged in the energy business and carry on the business of producing, generating and storing electricity and processing fuel alternative for power generation. As at May 8, 2025, EESC is in the pre-operating stage.

Jobin-SQM, Inc. (JSI)
JSI was registered with the SEC on January 6, 2010, wherein the Parent Company has 38% direct ownership and 47.34% indirect ownership through EPI. JSI is primarily engaged in the power business, including but not limited to power generation, power trading and supply to retail customers and end users.

On May 13, 2022, the Department of Environment and Natural Resources granted the request of JSI to increase its capacity, from 150MW to 200MW, and area, from 800 hectares to 815 hectares, located at Mt. Sta. Rita, Subic Bay Freeport Zone.

In relation to this, the construction of Phase 4A - 72MW of the Solar Project started in November 2022. In February 2024, Phase 4A has been completed and delivering power to the grid under testing and commissioning. Phase 4B - 28MW will be decided subject to availability of sufficient land area to support the development.

As at May 8, 2025, JSI has a total capacity of 172MW, where 72MW is in testing and commissioning phase and 100MW is in commercial operation.

Greenlight Renewables Holdings Inc. (GRHI)
GRHI was registered with the SEC on August 18, 2022, is a 54.62% owned subsidiary of the Parent Company through EPI. GRHI is primarily engaged in investing in and holding of assets of every kind and description, as and to the extent permitted by law. GRHI is the joint venture of EPI and Shell Overseas Investments B.V. (Shell).

San Isidro Solar Power Corp. (SISPC)
SISPC was registered with the SEC on February 28, 2022, is a 54.62% owned subsidiary of the Parent Company through EPI. SISPC is primarily engaged in harnessing solar energy and producing and generating electricity from solar energy and other renewable energy sources.

SISPC is the developer and owner of the San Isidro Solar Power Project, a ground-mounted solar PV farm located in San Isidro, Leyte and covered by Solar Energy Service Contract No. 2018-11-491 with the DOE. SISPC was acquired by GRHI on June 30, 2023. SISPC is currently in the development and construction stage.

Casilagan Solar Power Corporation (CSPC)
CSPC was registered with the SEC on May 9, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. CSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected.

CSPC is the developer and owner of the following ground-mounted solar PV farm projects: 1) San Antonio Solar Power Project located in San Antonio, Zambales and covered by SEOC No. 2023-12-789; 2) San Juan Solar Power Project located in Botolan, Zambales and covered by SEOC No. 2023-12-790; 3) Tuy Solar Power Project located in Tuy and Nasugbu, Batangas and covered by SEOC No. 2023-12-795; and 4) Libag Sur Solar Power Project located in Tuguegarao, Cagayan and covered by SEOC No. 2024-07-903. In addition, CSPC is also the developer and owner of Tuy Wind Power Project located in Tuy and Nasugbu, Batangas and covered by Wind Energy Service Contract No. 2024-02-379. As at May 8, 2025, all solar and wind power projects under CSPC are in the pre-development stage.

SanJuan Solar Power Corporation (SSPC)
SSPC was registered with the SEC on July 26, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at May 8, 2025, SSPC is in the pre-development stage.

Sta. Maria Solar Power Corporation (SMSPC)
SMSPC was registered with the SEC on July 26, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SMSPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at May 8, 2025, SMSPC is in the pre-development stage.

Tuy Solar and Wind Power Corp. (TSWPC)
TSWPC was registered with the SEC on September 13, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. TSWPC is primarily engaged in onshore renewable energy and carries on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at May 8, 2025, TSWPC is in the pre-development stage.

San Antonio Solar Power Corp. (SASPC)
SASPC was registered with the SEC on September 14, 2023, is a 54.62% owned subsidiary of the Parent Company through EPI. SASPC is primarily engaged in onshore renewable energy and carry on the business of producing and generating electricity from onshore solar and wind, battery energy storage, and other renewable energy sources that are utility scale and grid connected. As at May 8, 2025, SASPC is in the pre-development stage.

Nazareno Solar Power Corp. (NSPC; formerly Manta Baguio Properties Corp.)
NSPC was registered with the SEC on May 31, 2018, is a 54.62% owned subsidiary of the Parent Company through EPI. NSPC is engaged in power generation. EPI acquired 60% ownership in NSPC from Manta Equities Inc. (Manta) in November 2024. On January 8, 2025, the SEC approved the change in NSPC's corporate name and purpose of business. On April 8, 2025, by virtue of a Deed of Assignment of rights and obligations of NPPGC under SEOC No. 2023-12-804 and approval by the DOE, NSPC acquired the exclusive rights to develop the Nazareno Solar Power Project, a solar PV farm located in Hermosa, Bataan. As at May 8, 2025, the Nazareno Solar Power Project is in the pre-development stage.

The unaudited interim condensed consolidated financial statements as at March 31, 2025 and December 31, 2024 and for the three-month period ended March 31, 2025 and 2024, were authorized for issuance by the Parent Company's BOD on May 8, 2025.

2. Basis of Preparation and Consolidation and Statement of Compliance

Basis of Preparation
The accompanying unaudited interim condensed consolidated financial statements of the Group as at March 31, 2025 and for the three-month period ended March 31, 2025 and 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

Accordingly, the unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at December 31, 2024.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVTPL at FVOCI, forward contracts receivable and payable and assets held for sale which are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company and its subsidiaries' (collectively referred to as the Group) functional and presentation (or reporting) currency, except CPDL whose functional and reporting currency is in United States dollar (US$). All amounts are rounded to the nearest thousand (₱000), except when otherwise indicated.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the balances of the subsidiaries and equity share in the net income or losses of associates:

	Principal Place of Business	Principal Activities	Effective Ownership March 31, 2025	March 31, 2024
Subsidiaries				
HMC	Philippines	Mining and Services	**100.00%**	100.00%
CMC	Philippines	Mining	**100.00%**	100.00%
DMC	Philippines	Mining	**100.00%**	100.00%
SNMRC	Philippines	Mining	**100.00%**	100.00%
CDTN	Philippines	Services	**100.00%**	100.00%
CPDL	BVI	Services	**100.00%**	100.00%
LCSLC [a]	Philippines	Services	**100.00%**	100.00%
EPI	Philippines	Renewable Energy Developer	**91.03%**	86.29%
MGPC [b]	Philippines	Power Generation	**91.03%**	86.29%
BHI [b]	Philippines	Services	**91.03%**	86.29%
NPPGC [b]	Philippines	Power Generation	**91.03%**	86.29%
EER 1 [b]	Philippines	Power Generation	**91.03%**	–
EER 2 [b]	Philippines	Power Generation	**91.03%**	–
EER 3 [b]	Philippines	Power Generation	**91.03%**	–
EESC [b]	Philippines	Power Generation	**91.03%**	–
FEI [c]	Philippines	Mining	**88.00%**	88.00%
JSI [d]	Philippines	Power Generation	**85.34%**	82.87%
CEXCI	Philippines	Mining	**71.25%**	71.25%
Newminco [e]	Philippines	Mining	**71.25%**	71.25%
TMC	Philippines	Mining and Services	**65.00%**	65.00%
RTN	Philippines	Mining	**60.00%**	60.00%
GRHI [b,f]	Philippines	Services	**54.62%**	51.77%
SISPC [b,g]	Philippines	Power Generation	**54.62%**	51.77%
CSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
SSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
SMSPC [b]	Philippines	Power Generation	**54.62%**	51.77%
TSWPC [b]	Philippines	Power Generation	**54.62%**	51.77%
SASPC [b]	Philippines	Power Generation	**54.62%**	51.77%
NSPC [b,h]	Philippines	Power Generation	**54.62%**	–
Associates				
Biliran Geothermal Inc. (BGI) [b]	Philippines	Power Generation	**40.96%**	38.83%
THNC	Philippines	Manufacturing	**10.00%**	10.00%
Coral Bay Nickel Corporation (CBNC) [i]	Philippines	Manufacturing	**–**	15.62%

(a) Indirect ownership through HMC
(b) Indirect ownership through EPI
(c) Indirect ownership through HMC, CMC and TMC
(d) Direct ownership of 38% and indirect ownership through EPI of 47.34%
(e) Indirect ownership through CEXCI
(f) A joint venture of EPI and Shell
(g) Acquired by GRHI on June 30, 2023
(h) Acquired by EPI in November 2024 at 60% ownership
(i) Reclassified to "Asset held for sale" as of September 30, 2024

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

Statement of Compliance
The unaudited interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2024, except for the adoption of the following amendments to existing standards and/or interpretations, which were effective beginning January 1, 2025.

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

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Standards and Interpretations Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PAS 7, *Cost Method*
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a "De Facto Agent"*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of income
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

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

- PFRS 19, *Subsidiaries without Public Accountability*

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

The Group will continue to evaluate the impact of the standards, interpretations, and amendments in its consolidated financial statements for the year 2025. Additional disclosures required by these amendments will be included in the Group's consolidated financial statements when these amendments are adopted.

3. Seasonality of Operations

Mining operations at the majority of the Group's mines are often unable to load ore into shipping vessels during the rainy season. This seasonality results in quarter-to-quarter volatility in the Group's operating results with more revenue being earned and more expenses being incurred in the second and third fiscal quarters than in the first and fourth fiscal quarters.

4. Cash and Cash Equivalents

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand and with banks	**₱4,556,094**	₱4,025,632
Short-term cash investments	**6,550,106**	8,905,392
Cash under managed funds	**6,499**	4,248
	₱11,112,699	₱12,935,272

5. Trade and Other Receivables

Trade and other receivables amounting to ₱30.7 million as at March 31, 2025 and December 31, 2024 were impaired and fully provided for with allowance for expected credit losses (ECL).

The aging analysis of the Group's trade and other receivables as at March 31, 2025 and December 31, 2024 are summarized below:

March 31, 2025 (Unaudited)	**Neither Past Due Nor Impaired (30 days)**	**Past Due But Not Impaired (31-180 days)**	**Past Due and Individually Impaired (> 180 days)**	**Total**
Trade and other receivables:				
Trade (see Note 28)	**₱922,740**	**₱153,532**	**₱18,182**	**₱1,094,454**
Amounts owed by related parties (see Note 28)	**270,742**	–	**4,228**	**274,970**
Interest receivable	**65,895**	–	–	**65,895**
Advances to officers and employees	**43,935**	**4,481**	–	**48,416**
Forward contracts receivables	**15,724**	–	–	**15,724**
Others	**38,712**	**97,698**	**8,281**	**144,691**
	₱1,357,748	**₱255,711**	**₱30,691**	**₱1,644,150**

December 31, 2024 (Audited)	Neither Past Due Nor Impaired (30 days)	Past Due But Not Impaired (31-180 days)	Past Due and Individually Impaired (> 180 days)	Total
Trade and other receivables:				
Trade (see Note 28)	₱792,779	₱45,206	₱18,182	₱856,167
Amounts owed by related parties (see Note 28)	259,997	–	4,228	264,225
Interest receivable	67,368	–	–	67,368
Advances to officers and employees	31,372	6,941	–	38,313
Forward contracts receivables	14,076	–	–	14,076
Others	100,715	71,960	8,281	180,956
	₱1,266,307	₱124,107	₱30,691	₱1,421,105

6. Inventories

As at March 31, 2025 and December 31, 2024, inventories amounting to ₱31.2 million were assessed to be impaired and were provided for with allowance for impairment losses.

For the three months ended March 31, 2025 and 2024, there were no provision for or reversal of allowance for impairment losses on inventories.

As at March 31, 2025 and December 31, 2024, there was no allowance for impairment losses provided for the cost of beneficiated nickel ore and limestone, while the cost of materials and supplies provided with allowance for impairment losses amounted to ₱676.7 million and ₱692.2 million, respectively.

7. Financial Assets at FVTPL, at FVOCI and at Amortized Cost

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Financial Assets at			Financial Assets at		
	FVTPL	**FVOCI**	**Amortized Cost**	FVTPL	FVOCI	Amortized Cost
Quoted instruments						
Debt securities	**₱1,420,173**	**₱406,456**	**₱375,000**	₱1,387,954	₱429,188	₱375,000
Equity securities	**315,659**	–	–	321,308	–	–
Unquoted equity instruments	**698,287**	–	–	698,287	–	–
	₱2,434,119	**₱406,456**	**₱375,000**	₱2,407,549	₱429,188	₱375,000

The Group’s financial assets pertain to investments in shares of stocks of various local and foreign public and private companies, mutual funds, golf club shares and debt securities which are either unquoted or at quoted market prices. Quoted and unquoted instruments are carried either at fair market value or at amortized cost (for debt instruments) as at the end of the financial reporting period.

The movements in financial assets follow:

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Financial Assets at			Financial Assets at		
	FVTPL	**FVOCI**	**Amortized Cost**	FVTPL	FVOCI	Amortized Cost
Balances at January 1	**₱2,407,549**	**₱429,188**	**₱375,000**	₱2,259,970	₱469,914	₱410,000
Additions	**38,818**	**1,732**	–	1,438,862	77,569	–
Disposals/redemption	**(7,976)**	**(26,836)**	–	(1,363,868)	(118,384)	(35,000)
Effect of changes in foreign exchange rate	**(15,644)**	–	–	47,110	–	–
Net valuation gains on financial assets	**11,372**	**2,372**	–	25,475	89	–
Balances at end of period	**2,434,119**	**406,456**	**375,000**	2,407,549	429,188	375,000
Less noncurrent portion	**980,929**	–	**275,000**	985,979	–	275,000
Current portion	**₱1,453,190**	**₱406,456**	**₱100,000**	₱1,421,570	₱429,188	₱100,000

For the three months ended March 31, 2025 and 2024, dividend income from equity securities amounted to ₱1.2 million and ₱14.7 million, respectively (see Note 26), while interest income from debt securities amounted to ₱13.6 million and ₱15.3 million, respectively (see Note 24).

8. Assets Held for Sale

During the year ended December 31, 2024, the Parent Company reclassified its investment in CBNC from an “Investment in associate” to “Assets held for sale” amounting to ₱1,853.4 million (see Note 10). This reclassification was made in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* as the Company had committed to a plan to sell the investment.

As of the reclassification date, the cumulative translation adjustment related to the investment in CBNC amounted to ₱800.5 million, gross of deferred income tax liability, and was recorded in “Other comprehensive income (OCI)”. This adjustment reflects the changes in foreign currency exchange rates affecting the investment since its initial recognition.

On February 10, 2025, the Parent Company completed the sale of its investment in CBNC for a total consideration of ₱1,855.0 million. Upon the sale, the cumulative translation adjustment of ₱800.5 million, previously recorded in OCI, was reclassified to the statement of income (see Note 26).

9. Property and Equipment

During the three-month period ended March 31, 2025 and 2024, the Group acquired assets with a cost of ₱563.2 million and ₱1,308.1 million, respectively, including construction in-progress.

Depreciation, depletion and amortization expense for the three months ended March 31, 2025 and 2024 amounted to ₱504.9 million and ₱528.2 million, respectively (see Note 23).

Except for the property and equipment pledged as collateral for the loans of JSI with Industrial and Commercial Bank of China (ICBC) and Security Bank Corporation (SBC) and loans of NPPGC with Rizal Commercial Banking Corporation (RCBC), there were no other property and equipment pledged as collateral for the Group's borrowings as at March 31, 2025 and December 31, 2024 (see Note 12).

10. Investments in Associates

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
THNC	**₱3,312,173**	₱3,438,021
BGI	**–**	–
	₱3,312,173	₱3,438,021

The movements in investments in associates follow:

	March 31, 2025 (Unaudited)				December 31, 2024 (Audited)			
	THNC	**CBNC**	**BGI**	**Total**	THNC	CBNC	BGI	Total
Balances at January 1	**₱1,974,700**	**₱–**	**₱1,384**	**₱1,976,084**	₱1,974,700	₱2,254,722	₱1,384	₱4,230,806
Accumulated equity in net earnings (losses):								
Balances at January 1	**534,923**	**–**	**(1,384)**	**533,539**	930,329	(697,342)	(1,384)	231,603
Equity in net loss	**(91,908)**	**–**	**–**	**(91,908)**	(395,406)	(502,521)	–	(897,927)
	443,015	**–**	**(1,384)**	**441,631**	534,923	(1,199,863)	(1,384)	(666,324)
Share in cumulative translation adjustment:								
Balances at January 1	**928,398**	**–**	**–**	**928,398**	280,280	742,291	–	1,022,571
Movements	**(33,940)**	**–**	**–**	**(33,940)**	648,118	58,196	–	706,314
	894,458	**–**	**–**	**894,458**	928,398	800,487	–	1,728,885
Less allowance for impairment losses	**–**	**–**	**–**	**–**	–	(1,935)	–	(1,935)
	3,312,173	**–**	**–**	**3,312,173**	3,438,021	1,853,411	–	5,291,432
Reclassification (see Note 8)		**–**	**–**		–	(1,853,411)	–	(1,853,411)
Balances at end of period	**₱3,312,173**	**₱–**	**₱–**	**₱3,312,173**	₱3,438,021	₱–	₱–	₱3,438,021

The share in cumulative translation adjustment of associates is gross of deferred income tax liability of ₱134.2 million and ₱259.3 million as at March 31, 2025 and December 31, 2024, respectively.

THNC

THNC, a private entity that is not listed on any public exchange, was incorporated and registered with the Philippine SEC on August 22, 2008. THNC is engaged in the manufacture and export of nickel/cobalt mixed sulfide, nickel hydroxide and any and all ingredient and products and by-products, wherein TMC has a Nickel Ore Supply Agreement to supply all of the limonite ore requirements of the Taganito High Pressure Acid Leach (HPAL) facility. TMC also provides services related to the handling, hauling and transportation of materials required in the processing operations of THNC. THNC started commercial operations in October 2013.

The net assets and Parent Company's share in cumulative translation adjustment, net of deferred income tax liability, of THNC amounted to ₱30,740.7 million and ₱760.3 million, respectively, as at March 31, 2025, and ₱31,999.2 million and ₱789.1 million, respectively, as at December 31, 2024. For the three months ended March 31, 2025 and 2024, the results of THNC's operations were net loss of ₱919.1 million and net income of ₱56.7 million, respectively, and the Parent Company's equity in THNC amounted to ₱91.9 million loss and ₱5.7 million income, respectively.

CBNC

CBNC, a private entity that is not listed on any public exchange, was incorporated and registered with the Philippine SEC on April 4, 2002. CBNC is engaged in the manufacture and export of nickel/cobalt mixed sulfide wherein RTN has a Nickel Ore Supply Agreement to supply all of the limonite ore requirements of the Coral Bay Hydro Metallurgical Processing Plant facility. The agreement provides that it will terminate until the earlier of the cessation of operations at the Coral Bay HPAL facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. Aside from supplying ore and limestone from RTN, CDTN also provided ancillary services to Coral Bay HPAL facility.

On October 3, 2022, the Parent Company purchased an additional 33,046,875 common shares of CBNC from Sumitomo Metal Mining Co., Ltd. (SMM) for a total consideration of US$25.9 million, equivalent to ₱1,530.3 million. The acquisition by the Parent Company of the additional CBNC shares increased its equity ownership from 10% to 15.62%.

In December 2024, the Parent Company's BOD approved to sell its 15.62% ownership in CBNC to SMM at the projected book value of investment in CBNC as of end of September 2024. Consequently, CBNC ceases to be an associate and the Parent Company's investment in CBNC was reclassified under "Assets held for sale" and no equity gains or losses was recognized starting October 1, 2024 since the actions to complete the sale were initiated in September 2024 (see Note 8). On January 31, 2025, the Share Purchase Agreement was signed by the Parent Company and SMM.

The net assets and Parent Company's share in cumulative translation adjustment, net of deferred income tax liability, of CBNC amounted to nil as at March 31, 2025 and ₱23,806.8 million and ₱680.4 million, respectively, as at December 31, 2024. For the three months ended March 31, 2025 and 2024, the Parent Company's equity in net losses of CBNC amounted to nil and ₱199.6 million, respectively.

BGI

BGI, a private entity that is not listed on any public exchange, was incorporated, and registered with the Philippine SEC on October 31, 2007. The principal activities of BGI are to explore, exploit, discover, develop, extract, dig and drill for, produce, utilize, refine, treat, process, transport, store, market, sell, use, supply, experiment with, distribute, manufacture, or otherwise deal in, any substance, minerals or otherwise, which by itself or in contribution with other substances generate or emanate heat or power and to enter into and perform service contracts including geothermal services. On December 28, 2014, BGI received from the Philippine Government through the DOE the Confirmation of Commerciality for the Biliran Geothermal Project. Starting March 2024, BGI is under testing and commissioning phase.

On December 20, 2022, BHI sold a portion of its shareholdings in BGI, equivalent to 461,250 common shares or 15% interest in BGI, for ₱0.5 million. After the sale, BHI's equity ownership in BGI decreased from 60% to 45%, resulting in a loss of control in BGI in 2022.

The net liabilities of BGI amounted to ₱468.8 million and ₱457.9 million as at March 31, 2025 and December 31, 2024, respectively. For the three months ended March 31, 2025 and 2024, the Parent Company's unrecognized equity in net losses of BGI amounted to ₱4.5 million and ₱0.4 million, respectively.

11. Trade and Other Payables

Trade and other payables include amounts payable to regular suppliers, accrued expenses, government payables and other payables. Trade, accrued expenses and other payables, are noninterest-bearing and are generally settled in one (1) year. Government payables include withholding taxes which are normally settled within ten (10) to fifteen (15) days after the end of each financial reporting month or thirty (30) days after the end of each financial reporting quarter, and fringe benefit tax which are normally settled within thirty (30) days after the end of the quarter on which the fringe benefits are granted to the recipients. Excise tax payable is settled within fifteen (15) days after the end of the quarter when the beneficiated nickel ore and limestone were shipped/delivered. Royalties are paid on or before the deadline agreed with the Mines and Geosciences Bureau or other parties.

12. Short-term and Long-term Debts

<u>Short-term debts</u>
Short-term debts are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
EPI		
RCBC	**₱3,485,082**	₱3,486,966
SBC	**2,000,000**	3,498,648
NAC	**780,000**	–
SISPC	**512,917**	–
DMC	**50,000**	–
	₱6,827,999	₱6,985,614

EPI

RCBC

RCBC granted a ₱3,500.0 million loan facility to EPI to fund the following projects: 1) SISPC's 240MW Leyte Solar Power Project; and 2) NPPGC's 140MW Cawag Solar Power Project. The principal and interest are payable one (1) year after drawdown.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate	Amount
August 28, 2024	August 15, 2025	6.60% to 6.65%	₱2,364,000
April 1, 2024	March 20, 2026	6.50% to 6.65%	1,136,000
			₱3,500,000

The carrying amounts of short-term debts of EPI with RCBC, net of unamortized debt issue cost, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱3,500,000**	₱2,364,000
Drawdowns	**1,136,000**	3,500,000
Payments	**(1,136,000)**	(2,364,000)
	3,500,000	3,500,000
Less unamortized debt issue cost	**(14,918)**	(13,034)
Balances at end of period	**₱3,485,082**	₱3,486,966

The interest expense on RCBC loan, which were all capitalized as borrowing cost, amounted to ₱64.3 million and ₱44.1 million for the three months ended March 31, 2025 and 2024, respectively.

SBC

SBC granted a ₱3,500.0 million loan facility to EPI which is secured by a continuing suretyship of the Parent Company. The proceeds of the loans were used by EPI to settle at maturity dates the promissory notes under the original SBC loan facility, and to finance the construction of JSI's Phase 4A - 72MW solar project and for working capital requirements. The original SBC loan was obtained to fund EPI's investments and working capital requirements.

Details of the drawdowns are as follows:

March 31, 2025 (Unaudited)			
Drawdown Date	**Maturity Date**	**Interest Rate***	**Amount**
June 27, 2024	**June 22, 2025**	**6.50% to 7.75%**	**₱300,000**
February 5, 2024	**March 3, 2025**	**6.45% to 7.50%**	**1,500,000**
March 24, 2025	**April 23, 2025**	**6.60%**	**200,000**
			₱2,000,000

** Interest rates are subject to monthly repricing*

December 31, 2024 (Audited)

Drawdown Date	Maturity Date	Interest Rate*	Amount
June 27, 2024	June 22, 2025	6.50% to 7.75%	₱300,000
January 24, 2024	January 17, 2025	6.50% to 7.50%	1,200,000
February 5, 2024	January 30, 2025	6.50% to 7.50%	1,500,000
March 25, 2024	March 20, 2025	6.50% to 7.75%	500,000
			₱3,500,000

** Interest rates are subject to monthly repricing*

The carrying amounts of short-term debts of EPI with SBC, net of unamortized debt issue cost, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱3,500,000**	₱3,500,000
Drawdowns	**2,900,000**	3,500,000
Payments	**(4,400,000)**	(3,500,000)
	2,000,000	3,500,000
Less unamortized debt issue cost	–	(1,352)
Balances at end of period	**₱2,000,000**	₱3,498,648

The interest expense of EPI on SBC loans amounted to ₱59.5 million, of which ₱36.0 million were capitalized as borrowing cost, and ₱73.3 million, of which ₱42.3 million were capitalized as borrowing cost, for the three months ended March 31, 2025 and 2024, respectively (see Note 25).

The Term Loan Agreement with SBC provides for restrictions with respect to creation or permission to exist any mortgage or pledge, lien or any encumbrance on all free assets owned or acquired by EPI. Also, the Term Loan Agreement restricts EPI to assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any other person, firm or corporation; participate or enter into any merger or consolidation; sell, lease, dispose or convey all or substantially all of EPI's assets; make advances or loans to any of the affiliates, subsidiaries, stockholders, directors and officers except in compliance with formally established and existing fringe benefit program of EPI; suspend its business operation or dissolve its affairs; and to enter into any credit or loan agreement or arrangement with any creditor under such terms and conditions that would place SBC in an inferior position risk-wise, vis-a-vis such other creditors. Moreover, the Term Loan Agreement provides for certain conditions, which include, among others, prompt disclosure in writing of any material change in EPI's financial position and conduct of its operations or any substantial change in its management or ownership, conduct operations in accordance with sound business practice, maintenance and preservation of corporate existence, and prompt payment of all taxes, assessment, and other governmental charges due. As at March 31, 2025 and December 31, 2024, EPI has been compliant with the covenants contained in the loan facility and agreements.

NAC
SBC granted a ₱5,000.0 million credit facility to NAC to be used for financing its investments, working capital requirements, or acquisition of equipment for operations. The principal and interest are payable at maturity date.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate*	Amount
March 31, 2025	August 29, 2025	6.50%	₱780,000

** Interest rate is subject to monthly repricing*

The interest expense of NAC on SBC loan amounted to nil for the three months ended March 31, 2025 and 2024.

The Credit Agreement provides certain debt covenants, but are not limited to the following, which states that NAC will not, without the prior written consent of SBC, to:
1) Assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any other person, firm or corporation;
2) Sell, lease or otherwise dispose or convey all or substantially all of its assets;
3) Make advances or loans to any of its affiliates, subsidiaries, stockholders, directors and officers except in compliance with its formally established and existing fringe benefits program;
4) Allow or permit credit obligations with SBC to be subordinated to all existing and future shareholder loans and advances and allow and permit any payment of this loan and advances; and
5) Enter into any credit or loan agreement or arrangement with any other creditor.

As at March 31, 2025 and December 31, 2024, NAC has been compliant with the covenants contained in the Credit Agreement.

SISPC
Shell Petroleum B.V. (SPBV) granted SISPC an unsecured loan facility amounting to US$20.6 million. The proceeds of the loans will be used to finance the San Isidro Solar Power project. The principal and interest are payable within one (1) year after drawdown.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate	Amount in US$	Equivalent Amount in Peso
March 31, 2025	March 31, 2026	6.55%	US$8,966	₱512,917

The interest expense of SISPC on this loan amounted to ₱0.1 million and nil for the three months ended March 31, 2025 and 2024 (see Notes 25 and 28).

DMC
SBC granted a ₱50.0 million loan facility to DMC to be used for DMC's working capital requirements, or for the acquisition of equipment for operations. The principal is payable within one (1) year after drawdown and the interest is payable monthly.

Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate*	Amount
January 24, 2025	January 19, 2026	6.40% to 6.85%	₱50,000

** Interest rate is subject to monthly repricing*

The interest expense of DMC on this loan amounted to ₱0.5 million, which were all capitalized as borrowing cost, and nil for the three months ended March 31, 2025 and 2024, respectively.

Long-term debts
Long-term debts of the following subsidiaries are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
JSI	**₱1,220,786**	₱1,271,810
NPPGC	**949,212**	–
TMC	**650,764**	657,987
DMC	**480,560**	502,740
	3,301,322	2,432,537
Less noncurrent portion:		
JSI	**1,035,546**	1,090,410
NPPGC	**949,212**	–
TMC	**550,646**	556,758
DMC	**413,521**	413,220
	2,948,925	2,060,388
Current portion	**₱352,397**	₱372,149

JSI
ICBC and SBC
On August 2, 2021, JSI, ICBC and SBC entered into an Omnibus Loan and Security Agreement (OLSA), with NAC, EPI and TBEA International Engineering Co., Ltd. (TBEA) as Share Collateral Security Grantors and Sponsors. Pursuant to the OLSA, ICBC and SBC granted term loan facilities to JSI amounting to ₱1,600.0 million, payable in two Tranches (Tranche A for ₱1,250.0 million and Tranche B for ₱350.0 million), that will be used by JSI to partially refinance the shareholder's loans used for Phase 3A and 3B expansions.

Interest is fixed, which shall be the higher of the sum of the applicable benchmark rate (or the average of the applicable seven (7)-year Bloomberg Evaluated Pricing Service of Bloomberg LP (or BVAL) benchmark tenor) plus the credit spread, divided by the interest premium factor; and the minimum interest rate divided by the interest premium factor. Principal and interest are payable quarterly for a period of seven (7) years commencing on September 28, 2022 until June 28, 2029.

Details of the drawdown follows:

Tranche	Drawdown Date	Maturity Date	Interest Rate	Amount
A	June 28, 2022	June 28, 2029	6.59%[1]	₱1,250,000
B	April 28, 2023	June 28, 2029	8.20%[2]	350,000
				₱1,600,000

[1] *Fixed interest rate from June 28, 2022 to June 28, 2024; thereafter repriced at 7.75%*
[2] *Fixed interest rate from April 28, 2023 to June 28, 2024; thereafter repriced at 7.75%*

At any time after the fifth (5th) year of the loan, JSI may prepay all or any portion of the outstanding loan subject to certain conditions and by paying the prepayment penalty.

The loan is secured by a chattel mortgage on all project assets, mortgage over the leasehold rights with Subic Bay Metropolitan Authority, and the pledge of shares of stocks of JSI.

The OLSA provides certain debt covenants, but are not limited to the following:
1) Debt service coverage ratio (DSCR) is at least equal to the maintenance DSCR, subject to testing at each DSCR testing date;
2) Debt-to-equity (DE) ratio does not exceed the maintenance DE, subject to testing at each DE testing date;
3) To create, permit or enter into any loan facility agreement secured or to be secured by a lien of the whole or any portion of its present and future assets other than any permitted lien;
4) To incur any indebtedness for the purpose of paying dividends on its preferred shares;
5) To enter into any investment, joint venture, partnership or similar business combination or arrangement in relation to the project or otherwise;
6) To pay dividends to its shareholders, repay any shareholder loans and make any other payment to shareholders or its affiliates under any project document;
7) To sell or dispose any assets;
8) To withdraw from the debt service reserve account, except in accordance with the financing documents.

As at March 31, 2025 and December 31, 2024, JSI has been compliant with the covenants contained in the OLSA.

The carrying amounts of long-term debts of JSI with ICBC and SBC, net of unamortized debt issue cost, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱1,288,235**	₱1,457,585
Payments	**(52,255)**	(169,350)
	1,235,980	1,288,235
Less unamortized debt issue cost	**(15,194)**	(16,425)
Balances at end of period	**1,220,786**	1,271,810
Less noncurrent portion	**1,035,546**	1,090,410
Current portion	**₱185,240**	₱181,400

The interest expense on ICBC and SBC loans of JSI for the three months ended March 31, 2025 and 2024 amounted to ₱26.1 million and ₱27.1 million, respectively, of which there were no capitalized borrowing costs (see Note 25).

NPPGC

RCBC

On December 26, 2024, NPPGC and RCBC entered into an Omnibus Loan and Security Agreement, with EPI as Sponsor and Security Grantor. Pursuant to the OLSA, RCBC granted a loan facility to NPPGC to partially finance the construction and development of its Cawag Solar Power Project amounting to ₱5,175.0 million. The loan is payable in two tranches: Tranche A: Phase 1 - 70MW for ₱3,292.3 million and Tranche B: Phase 2 – 75MW for ₱1,882.7 million.

Interest is fixed, which shall be the higher of: (a) the rate per annum (p.a) obtained from the sum of the applicable prevailing benchmark rate plus the interest margin, divided by the interest premium factor; and (b) the floor rate of 5%, divided by the interest premium factor. The principal and interest are payable quarterly for a period of fifteen (15) years after drawdown.

The loan shall be drawn as follows:

Tranche	Drawdown Date	Maturity Date	Interest Rate	Amount
A – Phase 1	February 12, 2025	February 10, 2040	7.15%*	₱987,691

** Interest rate is fixed for three (3) years or until February 12, 2028*

The loan is secured by real estate mortgage and personal property security interest on all present and future immovable and movable properties of NPPGC in connection with the Cawag Solar Power Project, including the leasehold rights under the lease agreement between NPPGC and Subic Bay Metropolitan Authority, and all of NPPGC's issued and outstanding capital stock.

Beginning on the third (3rd) year of the loan, NPPGC has the option to prepay the loan in part or in full, subject to certain conditions and by paying the prepayment penalty.

The OLSA provides certain financial covenants as follows:
1) Maintenance DSCR, which is equal to historical annual earnings before interest, taxes, depreciation and amortization divided by projected annual debt service, shall comply with the required DSCR of at least 1.10x;
2) DE ratio shall, at all times, meet the required DE ratio of not higher than 75:25;
3) The contracted capacity of each phase of the Cawag Solar Power Project shall, at all times, be compliant with the minimum contracted capacity up to the maturity date;

Except for the maintenance DSCR which shall be tested on the first (1st) anniversary of Phase 1 commercial operations date, and thereafter quarterly, the financial covenants shall be tested quarterly on the basis of the financial statements of NPPGC.

As at March 31, 2025 and December 31, 2024, NPPGC has been compliant with the covenants contained in the OLSA.

The carrying amount of long-term debts of NPPGC with RCBC, net of unamortized debt issue cost, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Drawdown	**₱987,691**	₱–
Less unamortized debt issue cost	**(38,479)**	–
Balance at end of period	**949,212**	–
Less noncurrent portion	**949,212**	–
Current portion	**₱–**	₱–

The interest expense of NPPGC on RCBC loans, which were all capitalized as borrowing cost, for the three months ended March 31, 2025 and 2024 amounted to ₱9.4 million and nil, respectively.

<u>TMC</u>
On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former an unsecured loan facility amounting to a total of US$35.0 million at a prevailing one hundred eighty (180)-day British Banker Association London Inter-Bank Offered Rate (LIBOR) plus 2% spread, to exclusively finance the construction of the pier facilities within the Taganito Special Economic Zone. In October 2023, TMC and THNC agreed to amend the basis for computing interest from LIBOR to Term Secured Overnight Financing Rate (TSOFR) plus an adjustment of 0.43%.

The interest on the loan is payable semi-annually, on October 10 and April 10. The total principal is payable in semi-annual installments of US$0.9 million starting on October 10, 2011 up to April 10, 2031.

The carrying amounts of long-term debt of TMC with THNC follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱657,987**	₱726,731
Effect of changes in foreign exchange rate	**(7,223)**	6,802
Payments	–	(75,546)
Balances at end of period	**650,764**	657,987
Less noncurrent portion	**550,646**	556,758
Current portion	**₱100,118**	₱101,229

Interest expense pertaining to this loan for the three months ended March 31, 2025 and 2024 amounted to ₱11.4 million and ₱14.6 million, respectively (see Notes 25 and 28).

The Omnibus Agreement provides for restriction with respect to creation, assumption, incurrence, and permission to exist any lien upon the pier facilities and all TMC's other real rights over the same except as permitted under the Omnibus Agreement. Also, the Omnibus Agreement provides for certain conditions which include, among others, maintenance and preservation of TMC's corporate existence, rights, privileges and licenses, prompt submission of written notice to THNC of any and all litigations and administrative arbitration proceedings before any Governmental authority affecting TMC, prompt payment of all amounts due under the loan documents and maintenance of all Governmental approvals necessary to perform the obligations. As at March 31, 2025 and December 31, 2024, TMC is in compliance with the restrictions.

DMC

SBC granted an ₱843.0 million loan facility to DMC, which is secured by a continuing suretyship of the Parent Company, to finance the construction of its permanent causeway. Interest is based on quarterly floater for seven (7) years using Bangko Sentral ng Pilipinas overnight lending facility rate plus the credit spread. Interest is payable monthly for a period of seven (7) years commencing on the initial drawdown date until maturity. Details of the drawdowns are as follows:

Drawdown Date	Maturity Date	Interest Rate**	Amount
August 16, 2023	August 16, 2030	6.82% to 7.18%	₱9,465
August 16, 2023	August 16, 2030	6.82% to 7.18%	81,743
September 1, 2023	August 16, 2030	6.75% to 7.18%	156,823
October 27, 2023	August 16, 2030	7.00% to 7.07%	32,458
November 22, 2023	August 16, 2030	7.00% to 7.02%	59,977
December 27, 2023	August 16, 2030	7.00%	200,795
February 5, 2024	August 16, 2030	7.00%	17,855
June 28, 2024	August 16, 2030	7.00%	10,050
August 16, 2024	August 16, 2030	7.00%	14,979
August 30, 2024	August 16, 2030	7.00%	17,969
			₱602,114

*** Interest rates are subject to quarterly repricing*

The carrying amounts of long-term debts of DMC with SBC, net of unamortized debt issue cost, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱506,510**	₱530,108
Payments	**(22,346)**	(84,451)
Drawdowns	–	60,853
	484,164	506,510
Less unamortized debt issue cost	**(3,604)**	(3,770)
Balances at end of period	**480,560**	502,740
Less noncurrent portion	**413,521**	413,220
Current portion	**₱67,039**	₱89,520

The interest expense pertaining to this loan amounted to ₱10.7 million and ₱10.0 million, of which all were capitalized as borrowing cost, for the three months ended March 31, 2025 and 2024, respectively.

The Term Loan Agreement of DMC with SBC provides for certain conditions and/or restrictions, but are not limited to the following:

1) DE ratio of at most 1.50x defined as total liabilities less advances from stockholders divided by total equity plus advances from stockholders.
2) DSCR of at least 1.15x defined as earnings before interest, taxes, depreciation, and amortization divided by interest expense plus prior year's current portion of long-term debt.
3) The borrower shall only pay interest on any subordinated loans, pay dividends, and repay any portion of its subordinated loans and/or advances from stockholders provided that the distribution DSCR is at least 1.25x and DMC's DE ratio should not be more than 1.50x.
4) As long as any of the credit obligations remain unpaid, DMC will not, without prior written consent of SBC, create or permit to exist any mortgage or pledge lien or any encumbrance on all free assets now owned or hereafter acquired by DMC.

As at March 31, 2025 and December 31, 2024, DMC has been compliant with the covenants contained in the loan facility and agreements.

13. Provision for Mine Rehabilitation and Decommissioning

Provision for mine rehabilitation and decommissioning pertains to the estimated decommissioning costs to be incurred in the future on the mined-out areas of the Group.

The Group makes full provision for the future cost of rehabilitating the mine site and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of rehabilitation costs. These provisions have been created based on the Group's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future ore prices, which are inherently uncertain.

For the three months ended March 31, 2025 and 2024, accretion of interest on provision for mine rehabilitation and decommissioning amounted to ₱5.1 million and ₱7.0 million, respectively (see Note 25).

14. Equity

Capital Stock
The capital structure of the Parent Company follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Common stock - ₱0.50 par value		
Authorized - 19,265,000,000 shares		
Issued - 13,985,547,094 shares		
Outstanding - 13,931,125,094 shares	**₱6,992,774**	₱6,992,774
Preferred stock - ₱0.01 par value		
Authorized and Issued - 720,000,000 shares	**7,200**	7,200
Total	**₱6,999,974**	₱6,999,974

Outstanding Common Stock
As at March 31, 2025 and December 31, 2024, a total of 10,242,037,939 common shares and 10,296,459,939 common shares, respectively, of the outstanding common shares of the Parent Company are registered in the name of ninety-five (95) shareholders while the balance of 3,689,087,155 common shares and 3,634,665,155 common shares, respectively, were lodged with the Philippine Depository and Trust Corporation.

The movement in outstanding common stock follows:

	Number of Shares		
	Issued	Treasury	Outstanding
Balances at December 31, 2024 and March 31, 2025	13,985,547,094	(54,422,000)	13,931,125,094

Preferred Stock
The preferred share is voting, non-participating but with a fixed cumulative dividend rate of 7% p.a.

Dividends
Dividends declared and paid by the Parent Company are as follows:

Year	Type of Dividend	Date of Declaration	Date of Record	Amount Declared	Dividend per Share	Date of Payment
2025	***Cash Dividends***					
	Regular	**February 27, 2025**	**March 13, 2025**	**₱975,179**	**₱0.07**	**March 26, 2025**
	Special	**February 27, 2025**	**March 13, 2025**	**557,245**	**0.04**	**March 26, 2025**
2024	*Cash Dividends*					
	Regular	March 13, 2024	March 27, 2024	₱1,114,490	₱0.08	April 12, 2024
	Special	March 13, 2024	March 27, 2024	696,556	0.05	April 12, 2024

Appropriation of Retained Earnings

Parent Company

On November 27, 2018, the Parent Company's BOD approved the appropriation of retained earnings amounting to ₱1,500.0 million in relation to the share buy-back program of the Parent Company. On November 6, 2020, the Parent Company's BOD approved the reversal of the appropriation of up to ₱1,365.0 million which took effect on December 2, 2020, the end of the Parent Company's share buy-back program.

Treasury Stock

On November 27, 2018, the BOD of the Parent Company approved to undertake a two (2)-year share buy-back program authorizing management to buy from the market at its discretion the Parent Company's common shares up to an aggregate value of ₱1,500.0 million. As at March 31, 2025 and December 31, 2024, the Parent Company purchased from the market a total of 54,422,000 of its own common shares at an average price of ₱2.4625 per share or a total of ₱134.0 million.

15. Earnings Per Share

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
a. Net income attributable to equity holders of the Parent	**₱501,032**	₱202,376
b. Weighted average number of common shares for basic EPS (in thousands)	**13,931,125**	13,931,125
c. Weighted average number of common shares adjusted for the effect of dilution (in thousands)	**13,931,125**	13,931,125
Basic/Diluted EPS	**₱0.04**	₱0.01

There have been no other transactions involving ordinary shares or potential ordinary shares between the end of the financial reporting period and the date of authorization of the unaudited interim condensed consolidated financial statements.

16. Cost of Sales

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Cost of sale of:		
Ore	**₱1,476,198**	₱1,128,377
Limestone	**32,221**	33,308
	₱1,508,419	₱1,161,685

Details of cost of sales follow:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Production overhead	**₱702,751**	₱817,030
Personnel costs (see Note 22)	**359,245**	329,893
Depreciation, depletion and amortization (see Note 23)	**306,215**	311,867
Contract fees and other services	**285,243**	351,745
	1,653,454	1,810,535
Net changes in beneficiated nickel ore and limestone	**(145,035)**	(648,850)
	₱1,508,419	₱1,161,685

Production overhead consists of fuel, oil and lubricants, materials and supplies, equipment rentals and other miscellaneous charges.

Contract fees and other services include, but are not limited to, services offered by the contractors related to the mining activities of the Group, hauling, stevedoring, maintenance, security, and equipment rental.

17. Cost of Power Generation

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Depreciation and amortization (see Note 23)	**₱84,371**	₱84,574
Overhead	**28,153**	22,530
Contract fees and other services	**21,389**	10,205
Materials and supplies	**9,594**	9,104
Personnel costs (see Note 22)	**7,984**	6,135
	₱151,491	₱132,548

Overhead in cost of power generation consists of insurance, taxes and licenses, utilities and other miscellaneous charges.

18. Cost of Services

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Depreciation (see Note 23)	**₱38,389**	₱41,640
Personnel costs (see Note 22)	**33,722**	30,749
Overhead	**28,791**	36,012
Contract fees and other services	**4,510**	96,586
	₱105,412	₱204,987

19. General and Administrative Expenses

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Personnel costs (see Note 22)	**₱140,376**	₱112,123
Professional fees and other services	**51,899**	24,109
Taxes and licenses	**47,721**	85,816
Depreciation and amortization (see Note 23)	**42,331**	39,042
Dues and subscriptions	**12,552**	13,645
Publicity and promotions	**12,110**	11,514
Transportation and travel	**5,255**	8,773
Communications, light and water	**3,674**	3,887
Supplies	**3,247**	4,155
Entertainment, amusement, and recreation	**1,985**	2,501
Repairs and maintenance	**704**	448
Rentals	**600**	4,925
Others	**13,466**	9,053
	₱335,920	₱319,991

Other general and administrative expenses are comprised of other service fees and other numerous transactions with minimal amounts.

20. Shipping and Loading Costs

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Contract fees and other services	**₱121,074**	₱58,917
Depreciation and amortization (see Note 23)	**42,173**	37,402
Supplies and fuel, oil and lubricants	**33,106**	40,692
Personnel costs (see Note 22)	**25,715**	22,539
	₱222,068	₱159,550

21. Excise Taxes and Royalties

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Excise taxes	**₱95,769**	₱83,513
Royalties	**50,817**	59,761
	₱146,586	₱143,274

22. Personnel Costs

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Salaries, wages and employee benefits	**₱535,399**	₱471,845
Pension cost	**31,643**	29,594
	₱567,042	₱501,439

The amounts of personnel costs are distributed as follows:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Cost of:		
Sales (see Note 16)	**₱359,245**	₱329,893
Services (see Note 18)	**33,722**	30,749
Power generation (see Note 17)	**7,984**	6,135
General and administrative (see Note 19)	**140,376**	112,123
Shipping and loading costs (see Note 20)	**25,715**	22,539
	₱567,042	₱501,439

23. Depreciation, Depletion and Amortization

The amounts of depreciation, depletion and amortization expense, including amortization of right-of-use (ROU) assets, are distributed as follows:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Cost of:		
Sales (see Note 16)	**₱306,215**	₱311,867
Power generation (see Note 17)	**84,371**	84,574
Services (see Note 18)	**38,389**	41,640
General and administrative (see Note 19)	**42,331**	39,042
Shipping and loading costs (see Note 20)	**42,173**	37,402
Others	**1,681**	22,545
	₱515,160	₱537,070

The above is distributed as follows:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Property and equipment (see Note 9)	**₱504,937**	₱528,171
Computer software under “Other noncurrent assets”	**10,223**	8,899
	₱515,160	₱537,070

24. Finance Income

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Interest income from:		
Cash and cash equivalents	**₱104,960**	₱138,052
Financial assets at (see Note 7):		
FVOCI	**4,743**	5,031
FVTPL	**4,461**	7,102
Amortized cost	**4,371**	3,119
Mine rehabilitation fund (MRF)	**5,380**	4,743
Others	**2,720**	197
Gain on forward contracts - net	**8,646**	–
	₱135,281	₱158,244

25. Finance Expenses

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Interest expense on:		
Long-term debts (see Notes 12 and 28)	**₱48,223**	₱41,701
Short-term debts (see Notes 12 and 28)	**23,599**	30,978
Pension	**8,277**	13,042
Accretion of interest on:		
Lease liabilities (see Note 29)	**22,266**	17,829
Provision for mine rehabilitation and decommissioning (see Note 13)	**5,103**	6,996
Guarantee service fee (see Note 28)	**8,775**	8,537
	₱116,243	₱119,083

26. Other Income (Charges) - Net

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Reversal of cumulative translation adjustment (Note 8)	**₱800,487**	₱–
Foreign exchange gains - net	**(105,927)**	136,218
Gain (loss) on:		
Changes in fair value of financial assets at FVTPL (see Note 7)	**11,372**	(2,959)
Sale of property and equipment	–	(2,922)
Rentals and accommodations	**4,942**	16,113
Trust fee	**(1,498)**	(1,197)
Dividend income (see Note 7)	**1,175**	14,697
Others	**3,473**	13,729
	₱714,024	₱173,679

27. Revenue from Contracts with Customers

Disaggregated Revenue Information

The tables below show the disaggregation of revenues of the Group by country of destination for sale of ore and limestone, type of services rendered for sale of services and source of electricity for sale of power for the three months ended March 31, 2025 and 2024:

	For the three-month period ended March 31, 2025 (Unaudited)		
	China	**Local**	**Total**
Sale of (see Note 28):			
Ore	**₱1,395,407**	**₱961,852**	**₱2,357,259**
Limestone	**–**	**36,974**	**36,974**
	₱1,395,407	**₱998,826**	**₱2,394,233**

	For the three-month period ended March 31, 2024 (Unaudited)		
	China	Local	Total
Sale of (see Note 28):			
Ore	₱872,812	₱1,156,288	₱2,029,100
Limestone	–	58,730	58,730
	₱872,812	₱1,215,018	₱2,087,830

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Sale of power (see Note 28)		
Solar	**₱250,387**	₱202,812
Diesel	**12,855**	13,531
	₱263,242	₱216,343
Services (see Note 28)		
Materials handling	**₱234,983**	₱323,071

28. Related Party Transactions

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

	Amount		Trade and Other Receivables (see Note 5)		Trade and Other Payables		Amounts Owed by Related Parties (see Note 5)		Long-term Debts (see Note 12)		Terms	Conditions
	March 31, 2025	March 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024		
Stockholder												
SMM												
Guarantee service fee (see Note 25)	**₱8,775**	₱8,537	**₱–**	₱–	**₱961**	₱9,525	**₱–**	₱–	**₱–**	₱–	Every twenty first (21st) of March and September	A
With Common Stockholders												
Manta Equities, Inc.												
Rentals, dues and utilities	**14,701**	19,445	**–**	–	**–**	241	**–**	–	**–**	–	Payable upon billing; noninterest-bearing	A
Associates												
CBNC												
Sale of ore and limestone	–	450,351	**–**	162,081	**–**	–	**–**	–	**–**	–	Thirty (30) days term; noninterest-bearing	A
Materials handling	–	194,227	**–**	22,764	**–**	–	**–**	–	**–**	–	Fifteen (15) days term; noninterest-bearing	A
Infralease and throughput	–	2,917	**–**	14,894	**–**	–	**–**	–	**–**	–	Collectible at the end of February and August; noninterest-bearing	A
Other income	–	19,835	**–**	56,486	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest-bearing	A
THNC												
Sale of ore	**537,492**	764,667	**122,555**	209,745	**–**	–	**–**	–	**–**	–	Thirty (30) days term, noninterest-bearing	A
Rendering of service	**40,794**	39,440	**78,950**	47,571	**–**	–	**–**	–	**–**	–	Semi-annual term; noninterest-bearing	A

(Forward)

	Amount		Trade and Other Receivables (see Note 5)		Trade and Other Payables		Amounts Owed by Related Parties (see Note 5)		Long-term Debts (see Note 12)		Terms	Conditions
	March 31, 2025	March 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024		
THNC												
Materials handling	**₱70,897**	₱77,057	**₱18,625**	₱27,739	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	Fifteen (15) days term; noninterest-bearing	A
Rental income	**1,867**	1,806	**–**	–	**–**	–	**–**	–	**–**	–	Collectible on demand; noninterest bearing	A
Loan facility	**–**	–	**–**	–	**–**	–	**–**	–	**650,764**	657,987	Principal is payable in semi-annual installments; interest is based on TSOFR plus 0.43%	B
Interest expense on long-term debt (see Notes 12 and 25)	**11,366**	14,638	**–**	–	**18,347**	8,892	**–**	–	**–**	–	Payable semi-annually on April 10 and October 10	A
Short-term advances	**–**	–	**–**	–	**–**	–	**1,546**	801	**–**	–	Collectible upon billing; noninterest-bearing; with allowance for ECL of ₱4.2 million as at March 31, 2025 and December 31, 2024	A
BGI												
Short-term advances	**10,000**	–	**–**	–	**–**	–	**269,196**	259,196	**–**	–	Collectible upon billing; noninterest-bearing	A
Affiliates												
TBEA												
Interest expense on long-term debt	**–**	–	**–**	–	**803**	803	**–**	–	**–**	–	Payable on or before the end of the fifth (5th) year after drawdown or on June 17, 2025	A
Shell Energy Philippines, Inc												
Sale of power	**134,818**	70,502	**71,364**	₱103,114	**–**	–	**–**	–	**–**	–	Collectible upon billing; noninterest-bearing	A

(Forward)

	Amount		Trade and Other Receivables (see Note 5)		Trade and Other Payables		Amounts Owed by Related Parties (see Note 5)		Long-term Debts (see Note 12)		Terms	Conditions
	March 31, 2025	March 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024	**March 31, 2025**	December 31, 2024		
SPBV												
Loan facility	**₱512,917**	₱–	**₱–**	₱–	**₱–**	₱–	**₱–**	₱–	**₱512,917**	₱–	Principal and interest are payable within one (1) year after drawdown.	
Interest expense on short-term debt (see Notes 12 and 25)	**93**	–	**–**	–	**93**	–	**–**	–	**–**	–	Interest is payable within one (1) year after drawdown.	
			₱291,494	₱644,394	**₱20,204**	₱19,461	**₱270,742**	₱259,997	**₱1,163,681**	₱657,987		

A - Unsecured; no guarantee
B – Unsecured; with guarantee

Terms and Conditions of Transactions with Related Parties

All sales to and purchases from related parties are made at prevailing market prices. Outstanding balances as at March 31, 2025 and December 31, 2024 pertain mainly to the extension and receipt of advances to and from related parties and these are unsecured, short-term, interest-free and settlement occurs in cash. Except for the guarantee on THNC's, EPI's, JSI's and DMC's Loan Obligations, there have been no guarantees received or provided for any related party receivables or payables, respectively. This assessment is undertaken at each end of the financial reporting period through the examination of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel

The Group considered as key management personnel the employees holding managerial positions and up. The short-term benefits of key management personnel of the Group for the three months ended March 31, 2025 and 2024 amounted to about ₱105.4 million and ₱77.3 million, respectively.

29. Leases

The rollforward analysis of lease liabilities, discounted using incremental borrowing rate, follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at January 1	**₱973,134**	₱833,421
Accretion of interest (see Note 25)	**22,266**	91,192
Payments	**(21,737)**	(102,944)
Additions	–	151,465
Balances at end of period	**973,663**	973,134
Less noncurrent portion	**894,913**	877,441
Current portion	**₱78,750**	₱95,693

For the three months ended March 31, 2025 and 2024, the accretion of interest on lease liabilities amounted to ₱22.3 million and ₱17.8 million, respectively (see Note 25), while the amortization of ROU assets included in "Property and equipment" amounted to ₱16.8 million and ₱15.7 million, respectively.

30. Income Taxes

The provision for income tax shown in the unaudited interim condensed consolidated statements of income includes:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Current	**₱179,703**	₱158,379
Deferred	**244,562**	14,435
	₱424,265	₱172,814

31. Financial Instruments

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

Cash and Cash Equivalents
The carrying amounts of cash and cash equivalents approximates its fair value due to the short-term nature and maturity of this financial instrument.

Trade and Other Receivables, Trade and Other Payables and Short-term Debts
Similarly, the carrying amounts of trade and other receivables, trade and other payables and short-term debts approximate their fair values due to the short-term nature of these accounts.

Financial Assets at FVTPL and at FVOCI
The fair values were determined by reference to market bid quotes as at the end of the financial reporting period. Upon adoption of PFRS 9, the Group used the net asset approach with consideration of lack of marketability discount and lack of control discount in determining the fair value of unquoted equity securities since the fair value measurement is unobservable (Level 3).

Financial Assets at Amortized Cost
The carrying amount of financial assets at amortized cost, which is measured using the effective interest rate (EIR), is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

MRF, Restricted Cash and Social Development Management Program (SDMP) Funds
The carrying amounts of MRF, restricted cash and SDMP funds approximate their fair values since they are restricted cash with banks, which earn interest based on prevailing market rates repriced monthly.

Long-term Debts
The fair values of long-term debts are based on the present value of future cash flows discounted using applicable risk-free rates for similar types of loans adjusted for credit risk.

Fair Value Hierarchy of Financial Instruments

As at March 31, 2025 and December 31, 2024, the fair value of the quoted debt and equity securities at the close of the business is the quoted market price (Level 1) and the fair value of unquoted equity securities is determined using the net asset approach since the fair value measurement is unobservable (Level 3).

As at March 31, 2025 and December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets measured at fair value:						
Financial assets at:						
FVTPL	**₱1,735,832**	**₱–**	**₱698,287**	₱1,709,262	₱–	₱698,287
FVOCI	**406,456**	**–**	**–**	429,188	–	–
	₱2,142,288	**₱–**	**₱698,287**	₱2,138,450	₱–	₱698,287

Derivative Designated as Hedging Instruments

Cash Flow Hedges – Currency Forwards

As part of the Group's asset and liability management, the Group uses derivatives, particularly currency forwards, as cash flow hedges to reduce its exposure to foreign currency risks. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US$. The forecast transactions are highly probable, and they comprise about 30%-50% of the Group's total expected sales in US$. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group recognized net realized gains on forward contracts of ₱8.6 million, which is included under "Finance income", for the three months ended March 31, 2025 and nil for the three months ended March 31, 2024. The net unrealized gains on forward contracts recognized in "Other comprehensive income" amounted to ₱7.0 million and ₱7.7 million as at March 31, 2025 and December 31, 2024, respectively. There was no gain or loss recognized related to ineffectiveness of forward contracts designated as cash flow hedges for the three months ended March 31, 2025 and 2024. The fair value of the net forward contracts receivable amounted to ₱14.1 million as at March 31, 2025 and December 31, 2024.

32. Business 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 construction and rendering of services to CBNC, THNC and other parties and leasing of aircraft to World Aviation International Services Corporation.

The power segment is engaged in power generation and exploration for geothermal resources.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group is also using net income (loss) to evaluate total performance. Net income is the performance of business segments based on a measure of recurring profit. This measurement basis is determined as profit attributable to equity holders of the Parent Company.

Segment assets include all operating assets used by a segment and consist principally of cash and cash equivalents, trade and other receivables, inventories, financial assets at FVTPL, at FVOCI and at amortized cost, property and equipment, investments in associates, and other current and noncurrent assets. Segment liabilities include all operating liabilities and consist principally of trade and other payables, short-term and long-term debts and other liabilities. Segment assets and liabilities do not include deferred income taxes.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring assets and liabilities and profit or loss in the consolidated financial statements, which are in accordance with PFRS Accounting Standards.

There were no changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any, of those changes on the measure of segment profit or loss.

The Group's identified reportable segments are consistent with the segments reported to the BOD, which is the Chief Operating Decision Maker of the Group.

Financial information on the operation of the various business segments is set out on next page.

	March 31, 2025 (Unaudited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱–	₱–	₱537,492	₱1,856,741	₱–	₱250,387	₱46,440	₱234,983	₱–	₱–	₱–	₱2,926,043
Inter-segment revenues	–	–	–	–	–	–	–	10,882	–	–	(10,882)	–
Total revenues	–	–	537,492	1,856,741	–	250,387	46,440	245,865	–	–	(10,882)	2,926,043
Cost of sales	–	–	534,793	984,985	–	–	–	–	–	–	(11,359)	1,508,419
Cost of power generation	–	–	–	–	–	116,280	34,697	–	–	–	514	151,491
Cost of services	–	–	–	–	–	–	–	105,412	–	–	–	105,412
Shipping and loading costs	13,682	7,345	12,729	155,510	32,740	–	–	–	–	–	62	222,068
Excise taxes and royalties	–	–	53,749	92,837	–	–	–	–	–	–	–	146,586
Segment operating earnings (loss)	(₱13,682)	(₱7,345)	(₱63,779)	₱623,409	(₱32,740)	₱134,107	₱11,743	₱140,453	₱–	₱–	(₱99)	₱792,067
General and administrative	₱6,084	₱12,562	₱11,799	₱14,020	₱2,316	₱98,597	₱–	₱11,777	₱–	₱176,882	₱1,883	₱335,920
Finance income	2,165	2,697	18,709	39,708	1,766	38,882	151	3,776	–	52,521	(25,094)	135,281
Finance expenses	1,109	1,639	4,863	4,171	10,734	72,008	–	11,373	–	17,440	(7,094)	116,243
Provision for (benefit from) income tax	–	(13,421)	(4,016)	152,452	–	4,481	235	–	–	284,638	(104)	424,265
Net income (loss) attributable to equity holders of the parent	(17,342)	(5,554)	(43,991)	285,331	(37,664)	(20,568)	11,658	76,797	–	252,365	–	501,032
Segment assets	₱2,736,367	₱1,561,896	₱8,785,518	₱6,888,997	₱2,582,590	₱32,530,311	₱582,375	₱599,448	₱–	₱34,196,349	(₱31,522,207)	₱58,941,644
Deferred income tax assets - net	36,834	47,965	36,761	79,167	82,869	–	–	–	–	26,504	–	310,100
Total assets	₱2,773,201	₱1,609,861	₱8,822,279	₱6,968,164	₱2,665,459	₱32,530,311	₱582,375	₱599,448	₱–	₱34,222,853	(₱31,522,207)	₱59,251,744
Segment liabilities	₱442,646	₱288,324	₱1,528,306	₱1,192,114	₱3,632,426	₱27,007,852	₱15,014	₱45,354	₱–	₱2,453,698	(₱20,945,634)	₱15,660,100
Deferred income tax liabilities	–	–	–	–	–	51,065	–	–	–	–	329,536	380,601
Total liabilities	₱442,646	₱288,324	₱1,528,306	₱1,192,114	₱3,632,426	₱27,058,917	₱15,014	₱45,354	₱–	₱2,453,698	(₱20,616,098)	₱16,040,701
Other segment information:												
Capital expenditures	₱181,715	₱3,309	₱127,510	₱180,307	₱32,270	₱34,357	₱1,483	₱321	₱–	₱1,961	₱–	₱563,233
Depreciation, depletion and amortization	₱59,733	₱20,418	₱189,080	₱70,841	₱48,711	₱79,660	₱41,792	₱7,167	₱–	(₱2,590)	₱348	₱515,160

	December 31, 2024 (Audited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱2,531,489	₱2,646,281	₱8,819,856	₱4,886,160	₱870,173	₱1,133,384	₱208,744	₱1,229,341	₱–	₱–	₱–	₱22,325,428
Inter-segment revenues	–	–	–	–	–	–	–	39,172	–	675,909	(715,081)	–
Total revenues	2,531,489	2,646,281	8,819,856	4,886,160	870,173	1,133,384	208,744	1,268,513	–	675,909	(715,081)	22,325,428
Cost of sales	989,122	1,164,667	3,638,383	2,191,849	645,142	–	–	–	–	–	(38,190)	8,590,973
Cost of power generation	–	–	–	–	–	434,833	166,133	–	–	–	2,056	603,022
Cost of services	–	–	–	–	–	–	–	656,797	–	–	(28,640)	628,157
Shipping and loading costs	298,638	372,117	971,320	325,152	300,685	–	–	–	–	–	247	2,268,159
Excise taxes and royalties	223,798	314,453	881,235	244,308	43,509	–	–	–	–	–	–	1,707,303
Marketing	6,329	99,236	36,856	11,728	435	–	–	–	–	–	(47,158)	107,426
Segment operating earnings (loss)	₱1,013,602	₱695,808	₱3,292,062	₱2,113,123	(₱119,598)	₱698,551	₱42,611	₱611,716	₱–	₱675,909	(₱603,396)	₱8,420,388
General and administrative	₱119,681	₱116,032	₱377,972	₱211,513	₱54,749	₱341,422	₱–	₱73,379	₱–	₱921,053	(₱597,595)	₱1,618,206
Finance income	17,990	27,761	177,238	126,480	11,523	176,593	1,046	14,857	–	261,088	(118,683)	695,893
Finance expenses	6,676	8,103	22,354	17,061	22,882	331,959	–	54,128	–	65,506	(45,883)	482,786
Provision for (benefit from) income tax	213,934	150,662	799,181	494,062	97,843	62,037	761	–	–	(171,541)	(8,550)	1,638,389
Net income (loss) attributable to equity holders of the parent	742,648	491,186	1,791,898	1,040,954	(343,028)	(1,430,929)	67,385	383,641	–	(1,222,297)	–	1,521,458
Segment assets	₱2,800,759	₱1,696,522	₱9,455,066	₱6,502,044	₱2,571,718	₱30,896,213	₱602,562	₱751,327	₱–	₱35,069,196	(₱29,249,219)	₱61,096,188
Deferred income tax assets - net	36,144	34,223	30,821	76,967	82,869	–	–	–	–	293,589	–	554,613
Total assets	₱2,836,903	₱1,730,745	₱9,485,887	₱6,579,011	₱2,654,587	₱30,896,213	₱602,562	₱751,327	₱–	₱35,362,785	(₱29,249,219)	₱61,650,801
Segment liabilities	₱486,981	₱402,993	₱2,173,363	₱1,294,133	₱3,584,556	₱25,629,581	₱19,674	₱251,715	₱–	₱1,710,056	(₱18,821,342)	₱16,731,710
Deferred income tax liabilities - net	–	–	–	–	–	51,068	–	–	–	–	454,801	505,869
Total liabilities	₱486,981	₱402,993	₱2,173,363	₱1,294,133	₱3,584,556	₱25,680,649	₱19,674	₱251,715	₱–	₱1,710,056	(₱18,366,541)	₱17,237,579
Other segment information:												
Capital expenditures	₱339,085	₱68,798	₱607,932	₱341,198	₱633,013	₱6,802,592	₱1,521	₱29,417	₱–	₱89,124	₱–	₱8,912,680
Depreciation, depletion and amortization	₱214,692	₱87,144	₱772,435	₱265,661	₱187,227	₱318,355	₱55,726	₱40,520	₱–	₱92,419	(₱6,227)	₱2,027,952

	March 31, 2024 (Unaudited)											
	Mining					Power		Services				
	HMC	CMC	TMC	RTN	DMC	EPI	NAC	RTN/TMC/ CDTN	HMC	Others	Eliminations	Total
External customers	₱–	₱16,229	₱764,667	₱1,306,934	₱–	₱202,812	₱47,116	₱323,071	₱–	₱–	₱–	₱2,660,829
Inter-segment revenues	–	–	–	–	–	–	–	7,127	–	100,922	(108,049)	–
Total revenues	–	16,229	764,667	1,306,934	–	202,812	47,116	330,198	–	100,922	(108,049)	2,660,829
Cost of sales	–	6,717	570,504	597,069	–	–	–	–	–	–	(12,605)	1,161,685
Cost of power generation	–	–	–	–	–	97,504	34,530	–	–	–	514	132,548
Cost of services	–	–	–	–	–	–	–	209,982	–	–	(4,995)	204,987
Shipping and loading costs	11,659	8,500	23,842	104,701	10,786	–	–	–	–	–	62	159,550
Excise taxes and royalties	–	1,460	76,467	65,347	–	–	–	–	–	–	–	143,274
Marketing	–	41	1,912	3,120	–	–	–	–	–	–	(5,073)	–
Segment operating earnings (loss)	(₱11,659)	(₱489)	₱91,942	₱536,697	(₱10,786)	₱105,308	₱12,586	₱120,216	₱–	₱100,922	(₱85,952)	₱858,785
General and administrative	₱7,125	₱4,977	₱57,581	₱80,635	₱8,727	₱71,424	₱–	₱20,691	₱–	₱158,465	(₱89,634)	₱319,991
Finance income	492	1,515	18,769	34,997	31	50,750	362	2,118	–	79,028	(29,818)	158,244
Finance expenses	1,156	2,860	11,841	4,878	58	78,567	–	14,647	–	16,694	(11,618)	119,083
Provision for (benefit from) income tax	66	(557)	19,980	122,080	–	2,706	252	–	–	28,403	(116)	172,814
Net income (loss) attributable to equity holders of the parent	(16,774)	(1,376)	43,151	276,693	(18,968)	54,063	12,696	68,813	–	(215,922)	–	202,376
Segment assets	₱2,263,462	₱1,792,160	₱9,626,655	₱6,866,705	₱2,618,976	₱25,205,939	₱662,127	₱860,158	₱–	₱33,993,246	(₱26,241,658)	₱57,647,770
Deferred income tax assets - net	22,568	24,480	43,174	129,802	176,058	–	–	–	–	28,967	–	425,049
Total assets	₱2,286,030	₱1,816,640	₱9,669,829	₱6,996,507	₱2,795,034	₱25,205,939	₱662,127	₱860,158	₱–	₱34,022,213	(₱26,241,658)	₱58,072,819
Segment liabilities	₱602,084	₱263,261	₱1,857,489	₱1,704,201	₱3,367,940	₱21,150,463	₱26,550	₱151,426	₱–	₱1,605,185	(₱16,593,932)	₱14,134,667
Deferred income tax liabilities	–	–	–	–	–	20,669	–	–	–	847	367,778	389,294
Total liabilities	₱602,084	₱263,261	₱1,857,489	₱1,704,201	₱3,367,940	₱21,171,132	₱26,550	₱151,426	₱–	₱1,606,032	(₱16,961,710)	₱14,523,961
Other segment information:												
Capital expenditures	₱115,707	₱3,415	₱284,170	₱106,004	₱19,197	₱770,262	₱238	₱3,178	₱–	₱5,913	₱–	₱1,308,084
Depreciation, depletion and amortization	₱49,974	₱29,965	₱208,845	₱82,449	₱41,122	₱78,596	₱13,922	₱15,311	₱–	₱21,007	(₱4,121)	₱537,070

The Group has revenues from external customers as follows:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Local	**₱1,530,636**	₱1,788,017
China	**1,395,407**	872,812
	₱2,926,043	₱2,660,829

The revenue information above is based on the country of destination for the sale of ore and limestone and the location of the customers for other sources of revenue. The local customers include CBNC and THNC, which are Philippine Economic Zone Authority-registered entities.

The revenues from key customers are as follows:

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Big Wave Resources Co., Limited	**₱704,131**	₱398,803
THNC	**649,184**	881,164
CBNC	**568,580**	644,578
Ningbo Lygend Wisdom Co. Ltd.	**470,294**	–
	₱2,392,189	₱1,924,545

33. Supplemental Disclosure to Consolidated Statements of Cash Flows

	For the three-month period ended March 31	
	2025	2024
	(Unaudited)	
Noncash financing activities		
Availment of short-term debts	**₱3,836,000**	₱3,200,000
Payment of short-term debts	**(3,836,000)**	(3,200,000)

CAGDIANAO MINING

ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT, AND CERTIFICATES

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Technical Report Name to be Publicly Released :
SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of Company releasing the Report :
Cagdianao Mining Corporation

Name of Mineral Deposit to which the Report Refers to :
Valencia Nickel Laterite Deposit

Data Cut-off Date : **March 31, 2025**

Report Date : **May 14, 2025**

Consent Statement

I, **Angilhiza Marie B. Francisco**, confirm that I am the Accredited Competent Person for the Report, and that:

That I am a Professional Regulation Commission (PRC)-registered Geologist, residing at Concepcion, Iloilo.

I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).

I certify that the Report has been prepared in accordance with PMRC 2020 Edition and its draft Implementing Rules and Regulations.

I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and associated Mineral Resource estimation for which I am accepting responsibility.

I am a Member of good standing of the Geological Society of the Philippines.

I am a full-time employee of Hinatuan Mining Corporation – Manicani Nickel Mining Project (HMC-MNMP) since March 10, 2025. And previously a full-time employee of Cagdianao Mining Corporation (CMC) from December 18, 2016 to March 9, 2025.

I have held the position of Geology Manager in HMC-MNMP since March 10, 2025 up to the present. I do not own any shares, options and/or warrants in the said companies as certified by the Corporate Secretaries of CMC and HMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

I have been engaged by NAC to prepare the documentation for CMC on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31, 2025.

I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

I have reviewed the Report to which this Consent Statement applies.

I have disclosed to the reporting Companies the full nature of the relationship between myself and the Companies, including any issues that could be perceived by investors as a conflict of interest.

I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

I have conducted Data Verification and Data Validation of the data disclosed in the Report.

I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

CAGDIANAO MINING

Consent

I consent to the release and public disclosure of this Report and this Consent Statement by the Board of Directors of Cagdianao Mining Corporation in connection with the Quarterly Report for the period ending March 31, 2025. This consent is provided specifically to comply with the disclosure requirements set forth under the Philippine Mineral Reporting Code 2020 and its Implementing Rules and Regulations.

Any use of the contents, or any part thereof, for purposes other than those stated herein shall require my prior review, authorization, and written consent.

ANGILHIZA MARIE B. FRANCISCO Accredited Competent Person	May 14, 2025 Date
Licensed Geologist	PRC Registration No. 0002252 Valid Until September 8, 2026
Geological Society of the Philippines Professional Representative Organization of the ACP	ACP ID No. 24-07-03 Valid Until September 8, 2026
	Professional Tax Receipt No. 8355608 Issued at *Concepcion, Iloilo* on *January 13, 2025*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF) SS.
CONCEPCION, ILOILO PHILIPPINES

BEFORE ME, this 14th day of May 2025, personally appeared before me MS. ANGILHIZA MARIE B. FRANCISCO with PRC Professional Identification Card with Registration No. 0002252 valid until September 8, 2026, known to me to be the same person who executed this instrument which she acknowledged before me as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 8295
Page No. 6
Book No. 5
Series of 2025

NOTARY PUBLIC
ATTY. ARIEL C. MANIPULA
NOTARY PUBLIC PROVINCE OF ILOILO
REGISTRY NO. 068 UNTIL DEC. 31, 2026
ROLL OF ATTORNEYS NO. 26772
IBP NO. 540072 / 02-18-2025 / ILOILO CITY
PTR NO. 8358230 / 01-25-2025 / CONCEPCION, ILOILO

CAGDIANAO MINING


Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD

LAST NAME	FRANCISCO
FIRST NAME	ANGILHIZA MARIE
MIDDLE NAME	BALIDA
REGISTRATION NO.	0002252
REGISTRATION DATE	11/21/2016
VALID UNTIL	09/08/2026

GEOLOGIST


Professional Regulation Commission
www.prc.gov.ph

23-6224798

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

CHARITO A. ZAMORA
Chairperson


PMRC

ACCREDITED COMPETENT PERSON
Geologist

NAME: ANGILHIZA MARIE B. FRANCISCO
ACP No.: 24-07-03
PRC ID No.: 2252
VALID UNTIL: September 08, 2026

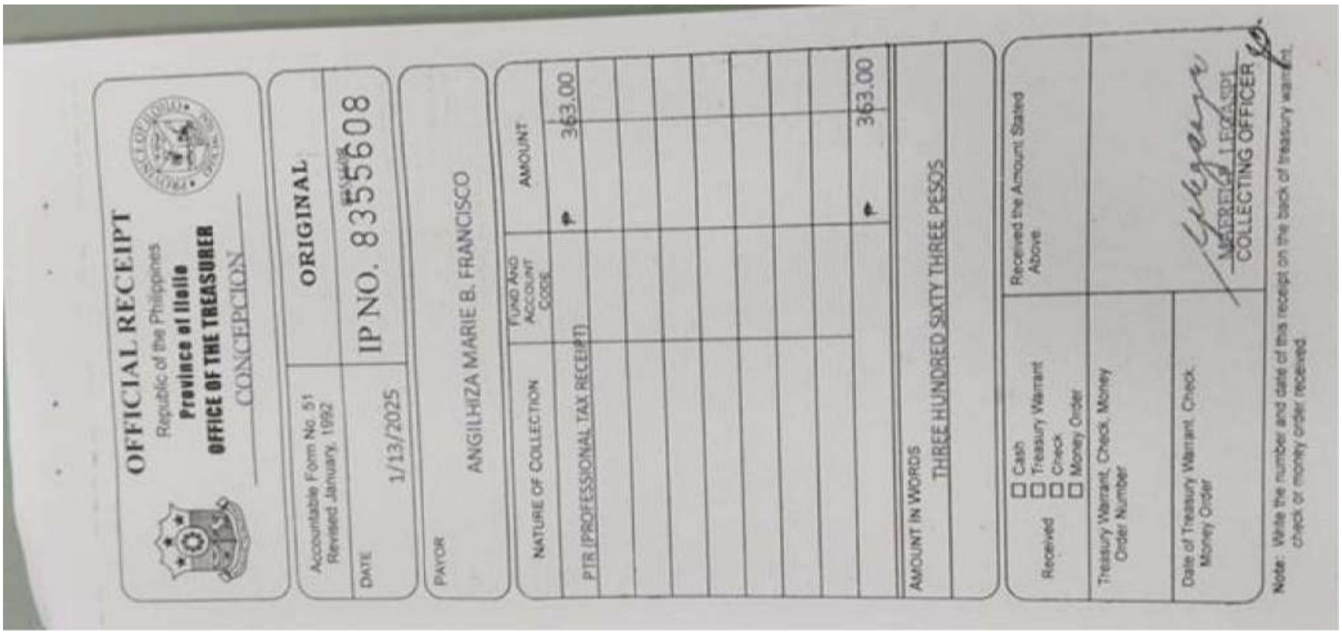

This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

ANGILHIZA MARIE B. FRANCISCO
Name

CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee

JOEY NELSON R. AYSON
President
Geological Society of the Philippines

If found, kindly: email contact@pmrc.org.ph or write message to https://www.facebook.com/groups/214314442796925
Email: mica@geolsocphil.org
https://www.geolsocphil.com


OFFICIAL RECEIPT
Republic of the Philippines
Province of Iloilo
OFFICE OF THE TREASURER
CONCEPCION

ORIGINAL
Accountable Form No. 51
Revised January, 1992
IP NO. 8355608
DATE 1/13/2025
PAYOR ANGILHIZA MARIE B. FRANCISCO

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT
PTR (PROFESSIONAL TAX RECEIPT)		₱ 363.00
		₱ 363.00

AMOUNT IN WORDS THREE HUNDRED SIXTY THREE PESOS

Received: ☐ Cash ☐ Treasury Warrant ☐ Check ☐ Money Order

Treasury Warrant, Check, Money Order Number

Date of Treasury Warrant, Check, Money Order

Received the Amount Stated Above

COLLECTING OFFICER

Note: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

TAGANITO MINING

ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT, AND CERTIFICATES

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Technical Report Name to be Publicly Released :
SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of Company releasing the Report :
Taganito Mining Corporation

Name of Mineral Deposit to which the Report Refers to :
Taganito Nickel Laterite Property

Data Cut-off Date : **31 March 2025**

Report Date : **May 14,2025**

Consent Statement

I, **Kristine Grace C. Victoria**, confirm that I am the Accredited Competent Person for the Report, and that:

- That I am a Professional Regulation Commission (PRC)-registered Geologist, residing at 0609 Purok 2, Lumangbayan, Plaridel, Bulacan.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Report has been prepared in accordance with PMRC 2020 Edition and its draft Implementing Rules and Regulations.
- I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and associated Mineral Resource estimation for which I am accepting responsibility.
- I am a Member of good standing of the Geological Society of the Philippines.

- I am a full-time employee of Nickel Asia Corporation (NAC), which owns 65% of the Taganito Mining Corporation (TMC), since June 15, 2010.

- I have held the position of Assistant Vice President - Geology in NAC since March 10,2022 up to the present. I do not own any shares, options and/or warrants in the said companies as certified by the Corporate Secretaries of NAC and TMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

- I have been engaged by NAC to prepare the documentation for TMC on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31,2025.

- I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

- I have reviewed the Report to which this Consent Statement applies.

- I have disclosed to the reporting Companies the full nature of the relationship between myself and the Companies, including any issues that could be perceived by investors as a conflict of interest.

- I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

- I have conducted Data Verification and Data Validation of the data disclosed in the Report.

- I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

Consent

I consent to the release and public disclosure of this Report and this Consent Statement by the Board of Directors of Taganito Mining Corporation in connection with the Quarterly Report for the period ending 31 March 2025. This consent is provided specifically to comply with the disclosure requirements set forth under the Philippine Mineral Reporting Code 2020 and its Implementing Rules and Regulations.

Any use of the contents, or any part thereof, for purposes other than those stated herein shall require my prior review, authorization, and written consent.

KRISTINE GRACE C. VICTORIA Accredited Competent Person	May 14,2025 Date
Licensed Geologist	PRC Registration No. 0001721 Valid Until July 9,2026
Geological Society of the Philippines Professional Representative Organization of the ACP	ACP ID No. 19-08-02 Valid Until July 9, 2026
	Professional Tax Receipt No. 5085902 Issued at *Plaridel, Bulacan* on *January 06,2025*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) SS.

BEFORE ME, this 14th day of May 2025, personally appeared before me MS. KRISTINE GRACE C. VICTORIA with PRC Professional Identification Card with Registration No. 0001721 valid until July 9, 2026, known to me to be the same person who executed this instrument which she acknowledged before me as her free and voluntary act and deed.

MAY 15 2025

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 19
Page No. 04
Book No. 76
Series of 2025

ATTY. ROMEO M. MONFORT
NOTARY PUBLIC
Notary Public for Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City


PMRC

ACCREDITED COMPETENT PERSON

Geologist

NAME: KRISTINE GRACE C. VICTORIA

ACP No.: 19-08-02

PRC ID No.: 1721

VALID UNTIL: July 09, 2026

This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

KRISTINE GRACE C. VICTORIA
Name

CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee

JOEY NELSON R. AYSON
President
Geological Society of the Philippines

If found, kindly: email, write message to

Email:
Website: https://www.geolsocphil.com

Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD

LAST NAME	VICTORIA
FIRST NAME	KRISTINE GRACE
MIDDLE NAME	CAPUZ
REGISTRATION NO.	0001721
REGISTRATION DATE	04/19/2010
VALID UNTIL	07/09/2026

GEOLOGIST

Professional Regulation Commission
www.prc.gov.ph

CERTIFICATION

21-5390075

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

CHARITO A. ZAMORA

OFFICIAL RECEIPT
REPUBLIC OF THE PHILIPPINES
Province of Bulacan
OFFICE OF THE TREASURER

PLARIDEL
MUNICIPALITY

ACCOUNTABLE FORM NO. 51 REVISED JANUARY, 1992	**ORIGINAL**
DATE Jan. 6, 2025	No. B 5085902 D

PAYOR KRISTINE GRACE C. VICTORIA

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT
PTR (PROFESSIONAL TAX RECEIPT) 418-2a		₱ 330.00
******************************		
geologist		
	Total:	₱PHP 330.00

AMOUNT IN WORDS
Three Hundred Thirty Pesos

Cashier: BABY

☐ CASH RECEIVED 330.00 ☐ TREASURY WARRANT ☐ CHECK Check : ☐ MONEY ORDER	RECEIVED THE AMOUNT STATED ABOVE.
TREASURY WARRANT, CHECK, MONEY ORDER NUMBER	
DATE OF TREASURY WARRANT, CHECK, MONEY ORDER	MA. THERESA M. LEONZON COLLECTING OFFICER

NOTE: WRITE THE NUMBER AND DATE OF THIS RECEIPT ON THE BACK OF TREASURY WARRANT, CHECK OR MONEY ORDER RECEIVED.

RIO TUBA NICKEL

ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT, AND CERTIFICATES

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Technical Report Name to be Publicly Released :
SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of Company releasing the Report :
Rio Tuba Nickel Mining Corporation

Name of Mineral Deposit to which the Report Refers to :
Rio Tuba Nickel Laterite Property

Data Cut-off Date : **31 March 2025**

Report Date : **May 14,2025**

Consent Statement

I, **Michael Angelo C. Tan**, confirm that I am the Accredited Competent Person for the Report, and that:

- That I am a Professional Regulation Commission (PRC)-registered Geologist, residing at Davao City.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Report has been prepared in accordance with PMRC 2020 Edition and its draft Implementing Rules and Regulations.
- I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and associated Mineral Resource estimation for which I am accepting responsibility.

- I am a Member of good standing of the Geological Society of the Philippines.

- I am a full-time employee of Rio Tuba Nickel Mining Corporation (RTNMC) since March 28, 2016.

- I have held the position of Geology Manager - Geology Department in RTNMC since March 28, 2016, up to the present. I do not own any shares, options and/or warrants in the said companies as certified by the Corporate Secretaries of NAC and RTNMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

- I have been engaged by NAC to prepare the documentation for RTNMC on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31,2025.

- I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

- I have reviewed the Report to which this Consent Statement applies.

- I have disclosed to the reporting Companies the full nature of the relationship between myself and the Companies, including any issues that could be perceived by investors as a conflict of interest.

- I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

- I have conducted Data Verification and Data Validation of the data disclosed in the Report.

- I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

Consent

I consent to the release and public disclosure of this Report and this Consent Statement by the Board of Directors of Rio Tuba Nickel Mining Corporation in connection with the Quarterly Report for the period ending 31 March 2025. This consent is provided specifically to comply with the disclosure requirements set forth under the Philippine Mineral Reporting Code 2020 and its Implementing Rules and Regulations.

Any use of the contents, or any part thereof, for purposes other than those stated herein shall require my prior review, authorization, and written consent.

MICHAEL ANGELO C. TAN Accredited Competent Person	May 14,2025 Date
Licensed Geologist	PRC Registration No. 0001958 Valid Until April 12, 2028
Geological Society of the Philippines Professional Representative Organization of the ACP	ACP ID No. 23-07-02 Valid Until April 12, 2028
	Professional Tax Receipt No. 5085902 Issued at *Bataraza, Palawan* on *January 09,2025*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF RIO TUBA, BATARAZA, PALAWAN **) SS.**

BEFORE ME, this 14th day of May 2025, personally appeared before me MR. MICHAEL ANGELO C. TAN with PRC Professional Identification Card with Registration No. 0001958 valid until April 12, 2028, known to me to be the same person who executed this instrument which he acknowledged before me as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

ATTY. JENNY LOU A. TATEL
NOTARY PUBLIC
ROLL NO. 91149
BATARAZA, PALAWAN, PHILIPPINES

Doc. No. 461
Page No. 94
Book No. II
Series of 2025

ATTY. JENNY LOU A. TATEL
NOTARY PUBLIC
FOR CITY MUNICIPALITY OF BROOKE'S POINT, AND MUNICIPALITIES OF BALABAC, BATARAZA, KALAYAAN, QUEZON, RIZAL, AND SOFRONIO ESPAÑOLA, PROVINCE OF PALAWAN, PHILIPPINES
OFFICE AT BRGY. RIO TUBA, BATARAZA, PALAWAN, PHILIPPINES
ROLL NO. 91149/NPL NO. 2024-25, UNTIL DEC. 31, 2025
PTR NO. 7004113/JAN. 3, 2025/PALAWAN
IBP NO. 498074 / JAN. 4, 2025/PALAWAN
ADMITTED TO THE BAR OF DEC 22, 20[illegible]

NOTARY PUBLIC

Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD

LAST NAME	TAN
FIRST NAME	MICHAEL ANGELO
MIDDLE NAME	CUEVAS
REGISTRATION NO.	0001958
REGISTRATION DATE	12/02/2013
VALID UNTIL	04/12/2028

GEOLOGIST

024

Professional Regulation Commission
www.prc.gov.ph

24-8018488

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

CHARITO A. ZAMORA
Chairperson

PMRC

ACCREDITED COMPETENT PERSON
GEOLOGIST

NAME	MICHAEL ANGELO C. TAN
ACP No.	23-07-02
PRC ID No.	1958
VALID UNTIL	April 12, 2028

This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

MICHAEL ANGELO C. TAN
Name

CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee

KEVIN L. GARAS, PhD
President
Geological Society of the Philippines

If found, kindly: email contact@pmrc.org.ph or write message to https://www.facebook.com/groups/2143144492796925.

Email: pmrc@geolsocphil.org
https://www.geolsocphil.com

Accountable Form No. 51-C
Revised January, 1992

(ORIGINAL)

Official Receipt of the Republic of the Philippines

No 7004933 R

Date: January 9, 2025

Agency	MTO BATARAZA
Payor	MICHAEL ANGELO TAN

Nature of Collection	Account Code	Amount
PROFESSIONAL TAX RECEIPT		P 300.00
PTR-GEOLOGIST		
TOTAL		P 300.00

Amount in Words: Php. **Three Hundred Pesos Only****

	Drawee Bank	Number	Date
☐ Cash			
☐ Check			
☐ Money Order			

Received the amount stated above.

ROMARICO G. BERMUDEZ
MUNICIPAL TREASURER
Collecting Officer

NOTE: Write the number and date of this receipt on the back of check or money order received.

HINATUAN MINING

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing PSE Consolidated Listing and Disclosure Rules and Clause 10 of the PMRC 2020 Edition ("Consent Statement")

Report Name to be Publicly Released:

SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of the Company releasing the Report:
Hinatuan Mining Corporation

Name of Mineral Deposit to which the Report Refers :
Tagana-an Nickel Laterite Deposit

Data Cut-off Date : **31 March 2025**

Report Date : **May 14,2025**

Consent Statement

I, **Kristine Grace C. Victoria** confirm that I am the Accredited Competent Person for the Report, and that:

- I am a Professional Regulation Commission (PRC)-registered Geologist, residing at 609 Purok 2, Lumangbayan, Plaridel, Bulacan.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources, and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Report has been prepared in accordance with the PMRC 2020 Edition and its draft Implementing Rules and Regulations.
- I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and the associated Mineral Resource estimation for which I am accepting responsibility.
- I am a Member of good standing of the Geological Society of the Philippines.

- I am a full-time employee of Nickel Asia Corporation, which fully owns Hinatuan Mining Corporation, since June 15, 2010.

- I have held the position of Assistant Vice President – Geology since March 10,2022 up to present. I do not own any shares, options and /or warrants in the said companies as certified by the Corporate Secretaries of NAC and HMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

- I have been engaged by NAC to prepare the documentation for HMC on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31,2025.

- I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

- I have reviewed the Report to which this Consent Statement applies.

- I have disclosed to the reporting Company the full nature of the relationship between myself and the Company, including any issues that could be perceived by investors as a conflict of interest.

- I verify that the Report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources; and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

- I have conducted Data Verification and Data Validation of the data disclosed in the Report.

- I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

Consent

I consent to the release and public disclosure of the Report and this Consent Statement by the Board of Directors of Hinatuan Mining Corporation for the purpose of complying with the PMRC 2020 Edition and its draft Implementing Rules and Regulations. The use of the contents or parts of the contents of this Report for other purposes not stated herein would require my prior authorization and written consent.

KRISTINE GRACE C. VICTORIA Accredited Competent Person	**May 14,2025** Date
Licensed Geologist	PRC Registration No. 0001721 Valid Until July 9,2026
Geological Society of the Philippines Professional Representative Organization of the ACP	ACP ID No. 19-08-02 Valid Until July 9, 2026
	Professional Tax Receipt No. 5085902 Issued at *Plaridel, Bulacan* on *January 06,2025*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ~~TAGUIG~~ MAKATI CITY) SS.

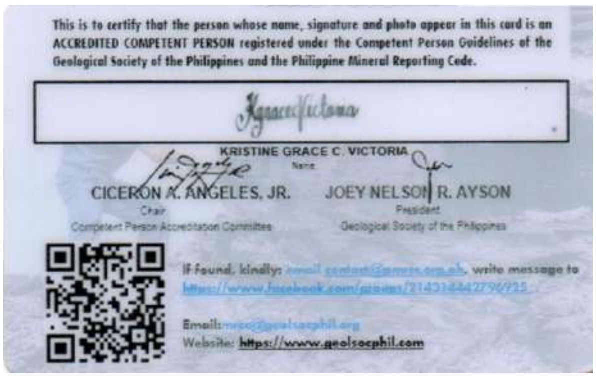
BEFORE ME, this 14th day of May 2025, personally appeared before me MS. KRISTINE GRACE C. VICTORIA with PRC Professional Identification Card with Registration No. 0001721 valid until July 9, 2026, known to me to be the same person who executed this instrument which she acknowledged before me as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
NOTARY PUBLIC
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Compos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

Doc. No. 20
Page No. 4
Book No. 74
Series of 2025


PMRC
ACCREDITED COMPETENT PERSON
Geologist
NAME: KRISTINE GRACE C. VICTORIA
ACP No.: 19-08-02
PRC ID No.: 1721
VALID UNTIL: July 09, 2026


This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.
KRISTINE GRACE C. VICTORIA
Name
CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee
JOEY NELSON R. AYSON
President
Geological Society of the Philippines
If found, kindly:
write message to
Email:
Website: https://www.geolsocphil.com


Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD
LAST NAME VICTORIA
FIRST NAME KRISTINE GRACE
MIDDLE NAME CAPUZ
REGISTRATION NO. 0001721
REGISTRATION DATE 04/19/2010
VALID UNTIL 07/09/2026
GEOLOGIST


Professional Regulation Commission
www.prc.gov.ph
CERTIFICATION
21-5390075
This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.
This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.
Signature of Professional
CHARITO A. ZAMORA

OFFICIAL RECEIPT

REPUBLIC OF THE PHILIPPINES
Province of Bulacan
OFFICE OF THE TREASURER

PLARIDEL
MUNICIPALITY

ACCOUNTABLE FORM NO. 51
REVISED JANUARY, 1992

ORIGINAL

DATE
Jan. 6, 2025

No. B 5085902 D

PAYOR
KRISTINE GRACE C. VICTORIA

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT
PTR (PROFESSIONAL TAX RECEIPT)	418-2a	₱ 330.00
*****************************		
geologist		
	Total:	₱PHP 330.00

AMOUNT IN WORDS
Three Hundred Thirty Pesos

Cashier: BABY

☐ CASH
☐ TREASURY WARRANT
☐ CHECK
☐ MONEY ORDER

Received 330.00
Check :

RECEIVED THE AMOUNT STATED ABOVE.

TREASURY WARRANT, CHECK, MONEY ORDER NUMBER

DATE OF TREASURY WARRANT, CHECK, MONEY ORDER

MA. THERESA M. LEONZON
COLLECTING OFFICER

NOTE: WRITE THE NUMBER AND DATE OF THIS RECEIPT ON THE BACK OF TREASURY WARRANT, CHECK OR MONEY ORDER RECEIVED.

ACCREDITED COMPETENT PERSON'S CONSENT FORM AND CONSENT STATEMENT, AND CERTIFICATES

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing Philippine Stock Exchange, Inc.'s Consolidated Listing and Disclosure Rules, as amended, and Clause 10 of the Philippine Mineral Reporting Code 2020 Edition (the "Consent Statement")

Technical Report Name to be Publicly Released :
SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of Company releasing the Report :
Hinatuan Mining Corporation

Name of Mineral Deposit to which the Report Refers to :
Manicani Nickel Mining Project

Data Cut-off Date : **March 31, 2025**

Report Date : **May 14, 2025**

Consent Statement

I, **Angilhiza Marie B. Francisco,** confirm that I am the Accredited Competent Person for the Report, and that:

That I am a Professional Regulation Commission (PRC)-registered Geologist, residing at Concepcion, Iloilo.

I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (PMRC 2020 Edition).

I certify that the Report has been prepared in accordance with PMRC 2020 Edition and its draft Implementing Rules and Regulations.

I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and associated Mineral Resource estimation for which I am accepting responsibility.

I am a Member of good standing of the Geological Society of the Philippines.

I am a full-time employee of Hinatuan Mining Corporation – Manicani Nickel Mining Project (HMC-MNMP) since March 10, 2025. And previously a full-time employee of Cagdianao Mining Corporation (CMC) from December 18, 2016 to March 9, 2025.

I have held the position of Geology Manager in HMC-MNMP since March 10, 2025 up to the present. I do not own any shares, options and/or warrants in the said companies as certified by the Corporate Secretaries of CMC and HMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

I have been engaged by NAC to prepare the documentation for HMC-MNMP on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31, 2025.

I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

I have reviewed the Report to which this Consent Statement applies.

I have disclosed to the reporting Companies the full nature of the relationship between myself and the Companies, including any issues that could be perceived by investors as a conflict of interest.

I verify that the Report is based on, and fairly and accurately reflect in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

I have conducted Data Verification and Data Validation of the data disclosed in the Report.

I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

HINATUAN MINING CORPORATION
Manicani Nickel Mining Project
Brgy. Buenavista, Manicani Island, Guiuan, Eastern Samar

Consent

I consent to the release and public disclosure of this Report and this Consent Statement by the Board of Directors of Hinatuan Mining Corporation in connection with the Quarterly Report for the period ending March 31, 2025. This consent is provided specifically to comply with the disclosure requirements set forth under the Philippine Mineral Reporting Code 2020 and its Implementing Rules and Regulations.

Any use of the contents, or any part thereof, for purposes other than those stated herein shall require my prior review, authorization, and written consent.

ANGILHIZA MARIE B. FRANCISCO Accredited Competent Person	May 14, 2025 Date
Licensed Geologist	PRC Registration No. 0002252 Valid Until September 8, 2026
Geological Society of the Philippines Professional Representative Organization of the ACP	ACP ID No. 24-07-03 Valid Until September 8, 2026
	Professional Tax Receipt No. 8355608 Issued at Concepcion, Iloilo on January 13, 2025

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF) SS.
CONCEPCION, ILOILO PHILIPPINES

BEFORE ME, this 14th day of May 2025, personally appeared before me MS. ANGILHIZA MARIE B. FRANCISCO with PRC Professional Identification Card with Registration No. 0002252 valid until September 8, 2026, known to me to be the same person who executed this instrument which she acknowledged before me as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 8296
Page No. 7
Book No. 5
Series of 2025

NOTARY PUBLIC
ATTY. ARIEL C. MANIPULA
NOTARY PUBLIC PROVINCE OF ILOILO
REGISTRY NO. 068 UNTIL DEC. 31, 2026
ROLL OF ATTORNEYS NO. 26772
IBP NO. 540072 / 02-18-2025 / ILOILO CITY
PTR NO. 8358230 / 01-25-2025 / CONCEPCION, ILOILO

HINATUAN MINING CORPORATION
Manicani Nickel Mining Project
Brgy. Buenavista, Manicani Island,
Guiuan, Eastern Samar


Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD

LAST NAME	FRANCISCO
FIRST NAME	ANGILHIZA MARIE
MIDDLE NAME	BALIDA
REGISTRATION NO.	0002252
REGISTRATION DATE	11/21/2016
VALID UNTIL	09/08/2026

GEOLOGIST


Professional Regulation Commission
www.prc.gov.ph

23-6224798

CERTIFICATION

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

CHARITO A. ZAMORA
Chairperson


PMRC

ACCREDITED COMPETENT PERSON
Geologist

NAME: ANGILHIZA MARIE B. FRANCISCO
ACP No.: 24-07-03
PRC ID No.: 2252
VALID UNTIL: September 08, 2026


This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

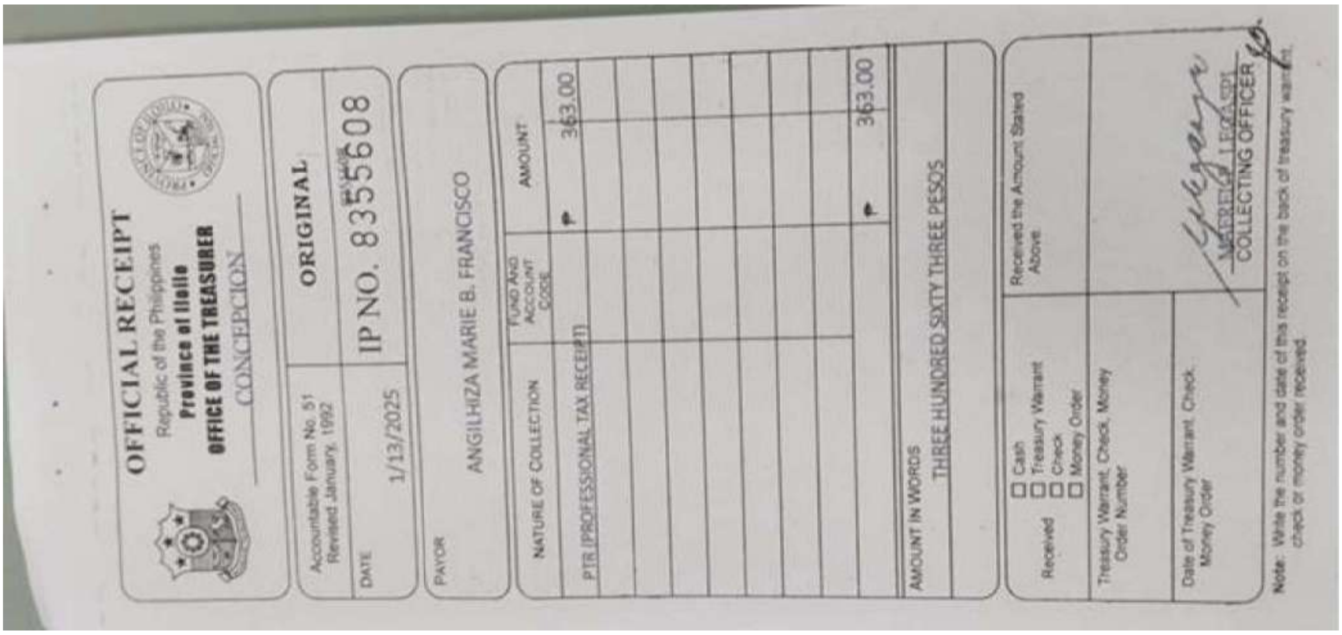
ANGILHIZA MARIE B. FRANCISCO
Name

CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee

JOEY NELSON R. AYSON
President
Geological Society of the Philippines

If found, kindly: email contact@pmrc.org.ph or write message to https://www.facebook.com/groups/214314442796925

Email: mica@geolsocphil.org
https://www.geolsocphil.com


OFFICIAL RECEIPT
Republic of the Philippines
Province of Iloilo
OFFICE OF THE TREASURER
CONCEPCION

Accountable Form No. 51
Revised January, 1992

ORIGINAL

IP NO. 8355608

DATE 1/13/2025

PAYOR ANGILHIZA MARIE B. FRANCISCO

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT
PTR (PROFESSIONAL TAX RECEIPT)		₱ 363.00
		₱ 363.00

AMOUNT IN WORDS THREE HUNDRED SIXTY THREE PESOS

Received ☐ Cash ☐ Treasury Warrant ☐ Check ☐ Money Order

Received the Amount Stated Above

Treasury Warrant, Check, Money Order Number

Date of Treasury Warrant, Check, Money Order

COLLECTING OFFICER

Note: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

DINAPIGUE MINING

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing PSE Consolidated Listing and Disclosure Rules and Clause 10 of the PMRC 2020 Edition ("Consent Statement")

Report Name to be Publicly Released:

SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of the Company releasing the Report:
Dinapigue Mining Corporation

Name of Mineral Deposit to which the Report Refers :
Dinapigue Nickel Laterite Deposit

Data Cut-off Date : **31 March 2025**

Report Date : **May 14,2025**

Consent Statement

I, **Kristine Grace C. Victoria** confirm that I am the Accredited Competent Person for the Report, and that:

- I am a Professional Regulation Commission (PRC)-registered Geologist, residing at 609 Purok 2, Lumangbayan, Plaridel, Bulacan.
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources, and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Report has been prepared in accordance with the PMRC 2020 Edition and its draft Implementing Rules and Regulations.
- I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., nickel laterite deposit type) and the associated Mineral Resource estimation for which I am accepting responsibility.
- I am a Member of good standing of the Geological Society of the Philippines.

- I am a full-time employee of Nickel Asia Corporation, which fully owns Dinapigue Mining Corporation, since June 15, 2010.

- I have held the position of Assistant Vice President – Geology since March 10,2022 up to present. I do not own any shares, options and /or warrants in the said companies as certified by the Corporate Secretaries of NAC and DMC. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.

- I have been engaged by NAC to prepare the documentation for DMC on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31,2025.

- I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.

- I have reviewed the Report to which this Consent Statement applies.

- I have disclosed to the reporting Company the full nature of the relationship between myself and the Company, including any issues that could be perceived by investors as a conflict of interest.

- I verify that the Report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources; and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.

- I have conducted Data Verification and Data Validation of the data disclosed in the Report.

- I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

Consent

I consent to the release and public disclosure of the Report and this Consent Statement by the Board of Directors of Dinapigue Mining Corporation for the purpose of complying with the PMRC 2020 Edition and its draft Implementing Rules and Regulations. The use of the contents or parts of the contents of this Report for other purposes not stated herein would require my prior authorization and written consent.

KRISTINE GRACE C. VICTORIA
Accredited Competent Person

May 14,2025
Date

Licensed Geologist

PRC Registration No. 0001721
Valid Until July 9,2026

Geological Society of the Philippines
Professional Representative Organization of the ACP

ACP ID No. 19-08-02
Valid Until July 9, 2026

Professional Tax Receipt No. 5085902
Issued at *Plaridel, Bulacan* on *January 06,2025*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) SS.

MAY 15 2025

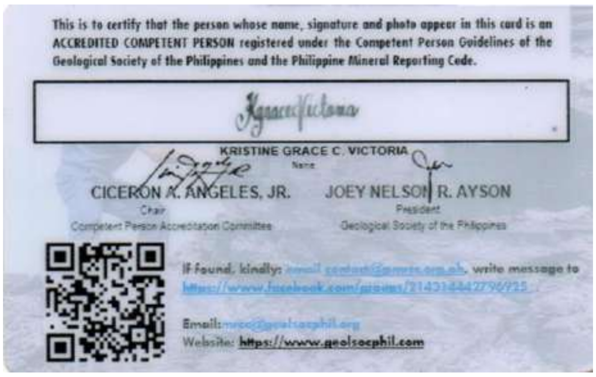
BEFORE ME, this 14th day of May 2025, personally appeared before me MS. KRISTINE GRACE C. VICTORIA with PRC Professional Identification Card with Registration No. 0001721 valid until July 9, 2026, known to me to be the same person who executed this instrument which she acknowledged before me as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until Dec... NOTARY PUBLIC
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

Doc. No. 21
Page No. 06
Book No. 76
Series of 2025


PMRC
ACCREDITED COMPETENT PERSON
Geologist
NAME: KRISTINE GRACE C. VICTORIA
ACP No.: 19-08-02
PRC ID No.: 1721
VALID UNTIL: July 09, 2026


This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.
KRISTINE GRACE C. VICTORIA
Name
CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee
JOEY NELSON R. AYSON
President
Geological Society of the Philippines
If found, kindly:
write message to
Email:
Website: https://www.geolsocphil.com


Republic of the Philippines
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL IDENTIFICATION CARD
LAST NAME VICTORIA
FIRST NAME KRISTINE GRACE
MIDDLE NAME CAPUZ
REGISTRATION NO. 0001721
REGISTRATION DATE 04/19/2010
VALID UNTIL 07/09/2026
GEOLOGIST


Professional Regulation Commission
www.prc.gov.ph
CERTIFICATION
21-5390075
This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.
This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.
Signature of Professional
CHARITO A. ZAMORA

OFFICIAL RECEIPT

REPUBLIC OF THE PHILIPPINES
Province of Bulacan
OFFICE OF THE TREASURER

PLARIDEL
MUNICIPALITY

ACCOUNTABLE FORM NO. 51
REVISED JANUARY, 1992

ORIGINAL

DATE: Jan. 6, 2025 [illegible] PM

No. B 5085902 D

5085902

PAYOR: KRISTINE GRACE C. VICTORIA

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT	
PTR (PROFESSIONAL TAX RECEIPT)	418-2a	₱ 330	00
******************************			
geologist			
	Total:	₱PHP 330	.00

AMOUNT IN WORDS

Three Hundred Thirty Pesos

Cashier: BABY

☐ CASH
☐ TREASURY WARRANT
☐ CHECK
☐ MONEY ORDER

RECEIVED 330.00

Check :

TREASURY WARRANT, CHECK, MONEY ORDER NUMBER

DATE OF TREASURY WARRANT, CHECK, MONEY ORDER

RECEIVED THE AMOUNT STATED ABOVE.

MA. THERESA M. LEONZON
COLLECTING OFFICER

NOTE: WRITE THE NUMBER AND DATE OF THIS RECEIPT ON THE BACK OF TREASURY WARRANT, CHECK OR MONEY ORDER RECEIVED.

Accredited Competent Person's Consent Form

Pursuant to the requirements under the prevailing PSE Consolidated Listing and Disclosure Rules and Clause 10 of the PMRC 2020 Edition ("Consent Statement")

Report Name to be Publicly Released:

SEC Form 17-Q/Quarterly Report for the Quarter Ended March 31,2025 (the "Report")

Name of the Company releasing the Report:
Cordillera Exploration Co., Inc. (CEXCI)

Name of Mineral Deposit to which the Report Refers:
Zambales Gold-Copper Deposit
Cordon Gold-Copper Deposit

Data Cut-off Date: **31 March 2025**

Report Date: **May 15,2025**

Consent Statement

I, **Graciano P. Yumul, Jr.** confirm that I am the Accredited Competent Person for the Report, and that:

- I am a Professional Regulation Commission (PRC)-registered Geologist, residing at 32 via Napoli, Villa Firenze Subd, Culiat, Quezon City
- I have read and understood the requirements of the 2020 Edition of the Philippine Mineral Reporting Code for Reporting of Exploration Results, Mineral Resources, and Mineral Reserves (PMRC 2020 Edition).
- I certify that the Report has been prepared in accordance with the PMRC 2020 Edition and its draft Implementing Rules and Regulations.
- I am an Accredited Competent Person (ACP)-Geologist as defined by the PMRC 2020 Edition, having a minimum of five (5) years relevant experience in the style of mineralization and type of mineral deposit described in the Report (i.e., gold and copper deposit type).
- I am a member of good standing of the Geological Society of the Philippines.
- I am a full-time employee of Cordillera Exploration Co, Inc., which is a subsidiary of Nickel Asia Corporation (NAC), since 2011.
- I have held the position of President since March 10, 2024, up to present. I do not own any shares, options and /or warrants in the said companies as certified by the Corporate Secretaries of NAC and CEXCI. Furthermore, I am not a holder of tenement rights, nor do I have a landlord-lessee relationship of land and/or infrastructure within the mineral property or other employment-related relationship which may have a bearing on the integrity of the Report.
- I have been engaged by NAC to prepare the documentation for CEXCI on which the Report is based to comply with the PMRC 2020 Edition, for the period ended March 31,2025.
- I assume full responsibility for the whole of the Report which I have prepared or prepared under my supervision.
- I have reviewed the Report to which this Consent Statement applies.

Cordillera Exploration Co., Inc.

Main Office:
29th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: (02) 7798 7622
loc. 8308

Web: nickelasia.com

- I have disclosed to the reporting Company the full nature of the relationship between myself and the Company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources; and to the best of my knowledge, all technical information that are required to make the Report not misleading, false, inaccurate or incorrect, have been included.
- I have conducted Data Verification and Data Validation of the data disclosed in the Report.
- I have attached to this Consent Statement copies of my Professional Regulation Commission (PRC) professional identification card (PIC), Accredited Competent Person identification card and Professional Tax Receipt.

Cordillera Exploration Co., Inc.

Main Office:
29th Floor NAC Tower,
32nd Street, Bonifacio
Global City, Taguig City,
Philippines 1634

Phone: (02) 7798 7622
loc. 8308

Web: nickelasia.com

CEXCI

Consent

I consent to the release and public disclosure of the Report and this Consent Statement by the Board of Directors of Cordillera Exploraiton Co., Inc. for the purpose of complying with the PMRC 2020 Edition and its draft Implementing Rules and Regulations. The use of the contents or parts of the contents of this Report for other purposes not stated herein would require my prior authorization and written consent.

GRACIANO P. YUMUL, JR., D.Sc.
Accredited Competent Person

May 15,2025
Date

Licensed Geologist PRC Registration No. 0000735
Valid Until September 23, 2026

Geological Society of the Philippines Professional Representative Organization of the ACP

ACP ID No.18-05-02
Valid Until September 23, 2026

Professional Tax Receipt No. 7123996
Issued at Quezon City

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) CITY OF MAKATI CITY) SS.

BEFORE ME, this 15th day of May 2025, personally appeared before me MR. GRACINAO P. YUMUL, JR., with PRC Professional Identification Card with Registration No. 0000735 valid until September 23, 2026, known to me to be the same person who executed this instrument which he acknowledged before me as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 15
Page No. 04
Book No. 76
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
NOTARY PUBLIC
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 306870 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Compos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

Cordillera Exploration Co., Inc.

Main Office:
29th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Philippines 1634

Phone: (02) 7798 7622 loc. 8308

Web: nickelasia.com

ACCREDITED COMPETENT PERSON

Geologist

PMRC

NAME: **GRACIANO P. YUMUL, JR.**

ACP No.: **18-05-02**

PRC ID No.: **0735**

VALID UNTIL: **September 23, 2026**

Republic of the Philippines

PROFESSIONAL REGULATION COMMISSION

PROFESSIONAL IDENTIFICATION CARD

LAST NAME	YUMUL
FIRST NAME	GRACIANO JR
MIDDLE NAME	PEREZ
REGISTRATION NO.	0000735
REGISTRATION DATE	03/13/1981
VALID UNTIL	09/23/2026

GEOLOGIST

This is to certify that the person whose name, signature and photo appear in this card is an ACCREDITED COMPETENT PERSON registered under the Competent Person Guidelines of the Geological Society of the Philippines and the Philippine Mineral Reporting Code.

TG

GRACIANO P. YUMUL, JR.
Name

CICERON A. ANGELES, JR.
Chair
Competent Person Accreditation Committee

JOEY NELSON R. AYSON
President
Geological Society of the Philippines

If found, kindly: email [illegible] or write message to https://www.facebook.com/groups/[illegible]

Email: [illegible]

https://www.geolsocphil.com

22

Professional Regulation Commission
www.prc.gov.ph

CERTIFICATION

22-5771950

This is to certify that the person whose name, photograph, and signature appear herein is a duly registered professional, legally authorized to practice his/her profession with all the rights and privileges appurtenant thereto.

This is to certify further that he/she is a professional in good standing and that his/her certificate of registration/professional license has not been suspended, revoked or withdrawn.

Signature of Professional

CHARITO A. ZAMORA
Chairperson

TG

OFFICIAL RECEIPT

Republic of the Philippines
Quezon City
OFFICE OF THE TREASURER

Accountable Form No. 51
Revised August 1994

ORIGINAL

DATE 1/24/25-

№ 7123996 D

PAYOR
Yumul, Juanciano Jr. P-

NATURE OF COLLECTION	FUND AND ACCOUNT CODE	AMOUNT	
		₱	
PTR 2025-			
Genealogist-		300 -	
54440891			
1/8/24-		₱ 300	

AMOUNT IN WORDS Three Hundred Nyt

Received
- [ ] Cash
- [ ] Treasury Warrant
- [ ] Check
- [ ] Money Order

Treasury Warrant, Check, Money Order Number

Date of Treasury Warrant, Check, Money Order

Received the Amount Stated Above

300

EDGAR T. VILLANUEVA
CITY TREASURER
COLLECTING OFFICER

NOTE Write the number and date of this receipt on the back of treasury warrant, check or money order received

87