

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

*Held on 17 July 2020, at 2:30 p.m.  
via remote communication  
presided from 28F NAC Tower 32nd Street,  
Bonifacio Global City, Taguig, 1634 Metro Manila*

**Shareholder Attendance:** 78.41% of the Company's outstanding capital stock

**Directors present at the Company's principal office:**

Gerard H. Brimo, Director, *Chairman*  
Martin Antonio G. Zamora, *Director and President and CEO*

**Directors present via remote communication:**

Philip T. Ang, *Director and Vice Chairman*  
Luis J.L. Virata, *Director*  
Maria Patricia Z. Riingen, *Director*  
Masahiro Kamiya, *Director*  
Toru Higo, *Director*  
Frederick Y. Dy, *Independent Director; Audit Committee Chairman*  
Angelo Raymundo Q. Valencia, *Independent Director, Board Risk Oversight Committee Chairman*

**Officers present at the Company's principal office:**

Atty. Barbara Anne C. Migallos, *Corporate Secretary*  
Atty. Georgina Carolina Y. Martinez, *Assistant Corporate Secretary, Senior Vice President for Compliance and Corporate Services, and Chief Compliance Officer*

**Others present via remote communication:**

Manuel B. Zamora, Jr., *Chairman Emeritus*  
Jose B. Anievas, *Chief Operating Officer*  
Emmanuel L. Samson, *Chief Financial Officer*

**External Auditor:**

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

**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 2020 Annual Stockholders' Meeting (the "Meeting") of Nickel Asia Corporation (the "Company"), the first ever Meeting held via remote communication. He then proceeded to introduce the Chairman Emeritus, and the Directors of the Company who were present via remote communication: Mr. Manuel B. Zamora Jr., Chairman Emeritus; Mr. Philip T. Ang, Vice Chairman; Mr. Frederick Y. Dy, Independent Director and Chairman of the Audit Committee; Mr. Angelo Raymundo Q. Valencia, Independent Director and Chairman of the Board Risk Oversight Committee; Ms. Maria Patricia Z. Riingen, and Messrs. Luis J. Virata, Masahiro Kamiya and Toru Higo.

The Chairman introduced Mr. Martin Antonio G. Zamora, Director and President of the Company, and Atty. Barbara Anne C. Migallos, Corporate Secretary, both present 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 23 June 2020. The Notice and Agenda was also published in Business Mirror and Malaya Business Insight for two (2) consecutive days, on 24 and 25 June 2020, and published on-line in the Business Mirror, the Manila Standard and the Manila Times on 24 and 25 June 2020 and was disclosed to the Philippine Stock Exchange on 23 June 2020.

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

The Corporate Secretary certified that there are present via remote communication, or represented by proxy, 78.41% 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 7 July 2020. 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 holding 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. Items that are not on the Agenda cannot be submitted to a vote by the shareholders.
3. As stated both in the Notice and in the Definitive Information Statement, stockholders may cast their votes through an online ballot which must be submitted on or before 12:00 noon of 15 July 2020 to the same dedicated email address. Stockholders may vote online until 12:00 noon of 15 July 2020. Voting instructions were provided in the Definitive Information Statement.

4. In the election of directors, cumulative voting may be adopted. Cumulative voting is explained in the Definitive Information Statement at page 5. The nine (9) nominees with the greatest number of votes will be elected directors.
5. Proxy forms, together with the Information Statement, were also made available in the Company website, 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.
6. For the election of 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.
7. The Company's stock transfer agent, Stock Transfer Service, Inc. will tabulate the votes. As necessary, such tabulation will be reviewed by SGV, the Company's independent external auditor.
8. The results of the voting on each item will be announced when the particular item is taken up and will be posted on the Company's website.
9. Stockholders were requested to submit their questions on or before 15 July 2020 at 12 noon, 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 MEETINGS**

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 20 May 2019 (the "2019 AGM"). The Minutes of the 2019 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 20 May 2019 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 a total of 10,689,778,950 shares or 78.41% 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 20 May 2019 were hereby approved.

## V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2019

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 2019. 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 Chief Financial Officer, Mr. Emmanuel L. Samson, who presented the financial and operating highlights.

### The President's Report

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

#### *Operating Results*

The Company's mining subsidiaries achieved total sales of 18.8 million wet metric tonnes (WMT) of nickel ore, a slight decrease from the prior year's 19.3 WMT. Exports of saprolite ore decreased to 8.9 million WMT from 10.3 million WMT from the previous year. The drop was the result of the surge in higher grade saprolite ore exports from Indonesia, in anticipation of the re-imposition of the Indonesia export ban at the beginning of the year. On the other hand, exports of limonite ore increased to 1.6 million WMT from 1.2 million WMT. In addition, deliveries of limonite ore to associate companies, Coral Bay and Taganito HPAL (the "HPAL Plants"), increased to 8.4 million WMT, from 7.8 million WMT. The increase was attributable to the completion of remedial work at THPAL plant.

With respect to prices, the Company averaged \$25.00 per WMT for saprolite ore exports, as against \$22.7 per WMT from the prior year, an 11% increase. The higher price was the result in a change of the Company's ore mix, from low grade in 2018, to medium grade in 2019. The price of limonite exports also increased to \$15.00/WMT, as against \$12.00/WMT. The increases in export volume and price, resulted from the start-up of a number of NPI plants in China. For limonite sales to the HPAL Plants, the Company realized an average of \$6.2/lb of payable nickel, almost the same as the prior year. However, the realized price was lower at \$8.2/WMT, compared to \$10.00/WMT in 2018, due to the substantial drop in the price of cobalt. On a combined basis, the Company averaged \$16.70/WMT in 2019, marginally lower than the prior year.

The lower sales volume, lower cobalt price, and stronger peso resulted in a decrease in the Company's consolidated revenues, from P18.6 billion to P17.9 billion. Correspondingly, the attributable net income for the year decreased from P3 billion to P2.7 billion. On the basis of these results, on 13 March 2020, the Board of Directors approved a regular cash dividend of P0.08 per share. A cash dividend amounting to P1.09 billion was paid on 08 April 2020 to shareholders of record as of 27 March 2020.

#### *Economic and Social Contribution*

In 2019, the Company paid taxes and fees amounting P4.5 billion, including corporate income tax of P1.7 billion. With respect to mandated social development expenditures, the Company spent P143 million, primarily on infrastructure, livelihood,

health care and educational programs within the host communities of the Company's operations. Additionally, the Company spent P84 million on corporate social responsibility programs during the year.

The Company employed almost 7,000 individuals, both full-time and through a number of contractors.

### *Industry Outlook*

With respect to the Company's nickel mining business, 2019 saw a deficit in the global nickel market, leading to a firmer London Market Exchange (LME) nickel price compared to the prior year.

With respect to the Company's renewable energy business, the prospects are positive. The 32 Megawatt (MW) solar plant in Subic generated P63 million pesos in cash from operations. Further, the Company secured its first power sales agreement, as part of its efforts to balance revenues from fixed and WESM-based sources. The Company also partnered with a leading Chinese tower equipment manufacturer, TBEA Company Ltd., which will invest to up to 20% in the Company's solar business, contributing to the financing, engineering, design and development of the solar plant. As a result, the Company is well positioned to expand its solar generation capacity to 100MW by 2021.

On the other hand, the corona virus disease (CoViD-19) is expected to take its toll on the local and global economies, the extent of which is still undetermined.

Finally, amidst the challenging times brought about by the unprecedented threat of CoViD-19, the dedication and perseverance of the Company's officers, staff, and rank and file employees in continuing operations safely and in accordance with mandated government protocols have been exemplary – the President thanked them for their efforts. Additionally, the President thanked them especially in making sure the Company's host communities are safe and secure from the virus, in reaching out and assisting everyone, especially the most severely affected, through in-kind donations of food supply, face masks, test kits, etc.

The President proudly announced that the Company, in partnership with THPAL, donated a molecular test laboratory, through the Philippine National Red Cross, which will provide not only Surigao del Norte, but the whole CARAGA region, a world class facility that can process tests for any viral and bacteriological afflictions.

The President expressed his appreciation to the Company's Directors for their collective wisdom and guidance throughout the year. Finally, the President thanked the shareholders, for their continued support and encouragement as the Company goes through a period of crisis.

The President said that the Company's commitment to raise the bar remains unchanged. With the shareholders' continued support, and the dedication of the Company's employees, the Company aims to emerge an even stronger one.

## Financial and Operating Results

The CFO presented the financial and operating results for 2019.

2019 was a difficult and challenging year for the Company, mainly due to the abundance of nickel ore supply coming from Indonesia. Fortunately, the Company started to see a recovery in ore price starting the 4<sup>th</sup> quarter of 2019, following the announcement of the Indonesian government that they will once again put in place an ore export ban which took effect on 01 January 2020.

With respect to realized ore prices, particularly the Company's delivery to the HPAL Plants, the Company achieved realized LME price of \$6.23 in 2019, higher than 2018's \$5.95 in 2018. However, when expressed in dollars per WMT, which includes the cobalt credits the Company receives for the cobalt in its ore, the Company achieved a realized price of \$8.19 per tonne, lower compared to the \$9.97 per tonne achieved in 2018. Cobalt prices fell significantly, from an average price of \$37.00 in 2018, to \$17.00 in 2019.

With respect to ore export sales the Company achieved an average realized price of \$23.52 per WMT, compared to \$21.53 per WMT realized in the prior year. On a combined basis, the average price realized from ore exports and ore deliveries from the HPAL plants in 2019 was \$16.69 per WMT, lower than the \$16.86 per WMT in 2018.

On foreign exchange rates, since 100% of the Company's revenues derived from mining is in US dollars, the movement in the peso and US dollar exchange rate will have a direct impact on the Company's profit and loss statements in 2 ways – (1) revenues; and (2) US dollar financial assets which the company holds. In 2019, the stronger peso negatively affected the Company's earnings. Realized foreign exchange rate was P51.72 to \$1.00 compared to \$53.00 to \$1.00 in 2018. The Company estimates that a P1.00 movement in the foreign exchange rate impacts the attributable net income of the Company by P140 million.

In terms of financial assets, almost 60% of the Company's cash and cash equivalents are held in US dollars. The stronger peso in 2019 resulted in a foreign exchange loss of P264 million, as compared to a foreign exchange gain of P363 million in 2018, and P80 million in 2017.

On shipment volumes, the surge in ore shipments coming from Indonesia in 2019 had an effect in Company's saprolite ore exports during the year. The Company had to put more effort in producing saprolite ore grades of at least 1.5% to be competitive, resulting to a slight drop in ore export volume during the year. As a result, shipment of ore grades below 1.5%, which amounted to 5.4 MT in 2017 and 3.7 MT in 2018, completely disappeared in 2019. The Company's lower ore shipment was partially offset by ore deliveries to HPAL plants which increased to 8.4 MT, as against 7.8 MT in 2018. Overall, total shipments fell by 3%.

On revenues, the effect of lower realized price of the Company's deliveries to the HPAL plants, which fell due to the big drop in cobalt prices is the main reason for the drop in mining revenues, to P16.3 billion in 2019, compared to P17.3 billion in 2018.

For 2019, the Company's cash cost per WMT sold was \$11.00, or a margin of 34%, a lower margin compared to the 39% in 2018. The lower margin in 2019 was due to a higher cash cost per tonne, resulting from lower shipments throughout the year, and increases in costs.

Finally, on the highlights of financial results for 2019 - total revenues are lower by 4% compared to 2018 mainly due to a decline in shipment, combined with lower prices related to the ore deliveries to the HPAL Plants. As a result of the drop in revenues, and higher costs relative to total shipments, the Company reported an EBITDA amounting to P6.5 billion. Finally, 2019 net income amounted to around P2.7 billion, a 10% decline as against the previous year.

## **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 2019, be as they are hereby approved.”***

The Corporate Secretary stated that based on the tabulation of votes, stockholders owning a total of 10,673,884,730 shares or 78.29% of the Company's outstanding capital stock voted in favor of the approval of the Annual Report, together with the Audited Financial Statements and the notes thereto of the Corporation for the year ended 31 December 2019.

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. PRESENTATION AND APPROVAL OF FURTHER ADDITIONAL SHARES RESERVED FOR THE 2018 STOCK OPTION PLAN**

The next item on the Agenda was the approval of the reservation for further additional shares under the 2018 Stock Option Plan (the "2018 SOP"). The Chairman asked the Corporate Secretary to discuss the resolution for approval.

According to the Corporate Secretary, At a meeting held on 13 March 2020, the Board approved resolutions: (1) to increase the number of shares reserved under the 2018 SOP to Three Hundred Seventy Five Million (375,000,000) common shares, or by an additional Ninety Six Million Twenty Three Thousand Two Hundred Eight (96,023,208) common shares (the "Further Additional Shares"), and (2) any amendment to the 2018 SOP as may be necessary to effect the increase in number of shares reserved for the Plan. The resolution for approval by the stockholders is:

*“RESOLVED, that the shareholders of Nickel Asia Corporation approve, as they hereby approve, the additional Ninety Six Million Twenty Three Thousand Two Hundred Eight (96,023,208) common shares (the “Further Additional Shares”) to be reserved under the 2018 Stock Option Plan (the “Plan”), which will entail the concomitant waiver of pre-emptive rights with respect to such Further Additional Shares and authorize the requisite amendment to the Plan as necessary to effect the increase in the number of shares reserved for the Plan.”*

Based on the tabulation of votes, shareholders holding 10,370,467,289 shares, representing 76.07% of the outstanding capital stock, have voted in favor of the further additional shares to be reserved for the 2018 Stock Option Plan, and the necessary amendments to the 2018 SOP to effect the increase in number of shares.

The Chairman declared the motion carried. Having received the affirmative votes of stockholders, the further additional shares to be reserved for the 2018 Stock Option Plan, and the necessary amendments to the 2018 SOP to effect the increase in number of shares are hereby 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 2019. 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 holding 10,579,100,778 shares, representing 77.6% 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.

#### **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 2020, and the Board of Directors approved and accepted the recommendation. The Corporate Secretary presented the resolution for approval:

***“RESOLVED**, that 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 2020 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 holding 10,594,994,998 shares, representing 77.72% 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 2020.

The Chairman declared the motion carried. The appointment of Sycip Gorres Velayo & Company as independent auditors of the Company for 2020 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 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. Gerard H. Brimo
2. Philip T. Ang
3. Martin Antonio G. Zamora
4. Frederick Y. Dy (Independent Director)
5. Angelo Raymundo Q. Valencia (Independent Director)
6. Maria Patricia Z. Riingen
7. Luis J. L. Virata
8. Hiroshi Yoshida
9. Masahiro Kamiya

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

1. Gerard H. Brimo
2. Philip T. Ang
3. Martin Antonio G. Zamora
4. Frederick Y. Dy (Independent Director)
5. Angelo Raymundo Q. Valencia (Independent Director)
6. Maria Patricia Z. Riingen
7. Luis J. L. Virata
8. Hiroshi Yoshida
9. Masahiro Kamiya

**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*