

**MINUTES  
OF THE ANNUAL MEETING OF STOCKHOLDERS  
OF NICKEL ASIA CORPORATION**

**Held on 5 June 2015 at 2:00 p.m.  
at the Ascott Ballroom, 5th Floor, Ascott Bonifacio Global City  
5th Ave. cor. 28th St., Bonifacio Global City, Taguig City**

**Directors Present:**

Manuel B. Zamora, Jr., Chairman  
Philip T. Ang, Vice Chairman  
Gerard H. Brimo, President and Chief Executive Officer  
Luis J.L. Virata, Director  
Takanori Fujimura, Director  
Martin Antonio G. Zamora, Director  
Frederick Y. Dy, Independent Director; Audit Committee Chairman  
Fulgencio S. Factoran, Jr., Independent Director

**Also Present:**

Atty. Barbara Anne C. Migallos, Corporate Secretary  
Jose B. Anievas, Chief Operating Officer  
Emmanuel L. Samson, Chief Financial Officer  
Atty. Jose Roderick F. Fernando, Vice President for Legal and Compliance Officer

Sycip Gorres Velayo & Company, External Auditors, represented by Eleanor A. Layug Partner in Charge and members of the audit team, and Jaime F. del Rosario, Partner in Assurance

**I. Call to order**

The Chairman, Mr. Manuel B. Zamora, Jr. 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 introduced the Directors present at the meeting, among them Mr. Frederick Y. Dy, Independent Director and Chairman of the Audit and of the Risk Committees, and Atty. Fulgencio S. Factoran, Jr., Independent Director, member of the Nominations Committee.

The shareholders were informed of the presence of representatives of the Company's independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.).

**II. Proof of Required Notice of the Meeting**

The Corporate Secretary, Atty. Barbara Anne C. Migallos, certified that notices, together with the Agenda of the Annual General Stockholders' Meeting and the Information Statement duly approved by the Securities and Exchange

Commission (SEC), were sent to shareholders on 7 May 2015, within the periods prescribed under applicable rules and in conformity with corporate governance best practices. The Notice was also published in a newspaper of general circulation on 29 May 2015.

The Corporate Secretary presented a notarized certification that she executed to attest to these facts under oath.

### **III. Certification of quorum; explanation of voting procedure**

The Corporate Secretary certified that there are present, in person or by proxy, **3,633,693,060** shares representing **76.85%** of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the meeting.

#### **Voting procedure**

The Corporate Secretary explained the **voting procedure** for the meeting.

1. The required quorum for meetings of shareholders is the presence in person or by proxy of stockholders holding a majority of the outstanding capital stock. However, in certain instances, the vote of at least 2/3 of the outstanding capital stock is required.

There are two items on the Agenda for today's meeting that require a 2/3 vote: (a) the increase in the Company's authorized capital stock, which will entail an amendment of the Company's Articles of Incorporation; and (b) the declaration of one hundred percent (100%) stock dividend.

2. Voting is by balloting.

Shareholders who are present and did not submit proxies prior to the meeting were given ballots upon registration.

In the case of proxies submitted prior to the meeting, the designated proxy was provided with ballots for casting in accordance with the instructions contained in the proxies.

The proxy form contains every item on the Agenda requiring a vote, with spaces provided for YES, NO or ABSTAIN. The shareholder issuing the proxy indicates his vote on this form, and the votes are cast in accordance with such instructions.

3. The Company's transfer agent, Stock Transfer Service, Inc. (STSI), tabulated the proxies and the ballots, with the Company's external auditors, SGV and Company.

4. The results of the voting on each item will be announced when the particular item is taken up by the body and will be posted on the Company's website.

#### **IV. Approval of Minutes of previous meetings**

The Chairman said that the first item on the Agenda is the reading and approval of the Minutes of the annual stockholders' meeting held on June 6, 2014 and of the special stockholders' meeting held on December 18, 2014.

A stockholder moved that the reading of the Minutes of the Annual Meeting of Stockholders held on June 6, 2014 and of the Special Meeting of Stockholders held on December 18, 2014 be dispensed with and that the said Minutes be approved. The motion was seconded.

The Chairman requested the Corporate Secretary to inform the body of the votes of the shareholders on the approval of the Minutes of the Annual Stockholders Meeting held on June 6, 2014 and of the Special Meeting of Stockholders held on December 18, 2014. The Corporate Secretary reported that shareholders holding **3,633,585,460** shares representing **76.84%** of the outstanding capital stock of the Company, voted YES to the approval of the Minutes of the June 6, 2014 Annual General Stockholders' Meeting and of the December 18, 2014 Special Stockholders' Meeting. The Minutes of the June 6, 2014 Annual General Stockholders' Meeting and of the December 18, 2014 Special Stockholders' Meeting were declared as approved.

#### **V. Annual report and audited financial statements for the year 2014**

The President and Chief Executive Officer, Mr. Gerard H. Brimo presented highlights of the Annual Report, followed by the Chief Financial Officer, Mr. Emmanuel L. Samson, who presented the financial and operating highlights.

##### *The President's Report*

The President and Chief Executive Officer, Mr. Gerard H. Brimo, welcomed the shareholders to the Company's Annual Shareholders' Meeting. He said that the President's report, in the form of a Joint Statement together with the Chairman, is contained in the 2014 Annual Report, together with the Annual Sustainability Report under reporting guidelines 4.0, issued by the Global Reporting Initiative. This is an organization whose mission is to make sustainability reporting a standard practice for all organizations.

Mr. Brimo said that 2014 was a banner year for the Company in all respects. With regards to shipment volumes, the Company sold almost 18 million wet metric tons of ore, a 28% increase from the prior year. The bulk of the increase was accounted for by sales of 4 million wet metric tons of limonite ore from the Company's Taganito mine to the new Taganito HPAL plant, which last year was on its first full year of commercial operations, compared to 874 thousand wet metric tons in the prior year during the commissioning of the plant.

The Company also experienced significantly higher prices for various ore products last year following the Indonesia ore export ban, which took effect in January 2014. For exports of ore, average price for the year more than doubled, from \$21 per WMT in the prior year to \$45 per WMT. On shipments to the Coral Bay and the Taganito HPAL plants that are benchmarked against LME prices, an

average price of \$7.69 per pound of payable nickel was realized, as against \$6.70 per pound of payable nickel in the prior year.

The combination of higher sales volumes and prices led to a 122% increase in revenues, from P11.1 Billion in the prior year to P24.7 Billion in 2014. Included in last year's figure is almost P1.0 Billion of revenues generated from the sale of limestone and some services performed by the Company for the two HPAL plants.

Attributable net income for the year jumped four-fold to a record P8.6 Billion compared to P2.1 Billion for the prior year. Included in last year's figure is the Company's share of the earnings representing its 10% investment in the Coral Bay plant and 22.5% investment in the new Taganito HPAL plant, which in total amounted to P522 Million.

With record earnings come record dividends, and in a meeting of the Board of Directors in March 27 of this year, the Board declared a regular cash dividend of 70 cents per share together with a special cash dividend of 30 cents per share, for a total of P1.00 per share, which was paid on May 11th of this year to shareholders of record as of April 15th. The combined dividends represent a payout of almost 45% of the earnings achieved in 2014. The Board also approved a 100% stock dividend, which is for approval by the shareholders in today's meeting.

Mr. Brimo then turned to more recent developments that may be foremost in the minds of the shareholders. He said that on top of the list, surely, is the drop in nickel prices amidst growing inventories of refined nickel in LME warehouses. There are a number of factors that have accounted for this. First, prices of ore surged to levels that were clearly not sustainable, and the inevitable correction took place. Second, the massive exports of high-grade ore from Indonesia to China prior to the ban, and the blending with a higher volume of middle grade ore from the Philippines has prolonged the life of the Indonesia ore stockpiles, and the ore export ban therefore did not result in a substantial drop in production of NPI or nickel pig iron, which is crucial for the China stainless steel producers. Third, a large destocking of refined metal took place in China as a result of the Qiandao port financing scandal and other factors, which metal made its way to LME warehouses, resulting in increases in LME inventories.

There are a few other factors as well that contributed to the overall bearish sentiment for the metal. However, it is also clear that once the Indonesia ore stockpiles in China are depleted, which is widely expected to take place this year, and since Philippine ore exports cannot cover the loss of ore from Indonesia, Chinese stainless steel producers will have to increasingly source their required nickel from other sources, and that will rebalance the market. It is interesting to note that virtually all commodity analysts continue to expect supply deficits to eventually occur, which will of course ultimately strengthen nickel prices.

Irrespective of where nickel prices may be headed, the Company's focus is clear, and that is to operate the existing mines in the most cost-efficient way, to expand by exploration and acquisitions as opportunities arise, and to diversify in a measured and prudent manner. Over the course of this year the Company has made a number of disclosures in this respect.

In the April 8, 2015 release, the Company disclosed its intention to acquire Geogen Corporation (“Geogen”), the holder of a Mineral Production Sharing Agreement over the Isabela nickel project, together with, as part of the transaction, up to 10% of Nihao Mineral Resources (“Nihao”). The Isabela property, with close to 70 Million dry metric tons of ore in the Measured and Indicated categories, is a large one, but it is also in a difficult place to operate given coastal conditions in the area. It is a challenge that the Company intends to meet. The Company is now almost complete with the due diligence and expects to move ahead with this transaction.

In the April 15, 2015 release, the Company disclosed its intention to convert the collateralized loan of P446 Million to equity in Emerging Power Inc. for an initial ownership of 55%, and to invest an additional P474 Million to bring the Company’s equity to 66%. This decision was made following the success of the drilling of two slim wells in the Montelago geothermal field, in Mindoro. The Montelago project involves supplying 40 MW of power to two electric cooperatives in Mindoro Oriental and Occidental under power sales agreements that have already been obtained. Further drilling will be undertaken followed by the procurement and installation of generating units together with related infrastructure in stages as the drilling progresses.

It is the objective of Emerging Power Inc. to focus exclusively on renewable energy sources, and a number of potential power projects are being evaluated. The Company believes that the entry into the power business will provide significant opportunities to grow its revenue base and sustain financial returns, while helping to alleviate the shortage of power in our country in an environmentally friendly way. It is therefore the intention to develop Emerging Power Inc. into a major business segment of the Company.

Mr. Brimo said that the Message to Shareholders in the Annual Report, mentions the approval by the Board of Directors to enter into a transaction by its 71.25% owned subsidiary, Cordillera Exploration, to obtain a property in Zambales prospective for gold and copper with outcropping gold veins. The documentation is currently being worked on to complete this transaction and the Company hopes to be able to drill the outcrops towards the latter part of the year. The search for gold and copper indeed continues to be one of the priorities.

Finally, a word about the theme of the 2014 Annual Report – Keeping Our Promises. The Company has a project on care and maintenance status in the island of Manicani, Eastern Samar, pending a decision from the DENR to resume exploration and operations. Manicani was struck by typhoon Yolanda head on, the strongest typhoon in history ever to make landfall. The typhoon destroyed virtually all structures in the island, including the homes of about 2,500 residents.

The Company was one of the first responders in Manicani, supplying the residents with food and heavy equipment to clear the damage caused by the typhoon. The devastation was, however, to such an extent that the Company felt compelled to do more, and it promised the residents that it would rebuild all homes and a few other structures in the island.

Mr. Brimo said that he is pleased to advise the shareholders that a year and a half later and after total expenditures of about P50 Million, the Company has

completed about 500 homes and some other structures. The Company has indeed delivered on its promise.

As always, as the Company looks for opportunities to further grow the business, it will strive to operate as efficiently as possible with the utmost regard for environmental and social responsibilities, the very essence of its commitment to the principles of sustainable development.

### Financial Report

The Chief Financial Officer, Mr. Emmanuel L. Samson, then presented the financial highlights 2014, with comparative figures for 2013 and 2012.

Indeed, 2014 was a banner year for the Company. The presentation will give a snapshot of what led to record earnings in 2014. We shipped 17.873 million WMT of ore in 2014. 2014 was the 5<sup>th</sup> consecutive year of historic shipments for the Company. In terms of shipment volume, the main driver in 2014 was the Taganito Mine, accounting for 40% of total shipments, compared to previous years when Rio Tuba was the main driver for shipments.

In terms of revenues whereby revenues in 2012 and 2013 were just P11 Billion and P10 Billion, in 2014, revenues attained from ore sales reached P23.7 Billion or an increase of 130% compared to the levels of 2013. For the first time, Taganito was the revenue driver in 2014, accounting for 36% of total revenues. Also worth noting is the performance of the Cagdianao mine, which attained 16% of total revenues last year, compared to 8% in 2013.

Moving on to prices, at the back of the Indonesian ban that took effect last year, there was a big jump in ore and LME prices. The average LME price for 2014 was US\$7.65 which was 12% higher than the US\$6.80 average for 2013. More significant was the jump in ore prices, specifically in ore prices related to the saprolite ore. In 2013, the average price was US\$21.24, in 2014 the average price jumped to US\$58.52. The blended price for 2014 was US\$30.17 compared to US\$17.25 in 2013.

In terms of shipments and revenues per ore type, the main driver in shipments per ore type were ore deliveries to our HPAL plants which increased from 4.3 Million WMT in 2013 to 7.4 Million WMT in 2014. There was also a huge increase in middle grade ore from 3 Million WMT in 2013 to 5.1 Million WMT in 2014.

In terms of contribution to revenues per ore type, clearly the big winner here is the middle grade ore which accounted to P11.2 Billion or almost half of the total revenues.

In 2014, we incurred a cash cost of US\$11.77 per WMT compared to our average revenues of US\$30.17 per WMT our operating margin came out to US\$18.40 or 61% margin, much higher than the 39.5% margin we had in 2013. This was despite the increase in cash cost from US\$10.44 in 2013 to US\$11.77 in 2014. The big increase was due to higher excise tax and fees on account of higher ore prices.

On financial highlights, the Company's revenues was reported at P24.7 Billion in 2014, compared to levels of P11 Billion in 2012 and 2013. In 2014 alone, that's about a 130% increase. In terms of EBITDA, EBITDA was P16.4 Billion in 2014 translating to an EBITDA margin of 66% compared to the 43% in 2013. In terms of net income, earnings grew four-fold to P8.5 Billion in 2014. That would translate to a net income margin of 35% in 2014, compared to the levels of 19% and 18% in 2012 and 2013, respectively.

Mr. Samson further gave a market update as to why 2014 was a banner year for the Company. In 2014, on the back of the Indonesian ore ban, there was a strong spike in the LME Ni price in the 1<sup>st</sup> half on expectation of tight supply. The LME Ni price peaked at around May 2014. We saw a correction in price in the 2nd half due to increasing LME inventories as a result of: (i) instead of a supply deficit, a surplus in 2014 occurred (Macquarie – 93kt; Deutsche – 76kt); (ii) destocking of refined metal in China due to the Qiandao port financial scandal (resulting to additional stocks of approximately 80kt Ni metal stocks in the LME) and Russia destocking (approx. 40kt). LME Ni stocks continued to increase from around 250,000 tonnes in January 2014 closing at around 430,000 tonnes in December 2014; and (iii) drop in stainless steel production ex-China in Q4 by 5.1% year on year and lower growth in Chinese stainless steel production by 4.3% year on year.

The spike in Ni ore prices in the 1st half was not sustainable and declined along with the LME – expected tightness in ore supply did not occur. LME prices started in January 2014 at US\$6.39, peaked at US\$8.82 in May 2014, and started to drop in June 2014. As the LME price started to come down, ore prices started to come down as well. 1.8% Ni prices started at around US\$27 per ton in January 2014, peaked at US\$135 during the peak of LME, and started to come down in line with LME, prices today are at around US\$5.80. Middle grade ore started in January 2014 at US\$14, peaked at US\$92 and today is settling at around US\$28 or US\$29. It is worth noting that current LME prices are slightly lower at US\$6.13 compared to the January 2014 LME price of US\$6.39. Nevertheless, current ore prices are still higher than at the time the Indonesian ore export ban took effect. Market players still expect tightness of supply to occur towards the latter part of the year.

There are a number of things to look forward to despite the bearishness of nickel prices. The Indonesian ore stockpiles will be depleted towards the latter part of 2015. Although ore exports from the Philippines increased in 2014, it can only account for about 326K mt. NPI capacity is at around 500K mt. There is going to be a shortfall in NPI production of 174kt, which Chinese stainless steel producers will have to source elsewhere once Indonesian ore stockpiles are completely depleted. There are also concerns of slowdown in global stainless steel output, but stainless steel is still growing. Based on the data of Eramet, a respected French Nickel producer, they are looking at an increase in stainless steel output of 3.8% in 2015, compared to the 8.3% and 6.9% increase in 2014 and 2013. Finally, there is a slow pace of new NPI projects in Indonesia. It could take 4 years for NPI output to cover the shortfall of around 150K tons. This alone would tell you there could be a supply deficit that could last for about 4 years.

While there is today a weakness in nickel prices, we are of the belief that, moving forward towards the latter part of the year, we should see nickel prices recovering to levels which we saw them at the 1<sup>st</sup> half of last year.

## **OPEN FORUM**

The Chairman thanked Messrs. Brimo and Samson for their reports. He then said there would be an open forum to discuss the report, and invited questions from the shareholders. There were no questions from the shareholders regarding the reports.

Thereafter, a shareholder moved for the adoption and approval of the following resolution:

“Resolved, as it is hereby resolved, that the Annual Report, together with the Company’s Audited Financial Statements and the notes thereto for the year ended December 31, 2014 be, as they are hereby, approved.”

The motion was seconded. The Chairman requested the Corporate Secretary inform the body of the votes in favor of the motion. The Corporate Secretary reported that shareholders holding **3,629,581,860** shares representing **76.74%** of the outstanding capital stock of the Company voted in favor of the approval of the Annual Report and the audited financial statements and the notes thereto for the year ended December 31, 2014. The Annual Report and the Audited Financial Statements and the notes thereto for the year ended December 31, 2014 were declared approved.

## **VI. Approval of the Amendment of the Articles of Incorporation and Declaration of 100% Stock Dividend**

The Chairman said that the next two (2) items on the Agenda will be taken together. These are the approval of the amendment of the Company’s Articles of Incorporation to increase the Company’s authorized capital stock and the declaration of 100% stock dividend in support of the said increase. He requested the Corporate Secretary, Ms. Migallos, to explain the resolutions to be adopted.

Ms. Migallos reported that at the meeting of the Board of Directors of the Company held on March 27, 2015, the Board adopted resolutions for the amendment of Article Seventh of the Company’s Articles of Incorporation to increase the Company’s authorized capital stock.

The present authorized capital stock is Php 2,139,700,000.00, divided into 4,265,000,000 common shares with a par value of Php 0.50 (50 centavos) per share and 720,000,000 preferred shares with a par value One Centavo (Php 0.01) per share.

The present authorized capital stock will be increased to Php 9,639,700,000.00 divided into 19,265,000,000 common shares with a par value of Php 0.50 (50 centavos) per share and 720,000,000 preferred shares with a par value Php 0.01 (one centavo) per share. Only the number of common shares will be increased; the number of preferred shares will remain the same.

At the same meeting, the Board adopted a resolution to declare a 100% stock dividend to support the increase in authorized capital stock. Only common shares will be entitled to the stock dividend.

The approval of the shareholders is sought for the proposed amendment to Article Seventh of the Company's Articles of Incorporation to increase the capital stock of the Company, as contained in the following resolutions:

**“RESOLVED**, that the authorized capital stock of Nickel Asia Corporation (the ‘Company’) be increased from the present Two Billion One Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**Php 2,139,700,000.00**), divided into Four Billion Two Hundred Sixty Five Million (**4,265,000,000**) common shares with a par value of Fifty Centavos (Php 0.50) per share and Seven Hundred Twenty Million (720,000,000) preferred shares with a par value One Centavo (Php 0.01) per share to Nine Billion Six Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**Php 9,639,700,000.00**), divided into Nineteen Billion Two Hundred Sixty Five Million (**19,265,000,000**) common shares with a par value of Fifty Centavos (**Php 0.50**) per share and Seven Hundred Twenty Million (720,000,000) preferred shares with a par value One Centavo (Php 0.01) per share;

**RESOLVED FURTHER**, that Article Seventh of the Articles of Incorporation of the Company be amended to read as follows:

**‘SEVENTH:** That the authorized capital stock of said Corporation is Nine Billion Six Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**₱9,639,700,000.00**), Philippine Currency, and said capital is divided into Nineteen Billion Two Hundred Sixty Five Million (**19,265,000,000**) Common Shares, with par value of Fifty Centavos (**₱0.50**), Philippine Currency, per share and Seven Hundred Twenty Million (720,000,000) Preferred Shares, with par value of One Centavo (**₱0.01**), Philippine Currency, per share.’

**RESOLVED, FURTHER**, that said increase in capital stock and amendment to Article Seventh of the Articles of Incorporation be submitted to the shareholders for approval and ratification at the annual general meeting of the shareholders of the Company to be held in June 5, 2015.”

The Company is also seeking shareholders' approval and ratification of the resolution of the Board of Directors declaring a stock dividend of 100% which will support the Company's increase in authorized capital stock. In view of the stock dividend, there will be a corresponding adjustment to the Company's Stock Option Plans with concomitant waiver of pre-emptive right to the additional shares for the plans determined by the Board.

The record date for the entitlement to stock dividends will be set by the SEC after the approval of the increase in authorized capital stock. Each shareholder holding **common shares** of the Company as of said record date will receive such

number of stock dividend shares as shall be equivalent to one hundred percent (100%) of his existing shareholdings.

Payment Date shall not be more than eighteen (18) trading days from record date, also in accordance with applicable rules. The Company shall seek approval of the Philippine Stock Exchange ("PSE") for the listing of the stock dividend shares. The Company will also seek the approval of the SEC for the adjusted number of shares for the Stock Option Plans, and PSE approval for the listing of such shares.

A shareholder then moved for the adoption and approval of the following resolution:

"Resolved, that the shareholders of Nickel Asia Corporation (the 'Company') approve, as they hereby approve, that the authorized capital stock of Nickel Asia Corporation (the 'Company') be increased from the present Two Billion One Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**Php 2,139,700,000.00**), divided into Four Billion Two Hundred Sixty Five Million (**4,265,000,000**) common shares with a par value of Fifty Centavos (Php 0.50) per share and Seven Hundred Twenty Million (720,000,000) preferred shares with a par value One Centavo (Php 0.01) per share to Nine Billion Six Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**Php 9,639,700,000.00**), divided into Nineteen Billion Two Hundred Sixty Five Million (**19,265,000,000**) common shares with a par value of Fifty Centavos (**Php 0.50**) per share and Seven Hundred Twenty Million (720,000,000) preferred shares with a par value One Centavo (Php 0.01) per share;

Resolved further, that Article Seventh of the Articles of Incorporation of the Company be amended to read as follows:

**'SEVENTH:** That the authorized capital stock of said Corporation is Nine Billion Six Hundred Thirty Nine Million Seven Hundred Thousand Pesos (**₱9,639,700,000.00**), Philippine Currency, and said capital is divided into Nineteen Billion Two Hundred Sixty Five Million (**19,265,000,000**) Common Shares, with par value of Fifty Centavos (**₱0.50**), Philippine Currency, per share and Seven Hundred Twenty Million (720,000,000) Preferred Shares, with par value of One Centavo (**₱0.01**), Philippine Currency, per share.'

Resolved finally, that the shareholders of the Company approve as they hereby approve the 100% stock dividend, as declared by the Company's Board of Directors, which will support the Company's increase in authorized capital stock and that the shareholders approve as they hereby approve the concomitant waiver of their pre-emptive rights with respect to the adjustments to the shares of stock of the Company allocated for the stock option plans due to the effects of the stock dividend."

The motion was seconded. The Chairman requested the Corporate Secretary to inform the body of the votes of the stockholders on the increase in the Company's

authorized capital stock, the amendment of Article Seventh of the Articles of Incorporation and the 100% stock dividend and corresponding adjustment to the Company's Stock Option Plans.

The Corporate Secretary reported that shareholders holding **3,624,703,060** shares representing **76.61%** of the outstanding capital stock of the Company have voted YES to the approval of the increase in the Company's authorized capital stock and the amendment of Article Seventh of the Articles of Incorporation and shareholders holding **3,628,508,060** shares, representing **76.71%** of the outstanding capital stock, voted YES to the 100% stock dividend with the corresponding adjustments to the Company's Stock Option Plans. The increase in the Company's authorized capital stock, the amendment of Article Seventh of the Articles of Incorporation and the 100% stock dividend with the corresponding adjustments to the Company's Stock Option Plans were declared approved.

## **VII. 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 2014. A stockholder moved for the adoption and approval of the following resolution:

“Resolved, that the shareholders of Nickel Asia Corporation (the ‘Company’) ratify and approve, as they hereby ratify and approve, all of the acts, contracts, proceedings, elections and appointments made or taken by the Board of Directors and executive officers of the Company during the past year.”

At the Chairman's request, the Corporate Secretary informed the body of the votes of the stockholders on the matter. The Corporate Secretary reported that shareholders holding **3,629,582,130** shares representing **76.74%** of the outstanding capital stock of the Company voted in favor of the approval and ratification of the acts of the Board of Directors and/or Officers of the Corporation during the past year.

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

## **VIII. Appointment of External Auditor**

The Chairman said that the next item on the Agenda is the appointment of the Company's independent auditors. He said that the Audit Committee recommended and the Board of Directors accepted the recommendation for the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2015.

A stockholder moved for the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2015. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **3,633,585,460** shares representing **76.84%** of the outstanding

capital stock of the Company voted in favor of the appointment of Sycip Gorres Velayo & Company as the independent external auditor of the Company for 2015. The Chairman declared that the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2015 was approved.

## **IX. 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 Annual Stockholders 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. Philip T. Ang
2. Gerard H. Brimo
3. Frederick Y. Dy (Independent Director)
4. Fulgencio S. Factoran, Jr. (Independent Director)
5. Takanori Fujimura
6. Takeshi Kubota
7. Luis J. L. Virata
8. Manuel B. Zamora, Jr.
9. Martin Antonio G. Zamora

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. Indeed, the vote of the shareholders was overwhelmingly in favor of the nine (9) nominees for the nine (9) seats on the Company's Board of Directors. The Chairman then declared all of the nine nominees as duly elected members of the Company's Board of Directors.

## **X. Other Matters**

The Chairman then asked whether there were other matters may be taken up at today's meeting. Several stockholders came forward with their questions.

A stockholder, Mr. Emilio dela Cruz asked for the foreign ownership of the Company. The Corporate Secretary, Ms. Migallos answered that the foreign ownership of the Company is around 30%. In response to another question from Mr. de la Cruz, Ms. Migallos said that the shares held by non-Filipinos are mostly Japanese owned. The stockholder commented that the Japanese ownership is good since they are our allies in the West Philippine Sea conflict. Mr. dela Cruz then asked for the Company's ownership in Nihao. The President, Mr. Brimo, clarified that the Company has not yet acquired any shares in Nihao. The Company is currently completing its documentation and due diligence before going through with the

transaction in acquiring 100% equity in Geogen and not more than 10% equity in Nihao.

A stockholder, Mr. Jerry A. Quibilan, said that additional investments in the downstream processing business may lead to more diversification in the Company. He also commended the Company in doing their share towards sustainable development. He asked what the Company's plans are for increasing the share in the 2 downstream companies and how further downstream the Company would go. Mr. Brimo said that one of the objectives of the Company is looking into the downstream processing side. As mentioned during the previous year's annual general meeting of the stockholders, the Company was also looking at a ferro-nickel plant, as opposed to the Company's current investments in HPAL plants. The timing for investing in these kinds of business needs to be right due to the costs involved. The market has not yet settled following the Indonesian ore ban. Mr. Brimo mentioned that in the current situation of the market, the Company can make more money selling ore than selling finished products. The market needs to settle down following the Indonesian ore ban, before the Company can look again at a possible ferro-nickel plant project.

Mr. Rommel Songco, a stockholder, asked whether the Nihao transaction was a separate transaction from the acquisition of Geogen. Mr. Brimo clarified that the Nihao and Geogen transactions could be considered a package deal. In order to get the Isabela property, the Company needs to acquire Geogen, the holder of the MPSA, and 10% of Nihao. He said that the Company will also get the right to explore other properties of Nihao under the same terms or a 20% profit share.

Mr. Guillermo Gili Jr., the representative of shareholder Regina Capital Dev. Corp., asked how the mining policy of Indonesian President Widodo compares to the mining policy of the current Philippine President Noynoy Aquino. Atty. Fulgencio S. Factoran, Jr., independent director, said that he will have to look into the policies of President Widodo. Mr. Gili then asked for a comment on the fact that the price of ore per ton is around P810.00 while the fee for collecting garbage is around P1,000 per ton. There was no comment on this.

## **XI. 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:

**MANUEL B. ZAMORA, JR.**  
*Chairman*

**Nickel Asia Corporation**  
**Annual General Meeting of the Stockholders**  
**5 June 2015 Minutes**