



Global Ferronickel Holdings, Inc.



PRESIDENT'S REPORT

27 JUNE 2018

ATA GLANCE

Operating Mine Platinum Group Metals Corporation (PGMC)	Contract Area 4,376 hectares additional 843 hectares adjacent to existing mine site	Mine Site Cagdianao Area (CAGA) located in Claver, Surigao del Norte
Mineral Production Sharing Agreement (MPSA) 007-92-X Valid until 14 Feb 2042	Mining Method Surface Mining	Annual Maximum Production Volume 5.0M DMT or 7.7M WMT
	Distance 2-8 km inland	Resources & Reserves 83.3M WMT 36.3M WMT
	Certification ISO 14001:2015	Customers Multinational Steel Producers and Independent Smelters

TRANSFORMATION

**Change flutters and
challenges float.
In these changing times, we
expand our wings.**



2017 marked by challenges and opportunities

LME NICKEL HISTORICAL PRICE GRAPH

At the start of 2017, **Indonesia** export ban on nickel ore was partially lifted subject to certain conditions.

Department of Environment and Natural Resources (DENR) under Secretary Gina Lopez announced closure of certain mines and suspended half of the Country's nickel ore producers

DENR Secretary Gina Lopez removed from office in June 2017

More stringent environmental inspections enforced in **China**

Regulatory measures for environmental management and financial markets in **China** implemented in Q3 2017



Improved structure & processes



- Better organization
- Improved processes

More contractors
in 2017

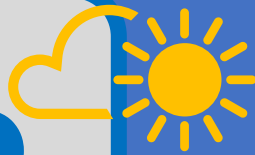
11 vs 7



Overcoming weather

182

Operating Days
in 2017



Nickel Ore Production

6.154

million WMT
+36% vs 2016

Average Daily Load Rate

27,388

WMT per day
+32% vs 2016

Nickel Ore Shipped

5.971

million WMT
+39% vs 2016

Record High



58,768

WMT
Loaded in one day

Strong performance in 2017

Total Revenues (PHP)

5.8B

up +54% vs 2016

Operating Cash Cost per Unit (PHP)

554.8 Per WMT

-10% vs 2016

Net Income (PHP)

780M

up 20x vs 2016

- Higher volumes shipped
- Better selling prices
- Favorable exchange rates

31%

EBITDA

13%

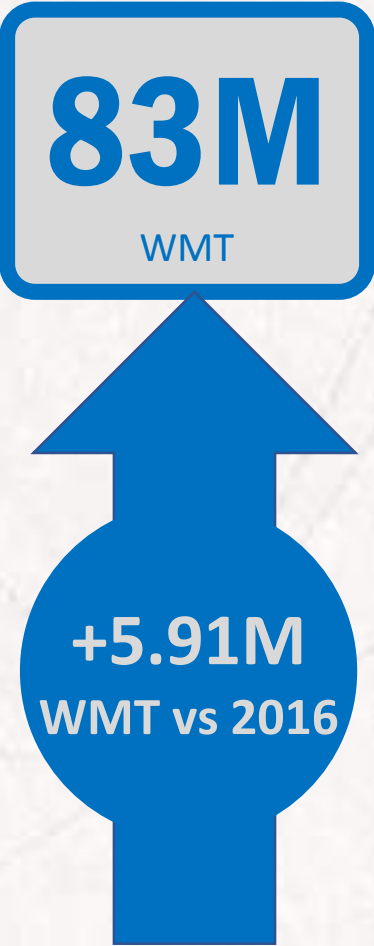
Net Profits

12%

ROE

Building a pathway to the future

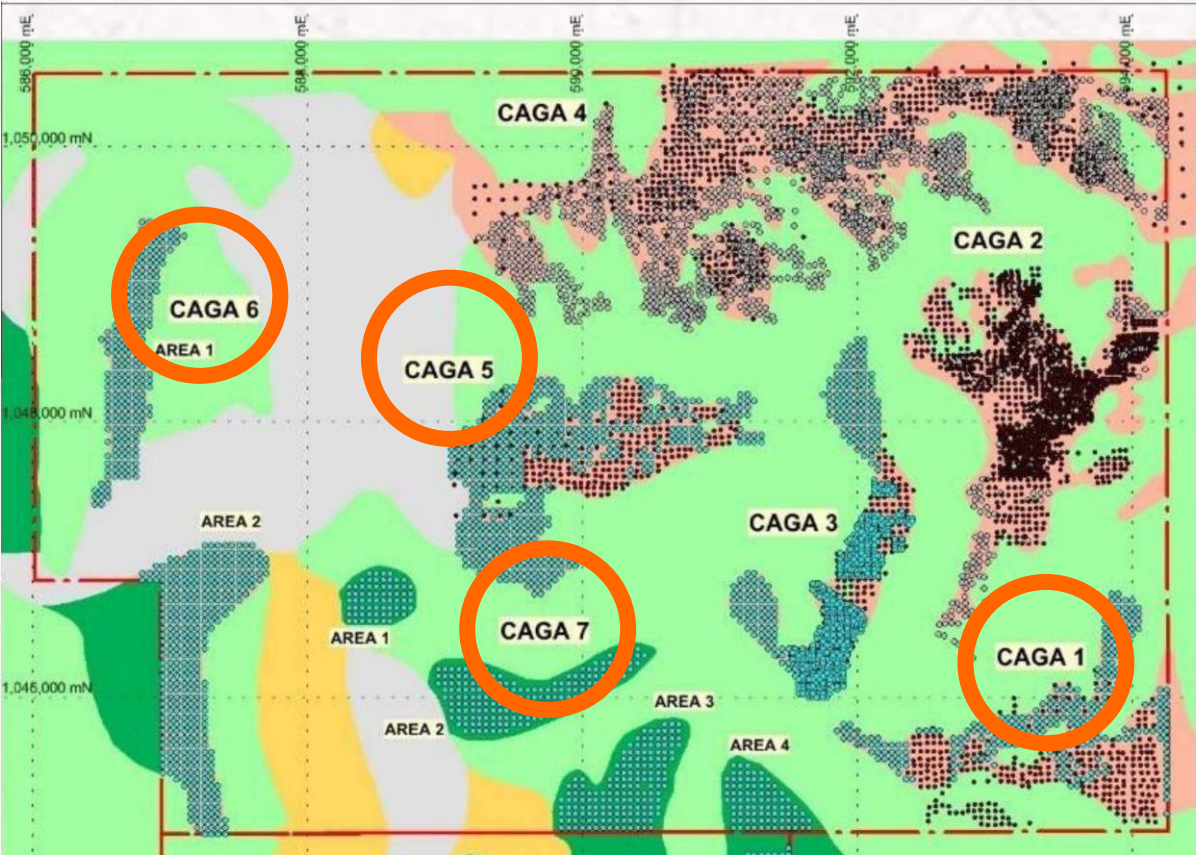
Resources*



Reserves*

Excerpt from Statement of Ore Reserves
for CAGA1-5 as of 23 Jun 2017

Classification		Total		
Material	WMT	%Ni	%Fe	
LGHF	15,643,240	0.92	49.07	
LGMF	2,844,346	1.23	46.41	
LGLF	5,639,337	1.26	13.29	
MGMF	683,741	1.44	43.05	
MGLF	7,680,862	1.48	12.73	
HG	3,851,145	1.83	13.23	
Total	36,342,670	1.22	31.72	

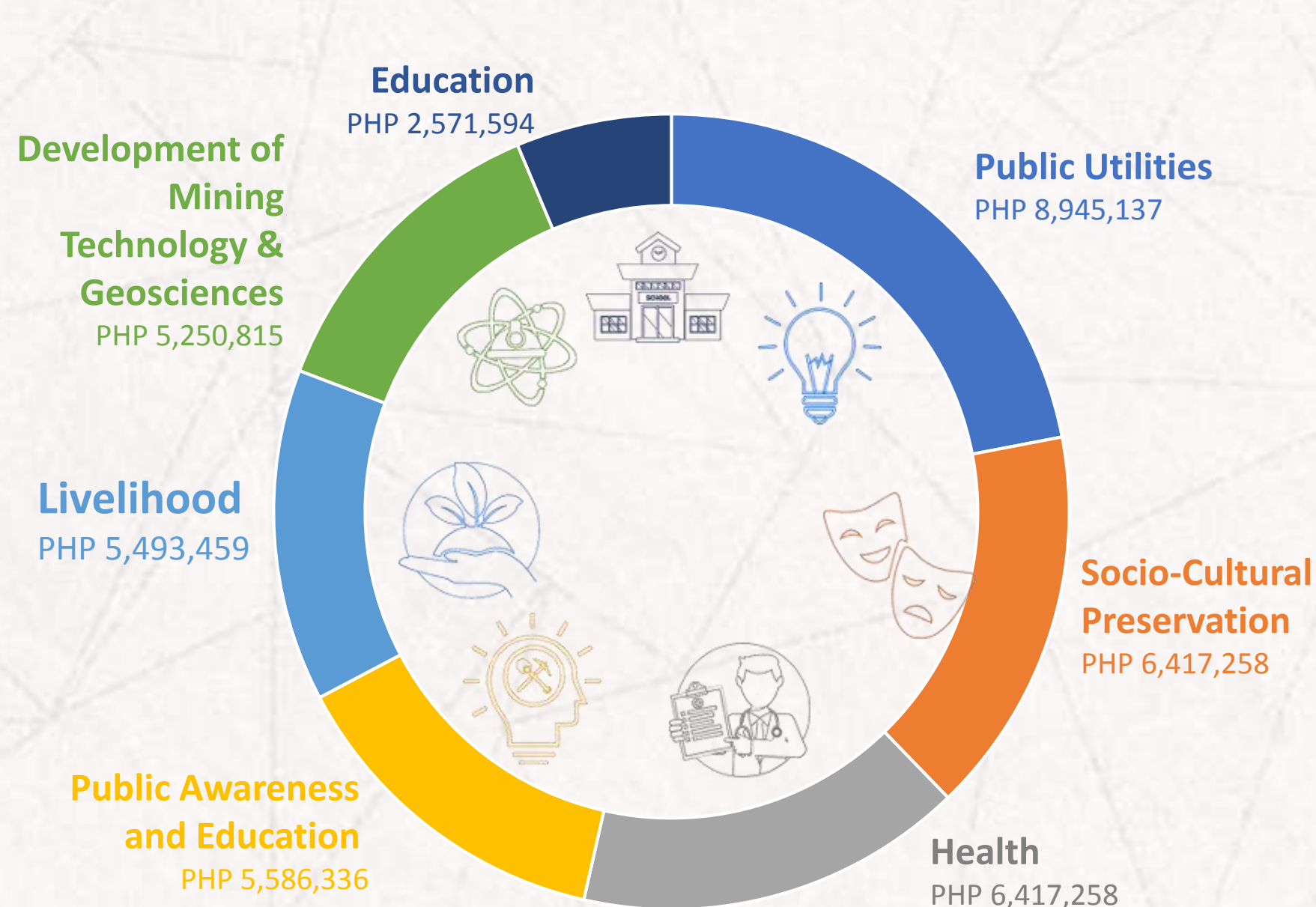


* As of 23 June 2017, measured and reported in accordance with the Philippine Mineral Reporting Code (PMRC)

Upholding global environmental standards



Over P38M provided for social development



HEALTH



EDUCATION



SKILLS DEVELOPMENT



SAFETY



Forming engaged and values-driven teams



**TAKING CARE
OF OUR PEOPLE**

**FISCAL
RESPONSIBILITY**

**SOCIAL
RESPONSIBILITY**

**TEAMWORK
&
SYNERGY**

INTEGRITY

MERITOCRACY



**CARING FOR THE
ENVIRONMENT**

ACCOUNTABILITY



MARKET OUTLOOK

PRESIDENT'S REPORT ● JUNE 2018

Declining inventory of combined stocks at London and Shanghai markets



Growth in electronic vehicle demand



