



Global Ferronickel Holdings, Inc.

Nickel Outlook

Presentation Outline

- ▶ Global demand supply situation
- ▶ China is forecasted to grow Nickel consumption
- ▶ Stainless Steel consumption expected to grow
- ▶ Potential of China STS industry



Global Demand Supply Situation

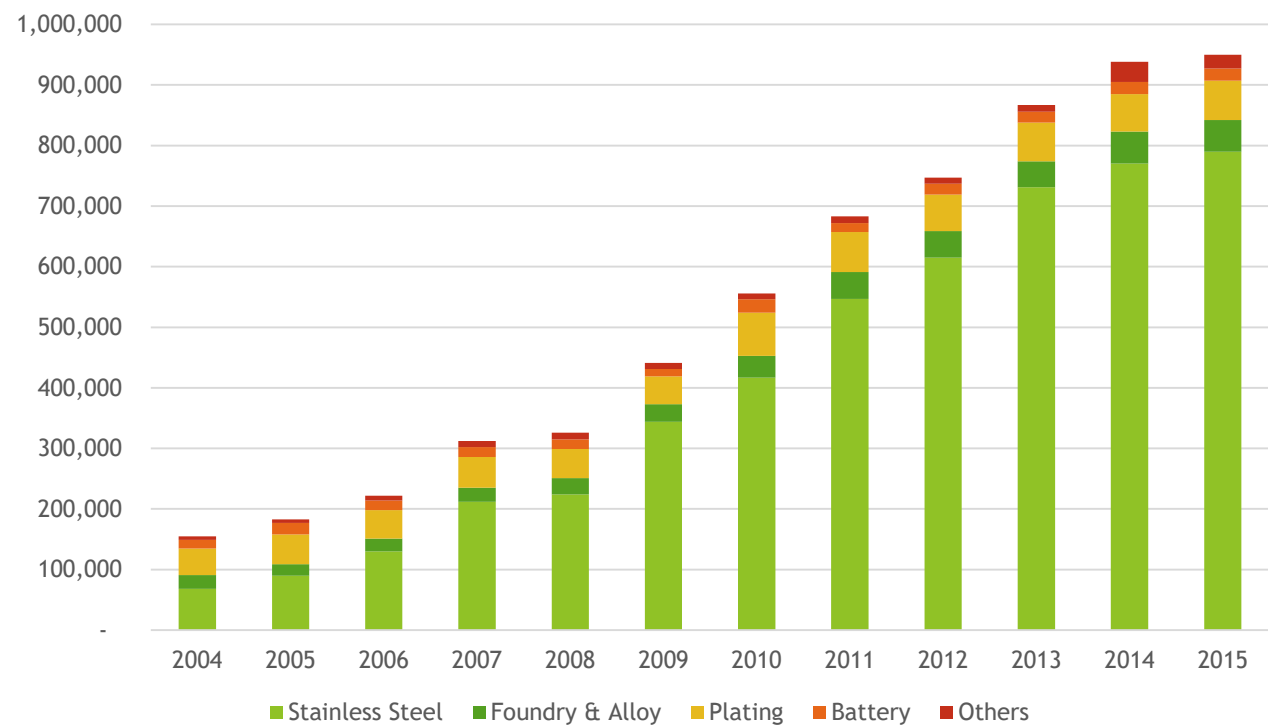
	2012	2013	2014	2015 (f)	2016 (f)
Global Output	1,745k mt	1,962k mt	1,994k mt	1,954k mt	1,905k mt
Global Consumption	1,648k mt	1,785k mt	1,863k mt	1,905k mt	1,965k mt
Balance	97k mt	177k mt	1317k mt	49k mt	-60k mt

Data source: INSG, Antaika

Due to the low price environment with 60% of nickel processors losing money Norilsk Nickel expects more supply chokes on the production side.



China is forecasted to grow nickel consumption



Source: Antaike

Antaike expects Stainless Steel (STS) nickel consumption to reach 980k mt in 2016.

Stainless Steel Demand to grow 3% a year through 2019

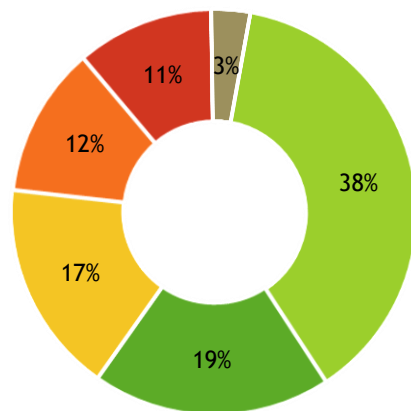
According to Outokumpu (2.381m mt sales in 2014) global consumption is expected to increase at an annual growth rate of 3% from 2016 through 2019. They cited figures from the German consultancy SMR- Steels and Metals Market Research.

Growth will come from:

Region Asia and Pacific 3%, Europe-Middle East-Africa 1%, Americas 1%

End-use of stainless steel

- Catering & Appliances
- Process & Resources
- Architecture, Building & Construction
- Transportation
- CPE
- Others



End-Use Segments

Chemical, petrochemical & energy

0%

Industrials & Heavy Industries

1%

Automotive & Heavy Industry

3%

Consumer Goods, Medical, Infrastructure, Architectural-Building-Construction

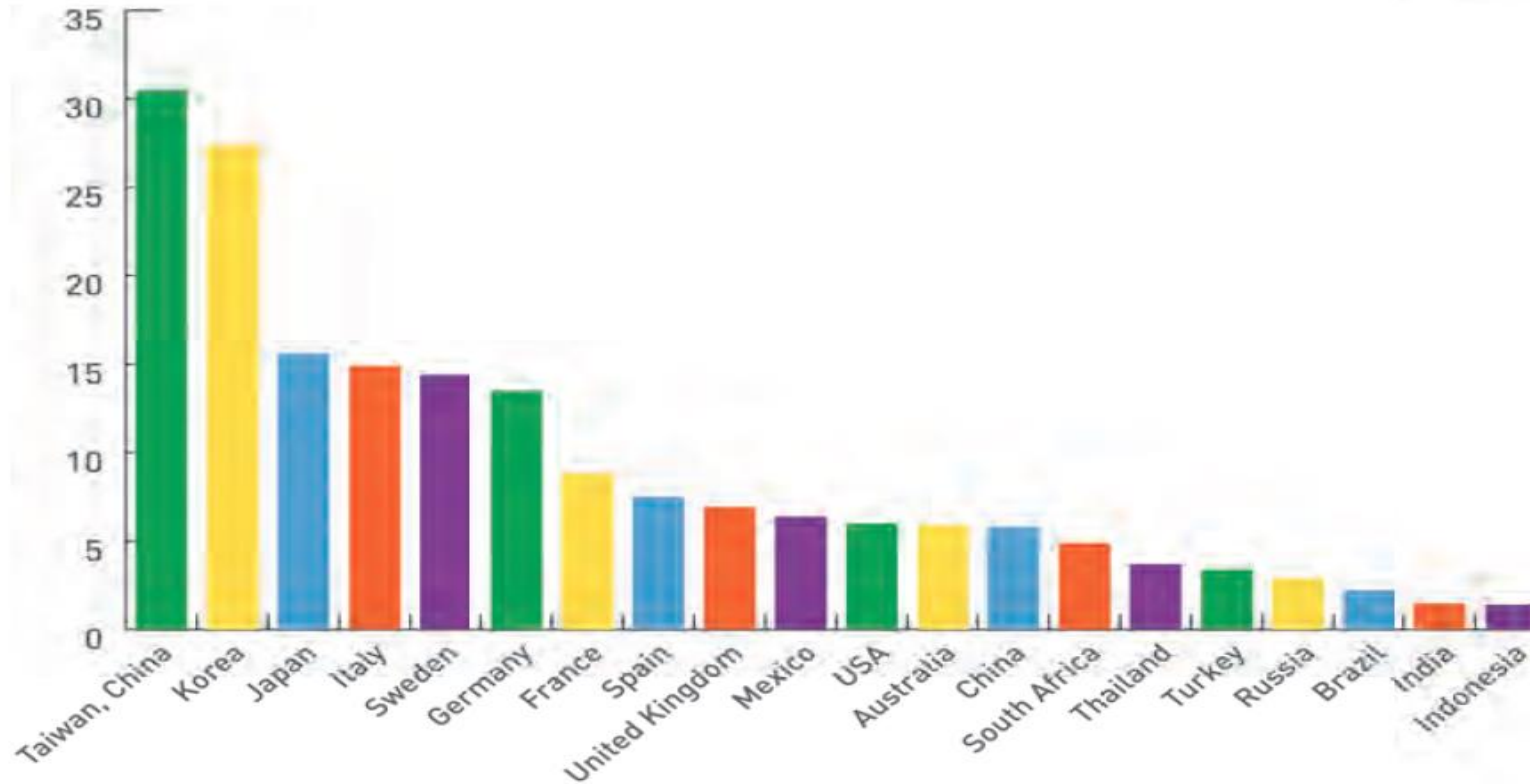
4%

Source: SMR all stainless steel finished products, January 2012



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What is the potential of China's STS industry?



Source: International Stainless Steel Forum 2015

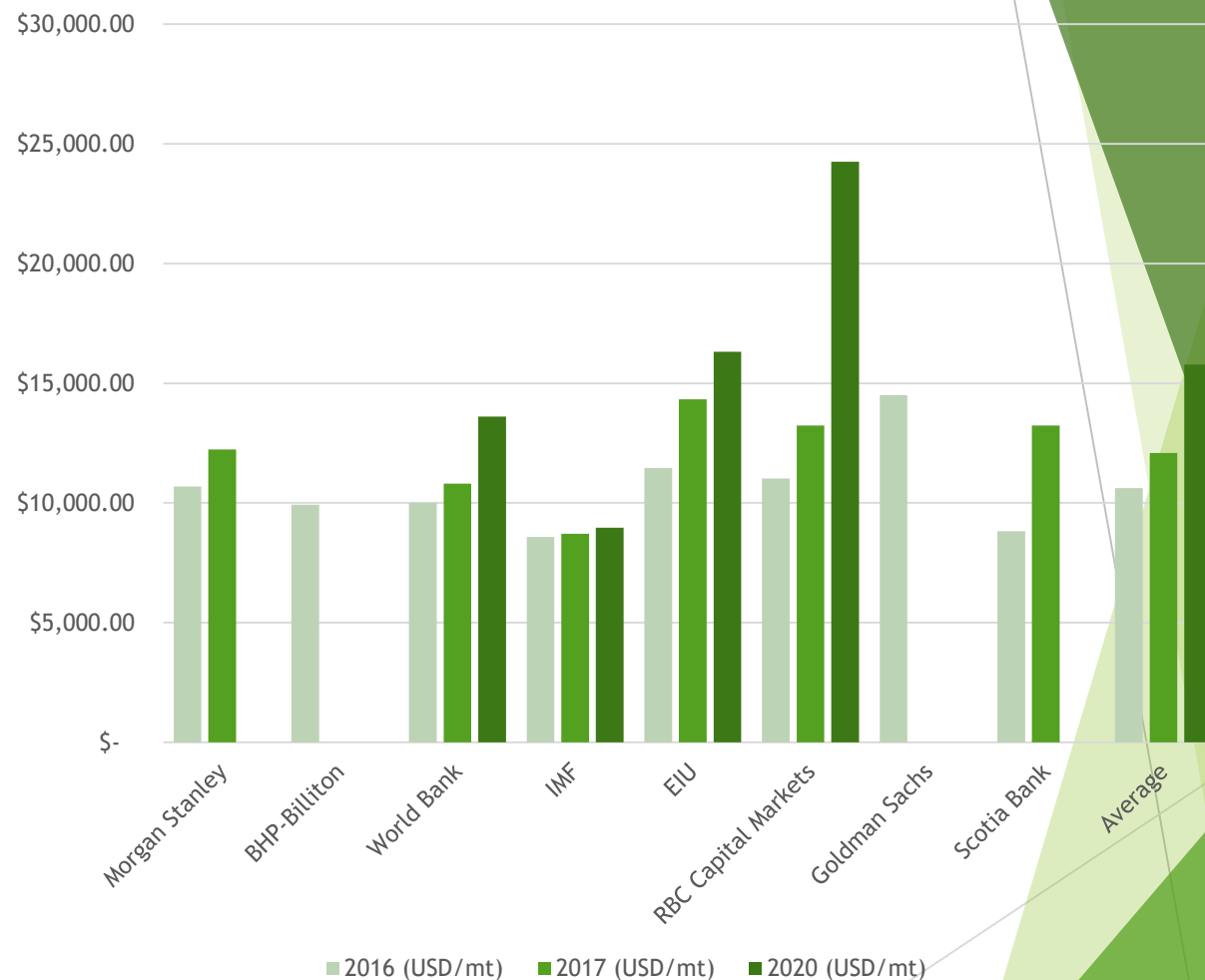
- China's growing urbanization and industrial growth will push their consumption higher as they pursue growth. They will at least aspire to match the developed countries and their Asian neighbors.
- In the long term demand for nickel will increase and the Philippines will play a strategic partner in supplying the nickel requirements of China.



Prices Expected to Recover

Projected prices by reputable forecasters:

Group/Company	2016	2017	2020
Morgan Stanley	\$10,692/mt (\$4.85/lb)	\$12,236/mt (\$5.55/lb)	
BHP-Billiton	\$9,922/mt (\$4.50/lb)		
World Bank	\$10,000/mt (\$4.54/lb)	\$10,801/mt (\$4.90/lb)	\$13,608/mt (\$6.17/lb)
IMF	\$8,578/mt (\$3.89/lb)	\$8,705/mt (\$3.95/lb)	\$8,971/mt (\$4.07/lb)
EIU	\$11,466/mt (\$5.20/lb)	\$14,332/mt (\$6.50/lb)	\$16,317/mt (\$7.40/lb)
RBC Capital Markets	\$11,025/mt (\$5.00/lb)	\$13,230/mt (\$6.00/lb)	\$24,255/mt (\$11.00/lb)
Goldman Sachs	\$14,500/mt (\$6.58/lb)		
Scotia Bank	\$8,820/mt (\$4.00/lb)	\$13,230/mt (\$6.00/lb)	
Average	\$10,625/mt (\$4.82/lb)	\$12,089/mt (\$5.48/lb)	\$15,788/mt (\$7.16/lb)



Expectation of metal price recovery is high with further increases in the near future.



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END OF PRESENTATION