

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
GLOBAL FERRONICKEL HOLDINGS, INC.**

Held on June 27, 2018 at 3 p.m.  
at the Makati Shangri-La Manila Hotel  
Makati City, Metro Manila

**Attendance:**

Number of Shares represented by Stockholders Attending in person or by proxy	3,615,080,760
---	---------------

Total Number of Issued and Outstanding Shares	5,398,139,399
Percentage of	67%

**Directors Present:**

Joseph C. Sy  
Dante R. Bravo  
Mary Belle D. Bituin  
Francis C. Chua  
Gu Zhi Fang  
Dennis Allan T. Ang  
Edgardo G. Lacson  
Roberto C. Amores

**I. CALL TO ORDER**

By authority of the Chairman and the Board of Directors, Atty. Dante R. Bravo, President of the Corporation, acted as Chairman of the meeting. He introduced the Chairman and the members of the Board. Atty. Bravo called the meeting to order. Atty. Eveart Grace Pomarin-Claro recorded the minutes as Assistant Corporate Secretary.

**II. PROOF OF NOTICE AND CERTIFICATION OF QUORUM**

The Assistant Corporate Secretary certified that there being present, in person or by proxy, stockholders owning 3,615,080,760 shares equivalent to 67% of the outstanding capital stock of 5,398,139,399, a quorum existed for the transaction of such business as may be properly come before the meeting.

**III. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING DATED JUNE 28, 2017**

The Chairman proceeded to the first item in the agenda which is the approval of the minutes of the previous annual stockholders' meeting on June 28, 2017, copies of which were earlier circulated to the stockholders and uploaded the Corporation's website.

Upon motion duly made and seconded, stockholders owning 3,592,914,760 shares voting in person and in proxy approved the minutes of the previous annual stockholders' meeting on June 28, 2017.

**IV. APPROVAL OF AUDITED FINANCIAL STATEMENTS AND ANNUAL REPORT: PRESIDENT'S REPORT**

The next item in the agenda was the approval of the Audited Financial Statements as of December 31, 2018 and the Annual Report which was earlier circulated to the stockholders.

At this juncture, Atty. Bravo delivered his Report as President of the Corporation.

Platinum Group Metals Corporation (PGMC) is the operating subsidiary of FNI.

Looking back at its operations, Atty. Bravo highlights what has transformed in the past year. He shared that his belief is that the mining industry is now in an entirely different place than it was 3-4 years ago. He noted that technological breakthroughs such as electric vehicles, and such other opportunities abound in the world of sustainable mobility favors the Corporation. He surmised that this new transport paradigm will revolutionize the need for nickel. He looked back on major policy shifts here and abroad that shook the nickel industry. At the beginning of 2017, Indonesia announced that it would relax restrictions on the export of unprocessed ore subject to certain conditions – a move that created uncertainties around supply and temporary weakness in nickel prices. Shortly afterwards, former Secretary Gina Lopez of the DENR made pronouncements on mine closures and suspended half of the country's nickel ore producers, which sent prices higher on speculation. However, Ms. Lopez's eventual dismissal in June dragged down nickel prices to the US\$8,000-level at the London Metal Exchange (LME). By the third quarter of 2017, China had implemented regulatory measures for environmental management and financial markets that led to spikes in global nickel prices to as high as US\$12,250 per tonne.

For FNI, the past year marked the beginning of a more unified approach to managing its overall operations. For example, FNI improved its organizational structure and processes within teams, and increased connectivity and efficiency, which enabled it to swiftly act on day-to-day weather conditions.

As a result, PGMC's nickel ore production significantly increased by +36% year-on-year to 6.154 million WMT in 2017. This growth can be attributed to several factors, including increases in operating days (182 operating days, as compared to 158 operating days in 2016) and the number of contractors (12 vs. 10 in 2016). The implementation of road developments and stripping activities in the previous year have also prepared the ore deposit for extraction in 2017 and exposed the ore body suitable for two-year mine production.

By the end of the year, PGMC had shipped a total of 5.971 million WMT, or +39% more than in 2016. The average daily load rate was increased by +32% to 27,388 WMT in 2017, with a record high of 58,768 WMT ore loaded in one day.

All of these improvements translated into year-end achievements. Revenues totaled P5.8 billion, up by +54% from the previous year on higher volumes shipped, better selling prices, and favorable exchange rates. Our operating cash cost per unit declined by as much as -10% to P554.83 per WMT despite increases in volume and inflationary pressures. Ultimately, net income reached P780 million from just over P37 million in 2016 and margins improved across the board – EBITDA to 31%, net profit margin to 13% and ROE to 12%.

He also shared the ongoing survey and exploration at Cagdianao areas 1 to 5 which have confirmed historical findings and allowed a successful increase in PGMC's resource inventory.

As of 23 June 2017, the combined measured and indicated mineral resources at Cagdianao areas 1 to 5 increased by 3.846 million dry metric tons (DMT) from last year to 54.160 million DMT. Average grade stood at 1.1% nickel and 31.4% iron. There was expansion of reserves despite having shipped over 5 million WMT since June 2016. Combined proven and probable ore reserves stood at 36.3 million WMT with an average grade of 1.22% nickel and 31.7% iron.

These estimates are very encouraging as there are still four deposit areas for advance exploration, namely Cagdianao areas 1 and 5 in which PGMC has yet to restart drilling activities, and Cagdianao areas 6 and 7, which we have not surveyed yet. In view of this, the Corporation is carrying out its 2018 exploration program in order to raise its existing resource base and keep it firmly in a position of growth and strength.

Atty. Bravo said that the Corporation is proud that its environmental and social development programs have become ever more inclusive. In 2017, it has surpassed 1 million seedlings planted since it started our tree planting program in 2007. It has also completed all committed environmental control measures and research initiatives, promoted a unified Information, Education and Communication (IEC) program, and pursued educational assistance for young people with disabilities.

Atty. Bravo also shares some highlights how the Corporation played a role in addressing societal issues like when the Corporation assisted a total of 190 families of its host and neighboring communities to gain access to PhilHealth insurance coverage, so that they can get the proper medical treatment they need when they need it. Medicines and vitamins were also provided to some 2,800 patients through bi-weekly medical missions. The Corporation also supports the educational aspirations of the youth, especially those who are left furthest behind. To date, at least 89 college students with disabilities were prioritized for the Corporation's scholarship program. He also shared the partnership with Technical Education and Skills Development Authority (TESDA) remains active with a total of 114 students in 2017 receiving specialized training courses that would enable them to gain critical skills to secure jobs or advance their careers. These young individuals have been trained on automotive mechanics, shielded metals arc welding, agriculture and livestock management, food processing and catering services.

When earthquakes hit the provinces of Surigao and Ormoc last year, PGMC Mine Rescue Teams were deployed and coordinated with respective local governments to help assess damage in the affected areas, deliver and distribute relief goods to affected communities, and deliver water to residents. Their efforts are a great source of pride for the entire PGMC team.

As for the market outlook, Atty. Bravo believes that this is an exciting time for the company. First, the inventory of combined stocks at London and Shanghai markets have declined to about 340,000 tonnes in the second quarter of this year from a high of 500,000 tonnes in the first quarter of 2016. In particular, nickel stocks at the LME have dropped every month since August 2017 and are now at their lowest level since June 2014. Second, there have been a lot of talks about U.S.-Russia trade sanctions. This recent trend could also dramatically disrupt supply. We believe that should U.S. sanctions extend to Russian metals producers which account for 9% of global nickel production, it could directly trigger supply tightness and sharp movement in prices. Third, and related to the other factors I've mentioned earlier, forecasts have relatively been favorable. For example, World Bank estimates nickel prices to remain an uptrend, rising by another 30% from 2017 to US\$13,500. This higher expectation reflects the risk of Russian sanctions as well as growth in electric vehicle demand. We also welcomed the more optimistic forecast of the International Nickel Study Group (INSG) which revised its 2018 deficit forecast to 117,000 tonnes from its previous assessment of 53,000 tonnes in October 2017. Last but not least, laterite ores are expected to be the main source of pure nickel and new nickel units in the medium- to long-term. This is because discovery and development of sulphide ores remains underinvested. And because producers require higher nickel prices to incentivize expansion of existing facilities or exploration for new additional investments in nickel suitable for battery use.

At the end of his presentation he enjoined everybody to work together to make the foreseen transformation more quickly,

After discussion and upon motion duly made and seconded, stockholders owning

3,592,914,760 shares voting in person and in proxy the stockholders approved Audited Financial Statements as of December 31, 2017 and the Annual Report with no votes casted against or abstain.

#### **V. ELECTION OF DIRECTORS**

After nomination duly made and the pre-screening made by the Nominations Committee, the following were duly elected as directors of the Corporation for a term of one (1) year and until their successors are duly elected and qualified:

<b>Names</b>			<b>Votes received (person &amp; proxy)</b>
1	Mr. Joseph C. Sy	Regular Director	3,591,699,427
2	Mr. Ming Huat	Regular Director	3,590,398,094
3	Atty. Dante R. Bravo	Regular Director	3,592,397,427
4	Mr. Dennis Allan T. Ang	Regular Director	3,590,057,094
5	Mr. Francis C. Chua	Regular Director	3,590,057,094
6	Ms. Mary Belle D. Bituin	Regular Director	3,590,057,094
7	Mr. Noel B. Lazaro	Regular Director	3,590,057,094
8	Ms. Gu Zhi Fang	Regular Director	3,590,398,094
9	Mr. Edgardo G. Lacson	Independent Director	3,592,738,427
10	Mr. Roberto C. Amores	Independent Director	3,592,397,427

#### **VI. APPOINTMENT OF EXTERNAL AUDITOR**

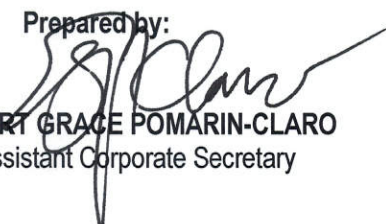
The next item in the agenda was the appointment of Sycip Gorres Velayo & Co. ("SGV & Company") as the independent auditors of the Corporation for the ensuing year. Ms. Eleanore A. Layug was recommended to be the partner-in-charge of SGV & Company. Upon motion duly made and seconded, stockholders owning 3,589,963,761 shares voting in person and in proxy, with no votes against or abstain, re-appointed the auditing firm of SGV & Company as the external auditors of the Corporation for the ensuing year.

#### **VIII. APPOINTMENT OF STOCK AND TRANSFER AGENT**

The last item in the agenda was the proposal to re-appoint Stock Transfer Service, Inc. ("STSI") as the stock and transfer agent of the Corporation for the ensuing year. Upon motion duly made and seconded, stockholders owning 3,592,620,427 shares voting in person and in proxy re-appointed STSI as the stock & transfer agent of the Corporation for the ensuing year with no votes against or abstain.

#### **IX. ADJOURNMENT**

There being no further business to transact, upon motion duly made and seconded, the meeting was thereupon adjourned.

Prepared by:  
  
**EVEART GRACE POMARIN-CLARO**  
 Assistant Corporate Secretary