

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

*Held on 20 May 2019, at 2:30 p.m.  
at the Ascott Ballroom, 5<sup>th</sup> Floor, Ascott Bonifacio Global City  
5<sup>th</sup> Ave. cor. 28<sup>th</sup> Street, Bonifacio Global City, Taguig City*

**Shareholder Attendance:**

Shareholders holding 11,759,863,215 shares, representing **80.93%** of the Company's outstanding capital stock

**Directors present:<sup>1</sup>**

Manuel B. Zamora, Jr., *Director and Chairman Emeritus*  
Gerard H. Brimo, *Director, Chairman & CEO* Philip T. Ang, *Director and Vice Chairman*  
Martin Antonio G. Zamora, *Director and President*  
Luis J.L. Virata, *Director*  
Masahiro Kamiya, *Director*  
Toru Higo, *Director*  
Frederick Y. Dy, *Independent Director; Audit Committee Chairman*  
Fulgencio S. Factoran, *Independent Director, Board Risk Oversight Committee Chairman*

**Also Present:**

Atty. Barbara Anne C. Migallos, *Corporate Secretary*  
Jose B. Anievas, *Chief Operating Officer*  
Emmanuel L. Samson, *Chief Financial Officer*  
Atty. Georgina Carolina Y. Martinez, *Assistant Corporate Secretary, Vice President for Legal, and Chief Compliance Officer*

External Auditor:  
Sycip Gorres Velayo & Company, External Auditors (represented by Jaime F. del Rosario and members of the external audit team)

Stock Transfer Agent:  
Stock Transfer Services, Inc. (represented by Kathryn V. Flaminiano)

**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 introduced the Directors present at the meeting: Mr. Manuel B. Zamora Jr., Director and Chairman Emeritus; Mr. Philip T. Ang, Director and Vice Chairman; Mr. Martin Antonio G. Zamora, Director and President; Mr. Frederick Y. Dy, Independent Director and Chairman of the Audit Committee; Mr. Fulgencio S. Factoran, Independent Director and Chairman of the Board Risk Oversight Committee; and Messrs. Luis J. Virata, Masahiro Kamiya and Toru Higo.

The Chairman acknowledged the presence of representatives of the Company's independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.), and the Company's stock transfer agent, Stock Transfer Services, Inc. (STSI).

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<sup>1</sup> All of the Company's nine (9) directors were present at the 2019 Annual General Shareholders' Meeting.

## II. PROOF OF REQUIRED NOTICE OF THE MEETING

The Corporate Secretary, Atty. Barbara Anne C. Migallos, certified that notices of the meeting, together with the Agenda of the Annual General Stockholders' Meeting and the Information Statement duly approved by the Securities and Exchange Commission (SEC), were released for distribution to the shareholders within the periods prescribed under applicable rules and consistent with corporate governance best practices.

The Notice with Agenda was also published twice in two (2) newspapers of general circulation on 6 and 13 May 2019. The Corporate Secretary presented a notarized certification that she executed to attest to these facts under oath.

## III. CERTIFICATION OF QUORUM AND EXPLANATION OF VOTING PROCEDURE

The Corporate Secretary certified that there are present, in person or represented by proxy, 11,759,863,215 shares representing 80.93% of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the meeting.

### Voting procedure

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 holding a majority of the outstanding capital stock. As earlier stated, there is a quorum for today's meeting. To approve an agenda item, the YES vote of at least a majority of those present is required. There is no item on today's agenda that requires a higher vote.
2. Only the items on the Agenda and in the Definitive Information Statement will be voted upon. Items that are not on the Agenda cannot be submitted to a vote by the shareholders.
3. Voting is by balloting. Shareholders who are present at today's meeting were provided with a ballot upon registration. Where a shareholder submitted a proxy prior to today's meeting, the proxy designated by the stockholder was provided with ballots for casting in accordance with the stockholders' instructions, as indicated in the proxy.
4. The Company distributed proxy forms together with the Information Statement for use by the shareholders for today's meeting. The proxy form contains each item on the Agenda that requires shareholders' vote. There are spaces in the proxy for YES, NO or ABSTAIN for each of the Agenda items.
5. For the election of directors, the names of each of the nominees are stated in the proxy. The shareholder may vote for all of the nominees; OR withhold his or her vote for all or for certain nominees. Votes are cast and counted in accordance with the shareholders' instructions, as reflected in the proxies.

6. The Company's stock transfer agent, STSI, will tabulate the votes. As necessary, such tabulation will be reviewed by SGV, the Company's independent external auditor.
7. 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' Meetings held on 28 May 2018 and the Special Stockholders' Meeting held on 09 October 2018. The Minutes of two (2) Stockholders' Meetings were posted on the Company's website within five (5) business days after the meeting.

A stockholder moved that the reading of the Minutes of the stockholders' meetings held on 28 May 2018 and 9 October 2018 be dispensed with, and that 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 29 May 2017. The Corporate Secretary reported that shareholders holding 11,759,809,215 shares representing 80.93% of the outstanding capital stock of the Company, voted YES to the approval of the Minutes of the Stockholders' Meetings held on 28 May 2018 and 09 October 2018. There were no negative votes. Abstentions totaled 54,000 shares, representing only 0.00% of the outstanding capital.

The Chairman then declared that the Minutes of the Stockholders' Meetings held on 28 May 2018 and 09 October 2018 were approved.

#### **V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2018**

The President, Mr. Martin Antonio G. Zamora presented highlights of the Annual Report, followed by the Chief Financial Officer, Mr. Emmanuel L. Samson, who presented the financial highlights, as well as a brief overview of the 2019 first quarter results.

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

The President welcomed the shareholders to the Company's Annual Shareholders' Meeting.

The President reported that in 2018, the Company achieved the second highest level of production and sales of nickel ore in the Company's history.

The Company achieved total sales of 19.3 million wet metric tons (WMT), an increase of over 9% over the previous year's 17.7 million WMT, attributable to the volume of export sales of saprolite and limonite ore, which grew by 1.3 million and 547 thousand WMT, respectively. However, this was tempered by the volume of domestic sales to

affiliate High Pressure Acid Leach (HPAL) plants, which declined by about 250 thousand WMT, primarily due to remedial work that was undertaken at the Taganito HPAL plant.

The Company achieved a higher average selling price of \$16.9 per WMT as compared to the previous year's \$16.2 per WMT. Underlying this figure was an increase in the price per pound of payable nickel for limonite ore sales to affiliate HPAL plants, which is linked to London Metal Exchange (LME) nickel prices. This increased to \$5.95 per pound from \$4.67 in the previous year. The increase in LME nickel prices was due to the global nickel deficit recorded for the year, the third year in a row that this has occurred. However, there was an 11% decrease in the average price of ore exports, driven by another year that saw significant increase in medium-grade saprolite ore exports from Indonesia.

The higher sales volume, higher average selling price, and favorable average exchange rate of P53 per US\$ compared to P50.4 in the previous year resulted in an increase in consolidated revenues to P18.6 billion from P15.7 billion in the previous year.

The Company's attributable net income for the year increased by 9% to P3 billion compared to P2.8 billion in the previous year. Included in this income figure is the Company's share of the earnings of its affiliate HPAL plants, which amounted to P348 million compared to P198 million in 2017. Also included is an impairment of P444 million by the Company's renewable energy subsidiary, EPI, representing uncollected advances to its original EPC contractor for the Subic solar project.

On the basis of the results for the year, on March 14, 2019, the Board of Directors approved a regular cash dividend of P0.07 per share. The cash dividend in the amount of P957.2 million was paid on April 12, 2019 to shareholders of record as of March 28, 2019.

The President said that the Company strives to continue to be recognized as a prime example of responsible mining.

The Company's Rio Tuba operation in southern Palawan was awarded the Presidential Mineral Industry Award in the surface mining category, the highest recognition of environmental excellence in the country, while another affiliate, Coral Bay Nickel Corporation, received the same award in the mineral processing category. The Cagdianao and Hinatuan operations also received Platinum awards, the second highest environmental award. Said awards were given during the 65th Annual National Mine and Safety Conference in November, 2018.

In March 2019, the Department of Environment and Natural Resources again nominated the Rio Tuba operation to represent the country in the second ASEAN Mineral Awards for Best Practices in Sustainable Mineral Development. Rio Tuba already won such award in 2017 during the inaugural year of this award, and the Company is looking forward to the results in November 2019.

In 2018, the Company and its operating mining subsidiaries paid total taxes and fees of P4.9 billion. With respect to social expenditures under the subsidiaries' Social Development Management Programs, P161 million was spent on infrastructure, livelihood projects, health care and educational programs within the host communities of operations. Additionally, P75 million was spent on corporate social responsibility programs during the year.

Going forward, the President announced that EPI will recommence development work on an additional 20 MW of solar capacity in 2019. This is in light of the significant drop in solar development costs, positive expectations for WESM prices driven by strong economic growth, supply constraints, and inflationary pressures on traditional fuels such as oil and coal, and the objective of benefiting from economies of scale.

With respect to the outlook with on traditional nickel mining business, the Company remains cautious as to the short-term prospects for nickel ore exports. The price of medium-grade saprolite ore, in particular, will likely stay at present levels so long as Indonesia continues to export this material at current quantities. The President noted that underlying nickel ore demand from Chinese NPI producers remains robust and NPI significant capacity expansion, in China as well as in Indonesia, is expected to happen in the near-term. He likewise noted that the Indonesian export ban relaxation is temporary. If no extension is granted, this is scheduled to lapse in less than three years.

On the other hand, the Company is optimistic as to the long-term prospects for limonite ore sold to affiliate HPAL plants. Said plants produce a nickel-cobalt sulfide that is processed in Japan into refined products suitable for the growing battery market. Sales of this product is priced on the basis of quoted LME nickel and cobalt prices, which, although showing some recent weakness, should trend up given continuing inventory drawdowns in exchange warehouses.

The President said it is an interesting time for nickel and that the stockholders should expect that supply of ore to affiliate HPAL plants coupled with equity investments in said plants will play a significantly larger role in the business going forward. He added that the Company continues to explore further opportunities to increase its participation in this sector.

## **Financial and Operating Results**

The CFO presented the financial and operating results for 2018, as well as a brief overview of first quarter results for 2019.

On realized ore prices, the CFO identified two main markets for ore. First are the deliveries to the 2 HPAL plants, pricing for which is linked to LME price. Average realized price for HPAL deliveries for 2018 was \$9.97 per WMT. Improved price is attributable to higher average realized LME price, which improved to \$5.95 per WMT in 2018, from \$4.83 per WMT in 2016, and \$6.31 per WMT in 2017.

Another market for ore are exports to China and Japan. While price for said ore exports was down in 2018 at \$21.53 per WMT (\$24.42 per WMT in 2017), on a weighted average basis, price is higher in 2018 at \$16.86 per WMT, compared to \$16.17 per WMT in 2017 and \$14.51 per WMT in 2016.

The second driver for revenues in 2018 was nickel ore sales. In 2018, the Company delivered and sold 19.3 Million WMT, much higher than the 17.7 Million WMT sold in 2017. As a result of higher prices and higher volume in 2018, revenues from mining operations was recorded at P17.294 Billion, much higher than the revenue reported in 2017 amounting to P14.434 Billion. 45% of total revenues is from the Taganito mine, followed by Rio Tuba mine with a share of 23%.

The CFO then presented the Company's share in earnings of the 2 HPAL plants, namely the Coral Bay plant, located next to Rio Tuba Mine, while the Taganito HPAL plant is located next to the Taganito mine. The Company has a 10% stake in the 2 HPAL plants, resulting to a P348 Million share in earnings, higher than the Company's share in earnings in 2017 amounting to P198 Million. The increase in the Company's share is because of the higher realized nickel price of \$5.90/lb, and a higher cobalt price of \$36.41/lb.

All revenues from mining operations is linked to the US Dollar and a stronger US Dollar benefits the Company, said the CFO. In 2018, the US Dollar closed at P52.58/USD, compared to 2017's P49.93/USD, resulting to a foreign exchange gain of P363 Million in 2018.

The CFO presented the cash operating margins of the Company. In 2018, the average revenue per ton of shipment was \$16.86, while cash cost was \$10.35 per ton of shipment, resulting to an operating margin of \$6.51 per ton of shipment. Operating margin in 2018 is slightly lower compared to 2017 due to higher cash costs mainly driven by higher fuel costs and doubling of excise taxes.

On the financial highlights, the Company's total revenues increased to P18.64 Billion from P15.74 Billion in 2017. EBITDA is at P7.6 Billion in 2018, compared to P6.8 Billion in 2017. The Company reported net income of P3 Billion, compared to P2.77 Billion in 2017.

For the first quarter of 2019, earnings were lower at P148 Million, compared to P457 Million reported earnings for the same period in 2017. Operating income is down by P64 Million in the first quarter. The CFO explained that the first quarter earnings was affected by the equity in 2 plants which reversed from a P195 million gain in 2017, to a P25 Million loss in 2019. Other income also decreased from P324 Million in the first quarter of 2017 to P160 Million for the first quarter of 2018, which is attributable to lower foreign exchange gain for the period.

## **OPEN FORUM**

The Chairman then invited questions from the stockholders. For the sake of good order, he requested stockholders who wished to ask a question to state their name and also to state for the record that he or she is a stockholder. However, while shareholders were given time to come forward to ask questions, no shareholder raised any question regarding the Company and the reports presented.

Thereafter, a stockholder moved that Company's Annual Report together with the Audited Financial Statements and the notes thereto for the year ended 31 December 2018 be approved, ratified and confirmed. The motion was seconded. The Chairman requested the Corporate Secretary to inform the body of the votes cast for the approval of the Company's Annual Report together with the Audited Financial Statements and the notes thereto for the year ended 31 December 2018.

The Corporate Secretary stated that 11,759,809,215 shares, representing 80.93% of the Company's outstanding capital stock were voted in favor of the approval of the Company's Annual Report together with the Audited Financial Statements and the notes

thereto for the year ended 31 December 2018. There were no negative votes. Abstentions totaled 54,000 shares, representing only 0.00% of the outstanding capital.

The Chairman the 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 2018 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 2018. 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 11,759,809,215 shares representing 80.93% 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. There were no negative votes. Abstentions totaled 54,000 shares representing 0.00% of the outstanding capital.

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 declared as carried and approved.

## **VIII. APPOINTMENT OF INDEPENDENT AUDITORS**

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 the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2019, and the Board of Directors approved and accepted the recommendation.

A stockholder moved for the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2019. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding 11,748,986,955 shares representing 80.85% 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 2019. There were no negative votes. Abstentions totaled 10,876,260 shares representing 0.08% of the outstanding capital.

The Chairman declared that the motion for the appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2019 was approved. Sycip Gorres Velayo & Company are the independent auditors of the Company for 2019.

## 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, in alphabetical order:

1. Philip T. Ang
2. Gerard H. Brimo
3. Frederick Y. Dy (Independent Director)
4. Fulgencio S. Factoran, Jr. (Independent Director)
5. Toru Higo
6. Masahiro Kamiya
7. Maria Patricia Z. Riingen
8. Luis J. L. Virata
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. The table below provides the detailed distribution of the votes cast for each of the Directors:

<b>Name</b>	<b>Votes</b>	<b>%</b>
1) Philip T. Ang	11,479,015,562	78.90%
2) Gerard H. Brimo	11,480,593,523	78.91%
3) Frederick Y. Dy- Independent	11,695,984,595	80.47%
4) Fulgencio S. Factoran, Jr. – Independent	11,634,419,635	80.02%
5) Toru Higo	11,454,324,470	78.72%
6) Masahiro Kamiya	11,339,702,011	77.89%
7) Maria Patricia Z. Riingen	11,474,799,411	78.87%
8) Luis J. L. Virata	11,396,522,610	78.30%
9) Martin Antonio G. Zamora	11,602,555,702	79.79%

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

1. Philip T. Ang
2. Gerard H. Brimo
3. Frederick Y. Dy (Independent Director)
4. Fulgencio S. Factoran, Jr. (Independent Director)
5. Toru Higo
6. Masahiro Kamiya
7. Maria Patricia Z. Riingen
8. Luis J. L. Virata
9. Martin Antonio G. Zamora

The Chairman informed the shareholders that the Company's founder and Chairman Emeritus, Mr. Manuel B. Zamora Jr., has decided to step down from the Board of Directors. The Chairman recognized how Mr. Zamora has guided the Company over many years and, on behalf of the Directors and shareholders, thanked Mr. Zamora for his many years of service.

The shareholders, directors and officers gave Mr. Zamora a standing ovation and a huge round of applause.

#### **X. 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.

#### **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:

**GERARD H. BRIMO**  
*Chairman*