



Annual and Sustainability Report 2021

HARNESSING ENERGY

A Natural Resources Company



NAC
NICKEL ASIA CORP.

ABOUT THE REPORT

GRI 102-50, 102-54

Nickel Asia Corporation (NAC) reports on the progress of its sustainability programs for its operating mines, namely Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), Hinatuan Mining Corporation (HMC), Cagdianao Mining Corporation (CMC), and Dinapigue Mining Corporation (DMC) along with Emerging Power Inc. (EPI). This report covers activities in the calendar year 2021 and was prepared in accordance with the GRI Standards: Core Option. NAC uses a globally shared framework of indicators for transparency and consistent tracking of performance results, allowing our stakeholders a clear view of the Company's performance in the triple bottom line of economic, environmental, and social development.

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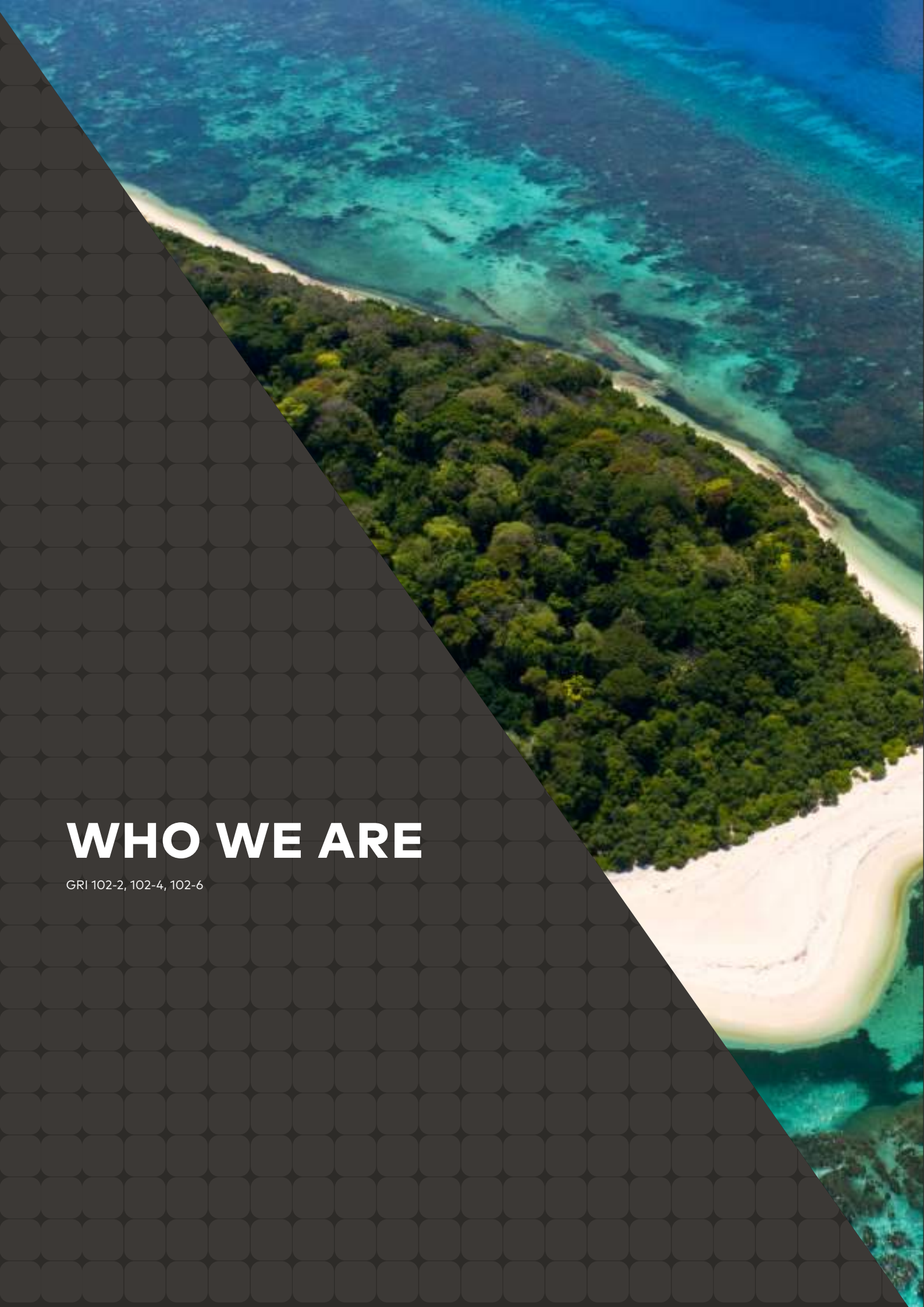
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WHO WE ARE

GRI 102-2, 102-4, 102-6

Company Profile

We are a diversified natural resources development company seeking to align our business priorities with society's needs, while ensuring that our stakeholders benefit from our success. **To this end, we have committed to rank among the country's largest and most profitable enterprises that are part of the Philippine Stock Exchange index, and be the premier Environment, Social and Governance (ESG) investment company, all by 2025.**

Our operational history in metals and mining traces its roots to 1968 when a geologist was sent to evaluate a deforested area in Rio Tuba, Bataraza town, at the southernmost area of Palawan island. Soil samples were sent back to Manila for testing to reveal what at that time was arguably the largest known deposit of lateritic nickel ore in southeast Asia. Rio Tuba Nickel Mining Corporation (RTN) was born and by 1977 began shipments of high grade ore to Japan.

Today NAC is the Philippines' largest producer of lateritic nickel ore, and one of the largest in the world. Our mining operations have expanded beyond Rio Tuba to four more areas: Taganito (TMC) in Claver and Hinatuan (HMC) in Tagana-an, both in Surigao del Norte; Cagdianao (CMC) on the island of Dinagat, and Dinapigue (DMC), our newest operational mine, in the northern Luzon province of Isabela.

Our operations produce saprolite and limonite ore which are exported to China and Japan for processing into ferronickel and nickel pig iron for the manufacturing of stainless steel.

Our RTN and TMC operations, the two largest, are part of the global supply chain for electric vehicle battery components. They supply low grade ore to the Philippines only two nickel processing plants - Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL) – whose customers include electronics conglomerate Panasonic, a main supplier of EV batteries to Tesla. CBNC, commissioned in 2006 as the first hydrometallurgical metal processing plant in the Philippines, has a capacity to produce 24,000 metric tons of nickel and 2,500 metric tons of

cobalt annually. THPAL, commissioned seven years later, has a production capacity of 36,000 metric tons of contained nickel and 3,000 metric tons of cobalt per year. These are materials used in solar cells, super capacitors and electrode materials.

NAC has a 10% equity interest in each of these companies.

In 2015, we moved into the area of renewable energy by taking a 66% stake in Emerging Power, Inc. (EPI), with interests in solar, geothermal and wind energy. Today, with the NAC stake at 86.29%, EPI through its subsidiary Jobin SQM Inc. has a 62MWp solar farm in Sta. Rita, SBMA, Zambales operating in an 800-hectare area covered by a 25+25 year lease. It targets achieving 100MW capacity by Q2 2022 and has obtained NAC board approval in principle for a 1 GW pipeline by 2028.

EPI's geothermal subsidiaries Biliran Geothermal Inc. and Mindoro Geothermal Power Corp. are also developing projects in partnership with Symba Renewable Energy of Iceland.

We are proud of these business successes. All these are built on a practice of social responsibility – towards our people, towards our communities and towards our environment – that date back to our early years. It is a practice for which we have been recognized many times over: **Our RTN operation was the winner of the first-ever ASEAN Mineral Awards given in 2017 by the Association of Southeast Asian Nations**, besting entries from the other nine ASEAN countries, and was runner-up in 2019. Just as important, RTN, TMC, CMC and HMC have all been awarded the Presidential Mineral Industry Environment Awards (PMIEA), the highest annual recognition given by the President of the Philippines to the best mining industry operations in the Philippines. **RTN has been awarded this five times, TMC four times, CMC two consecutive times and HMC for the first time last year, when it achieved a record of sorts by winning the highest recognition in every category of the PMIEA.**

With a track record of success both on the business side and the social side of what we do, we are truly excited about what lies ahead.

OneNAC Vision

GRI 102-16

We strive to contribute to sustainable national development by adopting our ESG Roadmap in order to achieve the highest standards in the responsible utilization of our country's natural resources.

OneNAC Mission

We exist to responsibly and sustainably develop our country's natural resources to meet society's needs, contributing to a brighter future for our people, our communities, and our stakeholders, always conscious of being stewards of the environment where we operate.

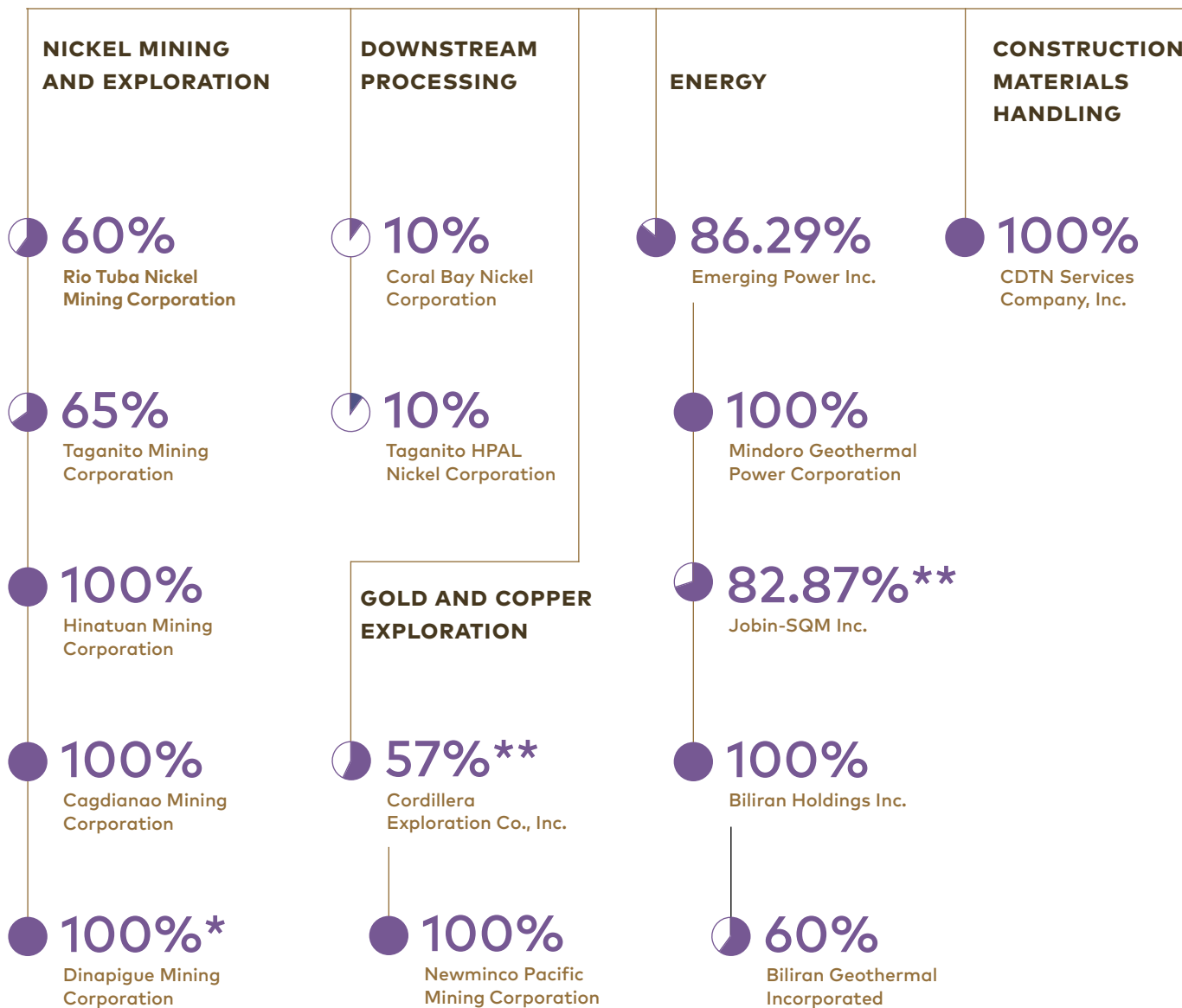
Core Values

RESPONSIBILITY
LEADERSHIP
RESPECT
INTEGRITY
FINANCIAL GROWTH
SAFETY
TEAMWORK

Corporate Structure

GRI 102-5

NICKEL ASIA CORPORATION



* Nihao has 20% economic interest

** Beneficial Ownership

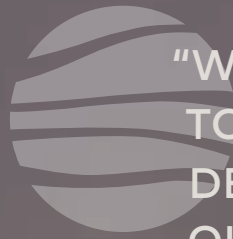


MESSAGE FROM THE PRESIDENT

GRI 102-14

Joint Message to Shareholders

In November, the Board of Directors approved this new Vision statement for the Company. More than just a simple revision of the old statement, this one heralds the changes that our Company is today undergoing as we formalize our ESG process - changes that we believe will enable us to be at the forefront of true sustainable development of our country's natural resources and, in the process, emerge an even more stable and successful company.



"WE STRIVE TO CONTRIBUTE TO SUSTAINABLE NATIONAL DEVELOPMENT BY ADOPTING OUR ESG ROADMAP IN ORDER TO ACHIEVE THE HIGHEST STANDARDS IN THE RESPONSIBLE UTILIZATION OF OUR COUNTRY'S NATURAL RESOURCES."

ESG at Our Core

In 2020, we revealed that the Company had chosen to embark on a formal ESG process. Part of the process was recognizing that the values driving ESG have in fact been at the core of our own values at NAC, exemplified by our practices and processes. We began assessing ourselves against the Global Reporting Initiative (GRI) standards in 2014 while keeping in step with yearly updates, and have made this public by incorporating a Sustainability Report in our Annual Reports - one of the first in the local mining industry to do so. Transparency and accountability to our stakeholders has always been important to us.

In November of 2021, we took this a step further, when our Board of Directors approved incorporating reference to ESG into our Vision statement. We had no reason to be reticent about this: we are what we are today because our communities, our people and our partners have no doubt that wherever we operate, lives change for the better. The town of Bataraza in Palawan that hosts our Rio Tuba operation, which used to be a fourth-class municipality is now first class and the richest municipality in the entire MIMAROPA region, while the town of Claver in

Surigao del Norte, where our Taganito operation is located, is on the cusp of becoming a city.

This has been our track record for over half a century.

To put substance behind the new Vision statement, Management identified key commitments under the three ESG pillars.

Under the first pillar, Environment, we committed to be part of the global effort to achieve sustainability through achieving net zero carbon, a Net Positive Biodiversity Impact, and a Net Positive Water Impact. Under the Social pillar, we committed to ensuring Good Health and Well-being of our employees, to providing Equal Opportunity at all levels and across all backgrounds, and to establishing Sustainable Communities after mine conversion. Finally, under the Governance pillar, we have chosen to commit to an Inclusive Leadership and Management, to establish a Strong Organizational Culture, and to institute a Robust and Comprehensive Risk Management System.

We are just at the beginning of our ESG journey.

Establishing Our OneNAC Vision

As part of the process of crafting a new Vision statement for the Company, Management also put together a OneNAC Vision that set out two clear targets for the year 2025: to be the **premier ESG investment in the Philippines** and to be among the **Top 25 PSE-listed companies** in terms of market capitalization.

To achieve these targets, our OneNAC Vision is anchored on three focus areas: **Results** – to deliver our promises to our shareholders through efficiency and effectiveness; **Resources** – to optimize the utilization of our resources while exploring business expansion through our people who strive to be "best-in-class"; and **Relationships** – to seamlessly work as a company and maintain collaborative partnerships with stakeholders to protect our social license to operate.

2025

OneNAC Vision Targets

- ▶ Be the premier ESG investment in the Philippines
- ▶ Be among the Top 25 PSE-listed companies

OneNAC Vision Focus Areas



RESULTS

Deliver our promises to our shareholders through efficiency and effectiveness



RESOURCES

Optimize the utilization of our resources while exploring business expansion through our people who strive to be "best-in-class"



RELATIONSHIPS

Seamlessly work as a company and maintain collaborative partnerships with stakeholders to protect our social license to operate

Recognized for What We Do

Last November 26, the Presidential Mineral Industry Environment Awards (PMIEA) were handed out, "bestowed to deserving mining organizations/permit holders/permittees for their outstanding levels of dedication initiatives and innovations in the pursuit of environmental protection, safety and health management and social/community development", as described in the official communication from the Mines and GeoSciences Bureau (MGB) to our Chairman.

The PMIEA is the highest award conferred by the President of the Philippines on the Philippine mining industry's best.

We are proud of the awards our operating companies received:

HINATUAN MINING CORPORATION (HMC)

- ▶ PMIEA Award for Surface Mining Operations
- ▶ Best Mining Forest (Metallic Mining Category)
- ▶ Safest Surface Mining Operation; Safest Mining Operation
- ▶ Best Surface Safety Inspector and Best Surface Miner.

TAGANITO MINING CORPORATION (TMC)

- ▶ PMIEA Award for Surface Mining Operations

RIO TUBA NICKEL MINING CORPORATION (RTN)

- ▶ PMIEA Selection Committee (PMIEASC) Platinum Achievement Awards for surface mining operations
- ▶ PMIEASC Titanium Achievement Award in the Quarry Operations Category

The five awards received by Hinatuan represent a sweep of all awards that a surface mining operation can win; more importantly, **Hinatuan winning the Presidential award in 2021 means that all four of our operating companies have now won this highest honor at least once.**

There is no better testament than these to our Company's commitment to be among the best of the best mining operations in our country.

Economic and Social Contributions

How we impact the lives of our communities and our people is best exemplified by our actions as a responsible corporate citizen.

In the area of tax payments, we paid PhP7.32 billion into the national and local government coffers for 2021 alone. Our Rio Tuba operations in Palawan is consistently one of the highest taxpayers in the province, and our Taganito operations in Surigao del Norte, our largest mine, is regularly listed among the largest taxpayers in the country by the Bureau of Internal Revenue.

For social support, our SDMP projects and our CSR programs amounted to an expenditure of PhP308.9 million, including PhP36.1 million in CSR projects devoted to our Indigenous Peoples' communities.

In addition, we paid royalties to our Indigenous brothers and sisters totaling PhP184.72 million.

We directly employed 2,534¹ people; our labor relations have been excellent – we have existing CBA agreements with the unions at our four major

operations, who were cited for the following achievements:

TMC

- ▶ DOLE Safety Seal certificate
- ▶ National Winner, Search for Outstanding Labor-Management Cooperation (LMC) in the Organized Category
- ▶ TESDA accredited Competency Assessment Center for heavy equipment operation

RTN

- ▶ DOLE Safety Seal Certification

CMC

- ▶ DOLE Safety Seal Certification
- ▶ DOLE Certification as a child labor free establishment for not engaging in child labor and not using products or materials produced from child labor
- ▶ TESDA accredited as a Competency Assessment Center for heavy equipment operation

HMC

- ▶ DOLE Safety Seal Certification
- ▶ Regional Winner, Search for Outstanding LMC in the Organized Category



PMIEA Awards

¹ Includes seasonal and project-based employees

Operating Results

Our four operating subsidiaries achieved total sales of **17.9 million wet metric tons (WMT) of nickel ore**, a slight decrease of 1% compared to the prior year's 18.2 million WMT.

Export of saprolite ore to our Chinese and Japanese customers **increased to 9.6 million WMT**, up from 9.2 million WMT in the prior year. Similarly, exports of limonite ore **increased to 1.2 million WMT** from 865 thousand WMT in 2020.

Our Rio Tuba and Taganito operations also sold **7.1 million WMT of low-grade limonite ore** to our associate companies, Coral Bay and Taganito HPAL, respectively. This compares to 8.2 million WMT in the prior year.

With respect to prices, we averaged US\$42.09 per WMT for our saprolite ore exports, a **19% increase** over our US\$35.30 per WMT average in the prior year. The price of our limonite exports, principally of the high iron variety, also **increased to US\$27.12 per WMT** as against US\$20.11 per WMT.

We realized an average of US\$8.36 per pound of payable nickel on our limonite sales to our two HPAL plants compared to US\$6.21 per pound in the prior year. These prices, linked to LME nickel prices, translate to US\$12.11 per WMT and US\$8.33 per WMT, respectively.

Our average of US\$29.13 in 2021 on a combined per WMT basis is **30% higher** than the prior year's US\$22.46.

Consolidated revenues **increased to PhP27.4 billion** from PhP21.8 billion on the back of higher ore sales prices despite our lower volume.

Included in our revenues for the year are services and other activities performed by our Rio Tuba and Taganito operations to the HPAL plants of **PhP797.2 million** compared to PhP1.0 billion in the prior year, and sales of power from EPI and our Surigao diesel power plant of **PhP507.9 million** compared to PhP288.2 million in 2020.

Our attributable net income for the year is **PhP7.8 billion**, an **increase of 92%** compared to PhP4.1 billion in the prior year. Included in our income is our share of the earnings of the Coral Bay and Taganito HPAL plant corresponding to our 10% equity in each, which amounted to PhP557.9 million compared to PhP190.4 million in 2020.

Dividends

On the basis of the results for the year in review, on March 10, 2022 the Board of Directors approved a regular cash dividend of PhP0.17 and a special cash dividend of PhP0.05 per common share. The cash dividends in the total amount of PhP3.0 billion was paid on April 7, 2022 to shareholders of record as of March 24, 2022.

In the prior year, a regular cash dividend of PhP0.09 and a special cash dividend of PhP0.14 were declared by the Board of Directors on March 11, 2021. The cash dividend in the total amount of PhP3.1 billion was paid on April 8, 2021 to shareholders of record as of March 25, 2021.

Moreover, on November 4, 2021, the Board of Directors declared another special cash dividend of PhP0.22. The cash dividend in the total amount of PhP3.0 billion was paid on December 2, 2021 to shareholders of record as of November 18, 2021.



PhP7.8 billion

2021 net income, an increase of 92% compared to 2020



PhP3 billion

Cash dividend paid to shareholders in 2022



US\$42.09 per WMT

Average price for saprolite ore exports, a 19% increase vs. 2020



PhP27.4 billion

Increase in consolidated ore revenues, vs. PhP21.8 billion in 2020



PhP507.9 million

EPI power sales, vs. PhP288.2 million in 2020

Nickel Outlook

LME nickel price ended the year strongly at **almost US\$29,000 per tonne** from a low of about US\$16,300 per tonne in March 2021. The rise in LME nickel price was driven by the decrease in inventory in exchange warehouses (LME and Shanghai Futures Exchange, or SHFE), which reached critically low levels at the end of the year. Driving this on the demand side, nickel consumption by both the stainless steel and EV sectors was strong, on the back of stainless steel production growth of 14% and EV sales increase of more than 100% over the previous year. On the supply side, COVID-related cuts impacted global nickel production, with Indonesia, in particular, falling behind expectations.

These factors led to a deficit of about 160,000 tonnes for 2021 vis-à-vis market expectations of a surplus.

Going forward, there is little debate among industry players and analysts that the main driver of nickel demand will remain the EV sector.

According to data from Goldman Sachs (April 2022):

In 2021, EV batteries consumed around 194,000 tonnes of nickel, accounting for about 6.8% of total nickel demand (2.87M tonnes). This is on

the back of **EV sales of 6.2M passenger and commercial vehicles**, more than double the number sold in the previous year. By 2025, EV sales are expected to further triple to 20.2M vehicles, requiring about 566,000 tonnes of nickel, and accounting for about 15.3% of nickel demand (3.69M tonnes).

As it stands, despite the massive increase in EV sales, the nickel market is expected to be slightly in deficit from 2022 to 2025 (cumulatively, about 85,000 tonnes), due to strong Class 1 and Class 2 supply growth, mostly in Indonesia.

In 2030, the EV sector alone is forecasted to consume about 1.5M tonnes of nickel. There is very little visibility as to where the incremental almost 1M tonnes of annual nickel supply will be sourced.

To incentivize investments in more HPAL plants, a sustained incentive price of at least \$30,000 is needed in view of the significant capital and technical risks associated with HPAL plants.

Further bolstering nickel price prospects are the low cost of nickel relative to an EV unit (making its price relatively inelastic), the likelihood that nickel-rich batteries will continue to be the dominant EV battery type as they offer higher energy density and greater storage capacity at a lower cost, and ESG considerations, which are expected to increase nickel production costs.



Loading of nickel ore at RTN

Renewable Energy

RR-ST-000.A, RR-ST-000.B, RR-ST-000.C

In line with the OneNAC Vision, we have **increased our commitment to developing a significant renewable energy generation business through Emerging Power, Inc (EPI), an 86.29% owned subsidiary**. Also underpinning this decision is what we believe is a structural transition of the Philippines towards sustainable clean energy, and our competitive track record in developing, operating and maintaining renewable energy projects.

The Subic assets currently consist of a 230Kv transmission line that can accommodate a 300MW solar plant, a 62MWp solar farm of which 38MWp was operationalized in April 2021, and a 25+ 25 year lease agreement with SBMA for 800 hectares. We started construction of another 32MWp solar plant which should bring total capacity to 100MW by Q2 2022.

As a result, Subic in 2021 generated and sold **73,596 MWhr of power** at an average tariff of PhP4.65/kWhr. The Subic operation made **PhP17.06 million of net income** versus a loss of PhP148.87 million the year prior. Improving economies of scale at Subic will continue to be realized as we complete the first 100MW of capacity and subsequent expansions.

On February 3, 2021, **EPI successfully secured another 100MW DOE service contract for Subic**. This next phase of development will begin next year.

And in November 2021, our board approved in principle a 1GW plus development pipeline, anchored by EPI's solar operations in Subic.

EPI is also developing pilot geothermal projects in Mindoro and Biliran through a finance, build, operate and transfer arrangement with Symba Renewable Energy, a developer from Iceland. These agreements are currently being executed and if successful, the pilot operations may be expanded to realize potentially 20MW in Mindoro and 50MW in Biliran.

Our Transformational Challenge

The year 2021 will be remembered in history as the year when mankind finally understood the threat posed by the Coronavirus pandemic and, through concerted effort by almost every country in the planet, began taming the virus and turning it into an endemic, one that we will have to learn to live with for some time to come.

At the same time, 2021 will be the year when mankind grasped that a new normal has dawned – one driven by a greater concern for the health and well-being not just of the global community but of the planet as well. For NAC, 2021 is the year when, taking this new normal into account, our Company chose to embark on a transformation, from being mainly focused on the mining of nickel in the most responsible way possible, **to becoming a natural resources company with a new - and fast-growing - footprint in the renewable energy sector**.

Central to the green economy required by an environmentally-friendly world are these two areas of operation – mining and renewable energy. NAC has chosen to become as successful in one as it has been in the other. And we are confident that we have what it takes to succeed.

Acknowledgement

Our successes in 2021 would not have been possible without the hard work and dedication of our management team, our supervisors and our rank and file. Despite a second year of tough challenges, we held together, we kept our focus, and we pulled through.

Our Directors, with their vast expertise, also provided much valued guidance throughout the year, while our shareholders were fully supportive and ever-encouraging; to them we extend our deepest appreciation.



Gerard H. Brimo
Executive Director
Chairman of the Board of Directors

Martin Antonio G. Zamora
Executive Director
President and Chief Executive Officer

Sales and Financial Highlights

GRI 102-7

SALES INDICATORS	2021	2020	2019
Total Sales (WMT '000)	17,935	18,203	18,836
LME-Based Sales (WMT '000)	7,144	8,179	8,393
Realized LME Price (US\$/lb.)	8.36	6.21	6.23
Tonnage-Based Sales (WMT '000)	10,791	10,024	10,443
Average Price (US\$/WMT)	40.40	33.99	23.52
Weighted Average Price (US\$/WMT)	29.13	22.46	16.69
Nickel Ore Sales (WMT '000)	27,404	21,772	17,923

FINANCIAL HIGHLIGHTS	2021	2020	2019
PhP Millions, except Per Share amounts			
Operating Results			
Sale of Ore	26,099	20,457	16,670
Services and Others	1,305	1,315	1,253
Total Revenues	27,404	21,772	17,923
Operating Costs and Expenses	14,611	13,855	12,683
Net Income	10,638	5,489	3,826
Attributable to Equity Holders of the Parent	7,813	4,069	2,685
Attributable to Non-Controlling Interests	2,825	1,420	1,141
Basic Earnings per Share (PhP)	0.57	0.30	0.20
Financial Condition			
Cash, Cash Equivalents and Other Financial Investments	17,215	17,331	16,569
Other Current Assets	6,796	4,681	5,454
Noncurrent Assets	27,690	26,901	26,239
Current Liabilities	11,925	10,944	9,921
Noncurrent Liabilities	3,447	3,372	3,210
Equity	36,329	34,597	35,131
Book Value per Share (PhP)	2.42	2.28	2.30

Key Performance Indicators

GRI 102-7, 102-48

	2021	2020	2019
Sales Volume (WMT '000s)			
Saprolite	9,574	9,159	8,862
Limonite	8,361	9,044	9,974
Total Cost/WMT (PhP/WMT)	749	691	610
Attributable Net Income (PhP Million)	7,813	4,069	2,685
Hectares of Open Areas per Million WMT Sold	14.01	15.59 ¹	16.63
Frequency Rate	0.00	0.05	0.23

¹ Restated figure

Product Mix

GRI 102-2, 102-6, 102-9, 417-1, EM-MM-000.A

We produce two types of nickel ore, namely saprolite ore and limonite ore. We define saprolite ore as nickel ore with iron content of less than 20% and limonite ore as nickel ore with iron content of 20% or higher.

We ship out two types of saprolite ore: high-grade and mid-grade. High-grade saprolite ore has a nickel content of about 1.7% while mid-grade saprolite ore has a nickel content of between 1.3 to 1.6%.

Most of our high-grade saprolite ore was sold to Pacific Metals Co., Ltd. (PAMCO), who use the material as feed for its ferronickel smelter. Our midgrade saprolite ore was sold to Japanese

and Chinese clients. Our Chinese clients use the material as feed for electric furnaces for production of high and medium-grade NPI.

We sell two types of limonite ore: high-iron, and low-grade. High-iron limonite ore has a nickel content of less than 1.0% and an iron content of 48 to 50%. Low-grade limonite ore has a nickel content of 1.0 to 1.2% and an iron content of at least 30%.

Our high-iron limonite ore was sold to Chinese customers who use the material as feed for blast furnaces for production of low-grade NPI. Finally, low-grade limonite ore were utilized as feed for the Taganito and Coral Bay HPAL plants.

	SAPROLITE		LIMONITE	
Type of Ore			High Fe	Low Grade
Description	Saprolite		Limo-HiFe	Limo-HPAL
Content	Ni: 1.4-1.8% Fe: below 20%		Ni: 0.8-0.9% Fe: 48-50%	Ni: 1.0-1.2% Fe: >30%
Customer Country/Technology	Japan: FeNi	China: NPI (RKEF)	China: NPI (Blast Furnace)	Philippines: HPAL
Final Products	Ferronickel NPI (10% Ni)		Low Grade NPI (1-2% Ni)	Ni-Co Sulfide (~55% Ni)
Used In	300-Series Stainless Steel		200 Series Stainless Steel	Nickel Smelter

	2021	2020
Saprolite		
Shipments (mWMT)	9.6	9.2
Prices (US\$/WMT)	42.09	35.30
Revenue (bPhP)	20.0	15.9
Limo-HFE		
Shipments (mWMT)	1.2	0.9
Prices (US\$/WMT)	27.12	20.11
Revenue (bPhP)	1.6	0.9
Limo-HPAL		
Shipments (mWMT)	7.1	8.2
Prices (US\$/WMT)	12.11	8.33
Revenue (bPhP)	4.3	3.4

2021 Awards and Recognitions

RIO TUBA

- ★ Platinum Achievement Awards
Surface Mining Operations
- ★ PMIEA Titanium Achievement Award
Quarry Operations Category

HINATUAN

- ★ **PMIEA Award**
Surface Mining Operations
- ★ **Best Mining Forest**
Metallic Mining Category
- ★ **Safest Surface**
Mining Operation
- ★ **Safest Mining Operation**
- ★ **Best Surface Safety**
Inspector
- ★ **Best Surface Miner**

TAGANITO

- ★ **PMIEA Award**
Surface Mining Operations





SUSTAINABILITY FOR NAC

Our Path to Sustainability

NAC anchors business decisions and actions on the values we share with our stakeholders. We stand on honesty, transparency, and integrity as we continue protecting our employees, the communities where we operate, our customers, and the environment throughout our drive towards growth and development.

Therefore, it is responsible as sustainable mining practices are fully integrated into our processes and standards. These practices provide the clear path forward in our sustainability journey.

At the same time, NAC has actively participated, advocated, and supported the Chamber of Mines of the Philippines (COMP) on the adoption of Toward Sustainable Mining (TSM) standards for member mining companies. The TSM aims to ensure mining companies are accountable, transparent, and credible as its standards

cover key areas such as tailings management, community outreach, safety and health, biodiversity conservation, crisis management, energy use, and greenhouse gas emissions.

NAC also fully supports the COMP's adoption of the Declaration of Commitment to Responsible Minerals Development in the Philippines, otherwise known as "The Baguio Declaration". The Company has aligned the management approach with its five (5) main principles as well as its five (5) elements of Responsible Minerals Development:

- ▶ People Orientation
- ▶ Protection and enhancement of the environment
- ▶ Respect for the rights and welfare of indigenous peoples
- ▶ Fair contribution to the National Economy
- ▶ Efficient, competitive, and compliant with international standards

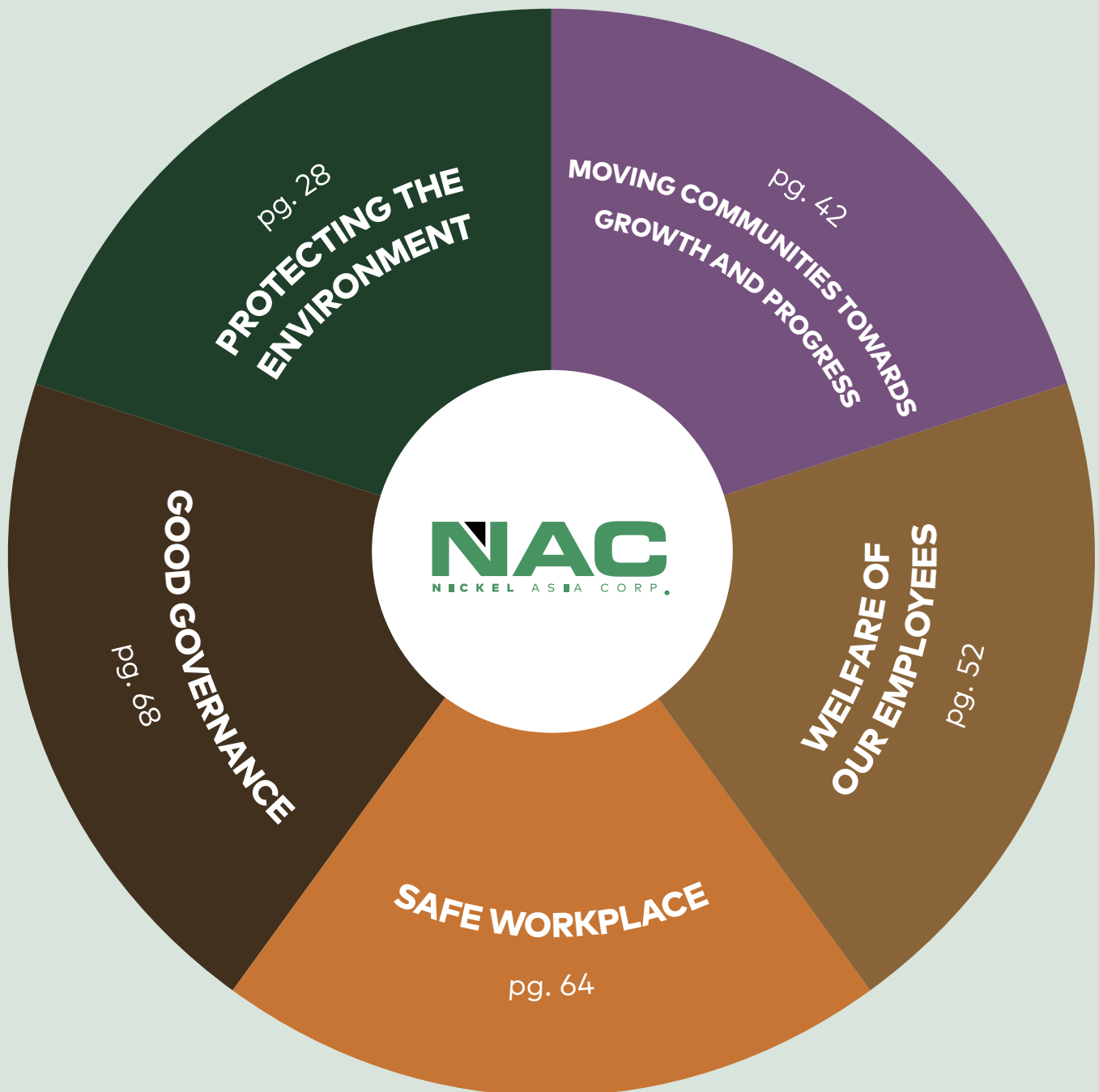
Sustainability Framework

Aligning with the UN SDGs

GRI 102-12

NAC's Sustainability Framework further connects and aligns its Environment, Social, and Governance (ESG) initiatives with its commitment to the United Nations Sustainable Development Goals (UN SDGs). The Company chose to focus on five (5) key pillars strategically embedding the SDGs where it can contribute meaningful impact for stakeholders and help bring about positive change.

E Environment **S** Social **G** Governance





PROTECTING THE ENVIRONMENT

- ▶ Energy Consumption and Management
- ▶ Rehabilitation and Reforestation
- ▶ Water Consumption and Discharge
- ▶ Waste Management
- ▶ Dust and Noise Control

E



We acknowledge our responsibility to protect, reclaim, and enhance the environment in which we operate through able management and steadfast environmental stewardship. Our companies address environmental impacts through their respective Environmental Protection and Enhancement Program (EPEP).



MOVING COMMUNITIES TOWARDS GROWTH AND PROGRESS

- ▶ Social Development
- ▶ Management Programs
- ▶ Health, Education, Livelihood and Infrastructure Programs
- ▶ Indigenous Peoples' Rights
- ▶ Social Impact Assessment

S



Through our Social Development Management Programs (SDMPs), which are mandated social expenditures, and Corporate Social Responsibility (CSR) programs, which are voluntary and go beyond SDMP requirements, we aim to empower our shared communities. These projects are done in collaboration and with the support of local government units/organizations. Each SDMP is made in consultation with stakeholders in consideration of the important social, cultural, environmental, and economic factors affecting them.



WELFARE OF OUR EMPLOYEES

- ▶ Employee Relations and Management
- ▶ Collective Bargaining Agreement
- ▶ Communities' Skills and Competency Development
- ▶ Human Rights and Equal Opportunities

S



Each of our employees is respected and valued and we fully observe human rights, occupational safety and non-discrimination in the workplace. We do our utmost to develop employee potential, compensate fairly and commensurately to performance and provide growth opportunities.



SAFE WORKPLACE

- ▶ Safety and Health Progress and Procedures
- ▶ Education and Training on Health and Safety Topics
- ▶ Emergency Response and Crisis Management
- ▶ Security of Mine Sites and Maintenance of Equipment

S



We promote a strong culture of safety embedded in operational excellence and robust risk management. We approach safety with a multi-level focus to empower our personnel to embrace the value of accident prevention and control loss.



GOOD GOVERNANCE

- ▶ Leadership and Commitment
- ▶ Environmental, Social, and Economic
- ▶ Risk Management
- ▶ Governance Policies
- ▶ Stakeholder Management

G



We strive to act as a responsible corporate citizen and lend our expertise to help engage in constructive public dialogue and informed debate on issues of importance to us as a company, the mining industry and in the communities we operate.

Our Contribution towards SDGs in 2021

PILLAR	RANK	MATERIAL TOPICS	PERFORMANCE
PROTECTING THE ENVIRONMENT 	1	Water and Wastewater Management	SDG 6 <ul style="list-style-type: none"> ▶ Water extracted (cu.m) – 12,952,511 ▶ Silt collected (WMT) – 646,499 ▶ Water discharged (cu.m) – 11,693,786
	2	Dust and Noise Pollution	
	3	Solid/Hazardous Waste Management	
	4	GHG Emissions	
	5	Biodiversity Offsets	SDG 11 <ul style="list-style-type: none"> ▶ Recyclable waste collected (tons) – 357
	6	Energy Consumption	SDG 12 <ul style="list-style-type: none"> ▶ Total emissions avoided – 30,352 ▶ Used oil treated by treatment facility (liters) – 324,216 ▶ Hazardous waste treated by treatment facility (kg) – 438,081 ▶ Residual waste sent to Landfills (kg) – 102,185 ▶ Fuel Consumed (ltrs) – 32,280,190 ▶ Electricity Consumed (MWh) – 8,433 SDG 13 <ul style="list-style-type: none"> ▶ Total amount spent for climate resiliency projects (PhP) – 6.65 million ▶ Assistance to calamity victims (PhP) – 32.10 million ▶ Investment on EPEP (PhP) – 379 million SDG 14 <ul style="list-style-type: none"> ▶ Budget for water protection programs (PhP) – 124 million SDG 15 <ul style="list-style-type: none"> ▶ Number of seedlings planted – 5,535,992 ▶ Land area rehabilitated (has.) – 116 has ▶ Land area reforested (has.) 557 has
MOVING COMMUNITIES TOWARDS GROWTH AND PROGRESS 	1	Health and Safety - Communities	SDG 1 <ul style="list-style-type: none"> ▶ Total spending on CSR + SDMP (PhP) – 529.56 million ▶ Expenditure on Livelihood Programs (PhP) – 7.11 million ▶ Approximate population of host & neighboring communities (individuals) – 101,585 ▶ Number of employees indirectly employed (through contractors) – 3,429
	2	Community Development	
	3	Risk of Conflict with Local Communities/ Indigenous People	SDG 3 <ul style="list-style-type: none"> ▶ Expenditure on Health & Safety Programs (PhP) – 18.92 million ▶ Expenditure on COVID-19 Response (PhP) – 32.82 million ▶ Expenditure on medical supplies and equipment (PhP) – 1.20 million ▶ Expenditure on relief goods (PhP) – 18.79 million ▶ Households assisted – 25,043 ▶ Hospitals assisted – 2

PILLAR	RANK	MATERIAL TOPICS	PERFORMANCE
MOVING COMMUNITIES TOWARDS GROWTH AND PROGRESS 			<p>SDG 4</p> <ul style="list-style-type: none"> Investment on education programs (PhP) – 33.62 million Total number of scholars – 3,846 <p>SDG 8</p> <ul style="list-style-type: none"> Employees hired from local communities – 1,715 Indigenous peoples hired – 80 <p>SDG 9 GRI 203-1, 203-2</p> <ul style="list-style-type: none"> Expenditure on infrastructure development (PhP) – 25.39 million Number of barangays supported by infrastructure projects – 31 <p>SDG 10</p> <ul style="list-style-type: none"> Indigenous population supported by SDMP – 21,155 Indigenous Peoples hired in the workforce – 80 Number of Peoples' Organizations benefited – 43 Number of IP members – 1,853
GOOD GOVERNANCE 	1	Leadership and Governance	<p>SDG 17</p> <ul style="list-style-type: none"> Incidents of corruption – 0 Incidents of Labor Code violations – 0 Human rights violation – 0
	2	Fluctuation of Metal Prices	
	3	Human Rights Violations (Child Labor, Forced Labor)	
	4	Supply Chain Management	<p>SDG 8</p> <ul style="list-style-type: none"> WMT ores sold – 17,935 Total taxes paid – PhP 7.32 billion Percentage of spending on local suppliers – 47%
	5	Corruption and Human Rights Violation	
	6	Consumer Data Protection	
WELFARE OF OUR EMPLOYEES 	1	Employee Retention and Relations	<p>SDG 4</p> <ul style="list-style-type: none"> Total training hours for employees – 29,400
	2	Local Employment	
	3	Employees Training and Skills Development	<p>SDG 5</p> <ul style="list-style-type: none"> Number of women in the workforce – 66% Percentage of women returned to work after parental leave – 97% Percentage of women in supervisory, managerial positions – 78%
	4	Freedom of Association	<p>SDG 8</p> <ul style="list-style-type: none"> Total number of employees – 4,617¹ Employees under CBA – 1,027 Employees hired from local communities – 1,715
SAFE WORKPLACE 	1	Health and Safety - Employees	<p>SDG 3</p> <ul style="list-style-type: none"> Total safe man hours – 22,050,282
	2	Maintenance and Security of Plant and Production Sites	

¹ Includes seasonal and project-based

Materiality Aspects of Sustainability

GRI 102-46, 102-47

NAC subscribes to the principle of materiality promulgated by the GRI standards, making the practice of sustainability reporting meaningful.

The Company, therefore, applies GRI's prescribed five-stage process to identify material aspects of sustainability and level of criticality for stakeholders. This rigorous process maintains the quality of our reporting and helps keep our programs effective and relevant.

Identifying Material Aspects	Using GRI guidelines, we determined all the material aspects that are critical for our operations.
Assessing the Level of Criticality	For all the identified material aspects, we conducted workshops for the sustainability representatives from each of the operating mine sites to assess the level of criticality. The level of criticality was assessed based on the operational, regulatory and legal, environmental, and social impacts.
Determining the Current Performance	We monitored our current performance and compare it with the previous years' performance for analysis. Monitoring data are reported in our 2019 Sustainability Report.
Recognizing Stakeholder Needs	We assessed our stakeholder needs as gathered through various stakeholder engagement channels, identifying priorities that address their real needs and interests as aligned with the UN SDGs.
Setting Up Targets and Objectives	Moving forward, we realigned and set up plans as needed. We articulated the application of our workshop results, cascading the new information to concerned teams.

IMPACT TO BUSINESS	Very High	<ul style="list-style-type: none"> Fluctuation of Metal Prices Maintenance and Security of Plant and Production Sites Employee Retention and Relations Human Rights Violations (Child Labor, Forced Labor) Biodiversity Offsets Employees Training and Skills Development Dust and Noise Pollution Supply Chain Management 	<ul style="list-style-type: none"> Health and Safety - Employees/Communities Leadership and Governance Community Development Water and Wastewater Management GHG Emissions Risk of Conflict with Local Communities/Indigenous People Solid/Hazardous Waste Management 	
	High	<ul style="list-style-type: none"> Corruption and Human Rights Violation Energy Consumption (Fuel and Electricity) Freedom of Association 	Local Employment	
	Medium	Consumer Data Protection		
	Low	Medium	High	Very High
		IMPACT TO STAKEHOLDERS		

Engaging with our Stakeholders

GRI 102-40, 102-42, 102-43, 102-44

The year 2021 was challenging for everyone, and NAC made every effort to keep its various communication channels open and ensured our stakeholders are updated and informed of the Company's activities and initiatives.

Aiming to always maintain transparency and accountability, the company used a range of tools and platforms such as the corporate website, events, and official report documents to actively create venues for communication and dialogue.

STAKEHOLDERS	ENGAGEMENT METHOD	FREQUENCY	KEY CONCERNS	COMPANY'S RESPONSE
Employees	<ul style="list-style-type: none"> Employee Engagement programs COVID-19 Response 	As necessary	<ul style="list-style-type: none"> Focus on work-life balance Safe workplace during COVID-19 Pandemic 	<ul style="list-style-type: none"> Service Tenure Awards CSR/Environmental voluntary activities Work From Home Setup (Head Office) Salaries were paid even to employees who cannot work from home Flexible work arrangement was implemented Shuttle services were provided Health and Safety protocols were implemented 13th month pay was released early Medicines, PPE, and financial assistance were provided
Communities	<ul style="list-style-type: none"> SDMP and CSR Programs Community engagement to prioritize and implement programs COVID-19 Response 	As necessary	<ul style="list-style-type: none"> Socio-economic development of the communities Provision of education support Support to communities during COVID-19 	<ul style="list-style-type: none"> Implementation of SDMP and CSR Programs by Community Relations Team (ComRel) Realignment of ASDMP funds to assist communities affected Distribution of medical supplies and PPEs to frontliners Provision of food packs to communities Establishment of Molecular Tech Laboratory Provision of Service Truck and Ambulance
Media	<ul style="list-style-type: none"> Press release Interviews Official media statements Public advisories Press conferences Site tours 	As necessary	<ul style="list-style-type: none"> Product brief/details Transparency Factual information Timely release of announcement 	<ul style="list-style-type: none"> Availability of spokesperson Media events Press kits Factsheets Market information
LGUs/ Regulators	<ul style="list-style-type: none"> Annual/Quarterly/ Monthly Reports 	As necessary	<ul style="list-style-type: none"> Inaccurate disclosures Non-compliance to standards 	<ul style="list-style-type: none"> Timely & accurate release of reports Strict compliance to regulatory norms
Suppliers	<ul style="list-style-type: none"> Accreditation Process Annual meetings with security agencies 	Once a year	<ul style="list-style-type: none"> Transparency in accreditation Integrity of bids Timeliness of payments 	<ul style="list-style-type: none"> Clear & transparent accreditation criteria Auditable bidding process
Industry Associates	<ul style="list-style-type: none"> Regular industry meetings 	As scheduled	<ul style="list-style-type: none"> Sharing of industry standards and best practices 	<ul style="list-style-type: none"> Regular update on the industry outlook and standards
Shareholders/ Investors	<ul style="list-style-type: none"> Annual Stockholders' meeting 	Annual	<ul style="list-style-type: none"> Higher financial returns Minimum risks related to business & expansion 	<ul style="list-style-type: none"> Stable dividends Regular disclosure of financial performance
	<ul style="list-style-type: none"> General Board Meeting 	Quarterly		
	<ul style="list-style-type: none"> Investor Meetings 	On Demand		
Partners	<ul style="list-style-type: none"> Corporate events/ forums 	As scheduled	<ul style="list-style-type: none"> Transparency in disclosures Alignment of advocacies 	<ul style="list-style-type: none"> Regular disclosure of overall performance



PROTECTING THE ENVIRONMENT E

Environmental Protection Program

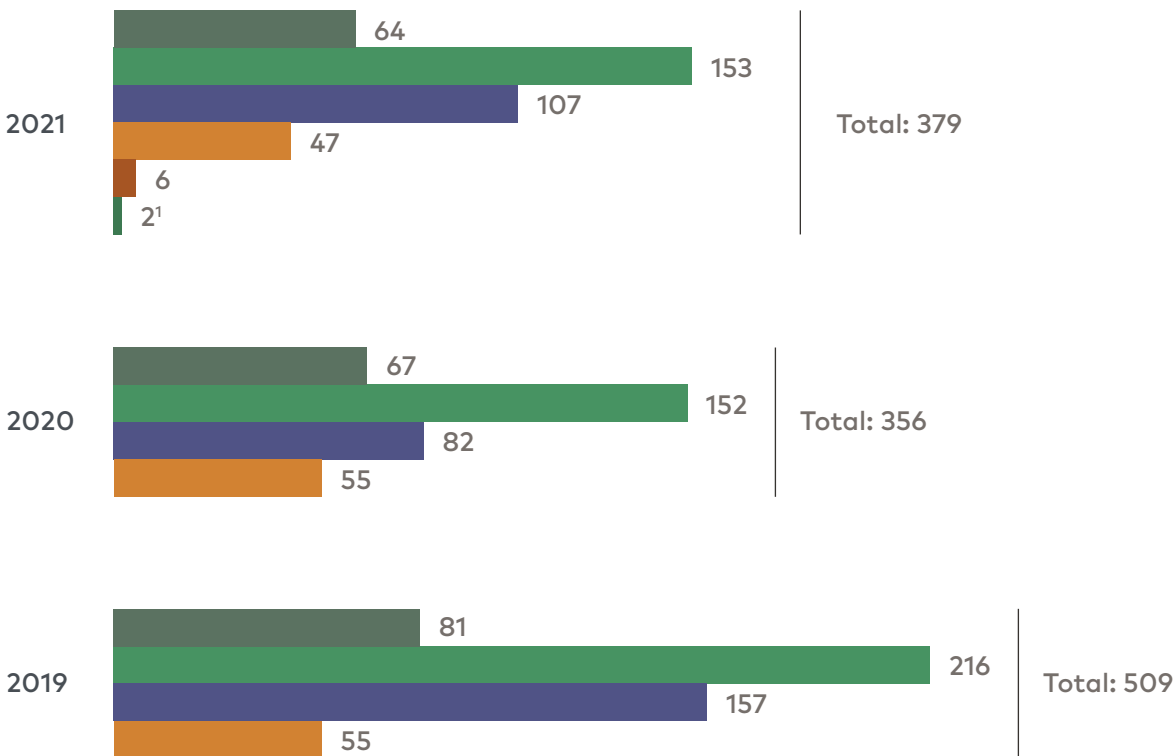
GRI 103-1, 103-2, 103-3, EM-MM-210b.1

NAC strengthened its commitment to protecting the environment through compliance with all mandated environmental programs and through new energy initiatives that will have a long-term impact.

Environmental Protection and Enhancement Programs (EPEPs) are comprehensive and strategic environmental management plans that cover management objectives, criteria, and commitments pertaining to environmental protection and rehabilitation.

These are fully funded for all the operating mines. Each mine's Annual EPEP funded key programs and initiatives address environmental concerns that includes Land Protection, Air Protection, Water Protection, and Environmental Monitoring. Hence, activities such as rehabilitation of disturbed areas, reforestation, construction and maintenance of environmental facilities, solid waste management, hazardous waste management, air quality monitoring, and preservation of downstream water quality are conducted.

EPEP SPENDING (MILLION PHP)



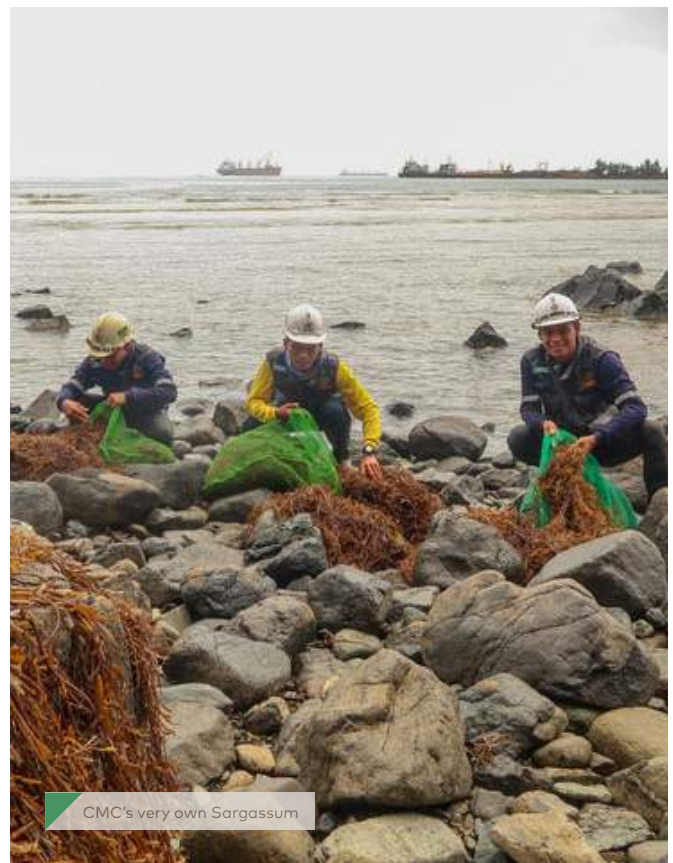
¹ Environmental Management Plans & Programs (EMP)

EPEP BUDGET ALLOCATION (MILLION PHP)	RTN	TMC	HMC	CMC	DMC	TOTAL
2021						
Land Protection	26	55	74	24	2	181
Air Protection	11	14	5	3	0.1	33
Water Protection	18	73	17	13	3	124
Environmental Monitoring	8	3	7	3	0.5	22
Other Initiatives	1	8	4	4	0.2	17
TOTAL EPEP	64	153	107	47	5.8	377
2020						
Land Protection	26	53	59	33	2.8	174
Air Protection	15	20	7	4	0.2	46
Water Protection	14	69	10	13	5.6	112
Environmental Monitoring	8	5	1	2	0.9	17
Other Initiatives	4	5	5	3	0.4	17
TOTAL EPEP	67	152	82	55	9.9	366
2019						
Land Protection	22	63	114	24	5.6	229
Air Protection	24	54	12	15	0.5	106
Water Protection	19	89	24	6	1.9	140
Environmental Monitoring	12	3	2	1	1.0	19
Other Initiatives	4	7	5	9	1.2	26
TOTAL EPEP	81	216	157	55	10.2	519

Aside from continuing its existing environmental programs in 2021, CMC has been ahead of the pack in the mining industry in heeding the struggle against the problems caused by sargassum, a brown seaweed locally known as "samo" that are washed ashore.

CMC's Mine and Environment Protection and Enhancement Office (MEPEO) started experimenting with the viability of using sargassum extracts as fertilizers to be used in the mined-out areas. The experiment led to the development of CMC's very own Sargassum Liquid Fertilizer (SLF) using the sargassum debris gathered from the shorelines around the mine site.

SLF has now been used as organic fertilizers for seedlings at the CMC nurseries and proved to be successful in growing the crops in the rehabilitated area. Test results show that SLF is rich in nitrogen, phosphorous, and potassium – nutrients that are essential for plants to achieve maximum growth potential.



Land Protection

GRI 103-1, 103-2, 103-3, 304-2, EM-MM-160a.1

NAC takes pains to protect biodiversity in its areas of operation, recognizing the importance of natural habitats to various flora and fauna species, some of which are included in the IUCN Red List and national conservation list. The Company, therefore, implements consistent practices as mitigating measures, such as:

- ▶ Proper handling of cleared vegetation, including topsoil management
- ▶ Acquisition of Special Tree Cutting and Earth-balling Permit (STCEP) for earth-balling projects and strict compliance with the requirements
- ▶ Progressive rehabilitation of mined-out areas and reforestation with indigenous species to preserve the natural floral biodiversity of the affected sites

HMC's Biodiversity Management is a major component of its AEPEP that supports the

following programs: Buffer Zone establishment, reforestation inside its MPSA, accreditation of DENROs, conducting flora and fauna assessment, as well as ongoing initiatives such as establishment of mangrove plantation, coral nursery, and artificial coral reefs.

RTN also has numerous environmental programs, which include "Towards 5 Million Trees for Palawan", "Edible Landscaping Contest v.2", "Adopt a Tree, Make a Legacy," Project, progressive rehabilitation using native and endemic tree species, and monthly inhouse biodiversity monitoring and observation. CMC continued its support on biodiversity conservation through funding for conservation initiatives and the deployment of Bantay Gubat and Bantay Dagat. On the other hand, DMC's initiatives included National Greening Program with the DENR covering an area of 12.1 hectares.



RTN launched "Towards 5M Trees for Palawan" last June 22, 2021

GRI 304-1, 304-2, 304-3

LAND PROTECTION	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
2021							
Total Area Disturbed (ha)	1,208	939	27	198	53	50	2,475
Total Area Used for Other Purposes (ha)	955	4,067	120	439	37	N/A	5,618
Total Area Rehabilitated (ha)	6	40	60	9	1	N/A	116
Total Area Reforested (ha)	0	26	64	455 ¹	12	N/A	557
Area of land used for extractive use (ha)	47	144 ²	19	42	5	N/A	257
Area of land used for construction and development	N/A	N/A	N/A	N/A	N/A	61	61
Percentage of land requiring biodiversity management plans	78%	59%	32	5%	0%	N/A	-
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas	2	N/A	1	5	1	1	10
Habitats protected or restored (ha)	3	2	4	2	0	0	11
2020							
Total Area Disturbed (ha)	1,251 ³	909	21.2	207	54.5	0	2,443
Total Area Used for Other Purposes (ha)	1,183	502	101	439	34.86	N/A	2,260
Total Area Rehabilitated (ha)	8	30	48	5	0	N/A	91
Total Area Reforested (ha)	0	16	44	69	0	N/A	129
Area of land used for extractive use (ha)	68	1781 ⁴	18	40	0	N/A	1,907
Area of land used for construction and development	N/A	N/A	N/A	N/A	N/A	0	0
Percentage of land requiring biodiversity management plans	53.0%	59.0%	69.9%	4.5%	0%	N/A	-
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas	None	0	None	5	0	1	6
Habitats protected or restored (ha)	4	0	None	2	0	0	6
2019							
Total Area Disturbed (ha) ⁵	990	4863	774	697	54.5	0	7379
Total Area Used for Other Purposes (ha)	750	486	0	109 ⁶	34.86	N/A	1380
Total Area Rehabilitated (ha)	33	46	70	11	0	N/A	160
Total Area Reforested (ha)	4	22	71	41	0	N/A	138
Area of land used for extractive use (ha)	51	145 ⁷	19	59	0	N/A	274
Area of land used for construction and development	N/A	N/A	N/A	N/A	N/A	0	0
Percentage of land requiring biodiversity management plans	3.0%	1.0%	27.0%	34.0%	0%	0	65.0%
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas	None	None	None	5	0%	N/A	5
Habitats protected or restored (ha)	650	None	206	379	0	1	1236
¹ Include reforestation within and outside MPSA (NGP) ² Open area for extraction only by the end of December 2021 ³ Increase in figure because RTN amended their MPSA last 2020 ⁴ Area includes active mining area, inactive mining area, and proposed mining areas ⁵ Data provided was the whole MPSA Area ⁶ Data provided is enhancement plantation only ⁷ Data provided was active mining area only							

IUCN Red List species and national conservation list species with habitats in areas affected by operations

GRI 304-4, EM-MM-160a.3

RIO TUBA		
<p>Fauna</p> <ul style="list-style-type: none"> ▶ Crested Serpent Eagle ▶ Common Iora ▶ Oriental Dwarf Kingfisher ▶ Swiftlet sp. ▶ Eastern Cattle Egret ▶ Black-crowned Night Heron ▶ Fiery Minivet ▶ Yellow-throated Leafbird ▶ Rufous-tailed Tailorbird ▶ Pink-necked Green Pigeon ▶ Palawan Crow ▶ Palawan Flowerpecker ▶ Pygmy Flowerpecker ▶ Ashy Drongo ▶ Chestnut Munia ▶ White-bellied Munia ▶ Palawan Fairy-bluebird ▶ Black-naped Monarch ▶ Blue Paradise Flycatcher ▶ Grey Wagtail ▶ Mangrove Blue Flycatcher ▶ Purple-throated Sunbird ▶ Lovely Sunbird ▶ Olive-backed Sunbird ▶ Pale Spiderhunter ▶ Palawan Tit ▶ Ashy-headed Babbler ▶ Falcated Wren-Babbler ▶ Warbler sp. ▶ White-bellied Woodpecker ▶ Red-headed Flameback ▶ Hooded Pitta ▶ Palawan Frogmouth ▶ Blue-headed Racket-tail ▶ Black-headed Bulbul 	<ul style="list-style-type: none"> ▶ Ashy-fronted Bulbul ▶ Palawan Bulbul ▶ Sulphur-bellied Bulbul ▶ Olive-winged Bulbul ▶ Velvet-fronted Nuthatch ▶ Spotted Wood Owl ▶ Asian Glossy Starling ▶ Common Hill Myna ▶ Pin-striped Tit-Babbler ▶ Palawan Eastern Frog ▶ Philippine Toad ▶ Busuanga Wart Frog ▶ Palawan Horned Frog ▶ Palawan Bubble-nest Frog ▶ Culion Frog ▶ Calamianes Frog ▶ Palawan Rock Frog ▶ Rock Frog ▶ Asian Vine Snake ▶ Blunt-headed Slug Eating Snake ▶ Philippine Bow-fingered Gecko ▶ Palawan Gliding Lizard ▶ Common Mabuya ▶ Red-tailed Racer ▶ Tokay Gecko ▶ Palawan Gecko ▶ White-striped Snake ▶ Schultze's Pit Viper ▶ Lesser False Vampire Bat ▶ Common Short Nosed Fruit Bat ▶ Southern Palawan Tree Squirrel ▶ Asian Palm Civet ▶ Palawan Spiny Rat ▶ Palawan Bearded Pig ▶ Raptor sp. ▶ White-bellied Sea Eagle 	<ul style="list-style-type: none"> ▶ Blue-eared Kingfisher ▶ Collared Kingfisher ▶ Wandering Whistling Duck ▶ Tufted Duck ▶ Grey-rumped Swiftlet ▶ Yellow Bittern ▶ Intermediate Egret ▶ Great Egret ▶ Little Egret ▶ Pacific Reef Heron ▶ Purple Heron ▶ White-breasted Woodswallow ▶ Pied Triller ▶ Common Emerald Dove ▶ Nicobar Pigeon ▶ Grey Imperial Pigeon ▶ Pied Imperial Pigeon ▶ Zebra Dove ▶ Slender-billed Crow ▶ Asian Koel ▶ Scaly-breasted Munia ▶ Frigatebird sp. ▶ Pacific Swallow ▶ Brown Shrike ▶ Tern sp. ▶ Striated Grassbird ▶ Philippine Scrubfowl ▶ White-vented Shama ▶ Narcissus Flycatcher ▶ Brown-throated Sunbird ▶ Arctic Warbler ▶ White-breasted Waterhen ▶ White-browed Crake ▶ Philippine Pied Fantail ▶ Mantanani Scops Owl

TAGANITO		
<ul style="list-style-type: none"> ▶ Mindanao pitcher plant (<i>Nepenthes mindanaoensis</i>) ▶ <i>Nepenthes surigaoensis</i> ▶ Mangkono (<i>Xanthostemon verdugonianus</i>) ▶ Kalingag (<i>Cinnamomum mercadoi</i>) 	<ul style="list-style-type: none"> ▶ Yakal (<i>Shorea astylosa</i>) ▶ Dalindingan (<i>Hopea malibato</i>) ▶ Palosapis (<i>Anisoptera thurifera</i>) ▶ Philippine Sailfin Lizard (<i>Hydrosaurus pustulatus</i>) 	<ul style="list-style-type: none"> ▶ Philippine Warty Pig (<i>Sus philippensis</i>) ▶ Philippine Duck (<i>Anas luzonica</i>) ▶ Rufous-bellied Eagle (<i>Lophotriorchis keinerii</i>)

CAGDIANAO		
<p>Trees</p> <ul style="list-style-type: none"> ▶ Almaciga (<i>Agathis philippinensis</i>) ▶ Mountain Agoho (<i>Gymnostoma rumphianum</i>) ▶ Yakal-yamban (<i>Shorea falciferoides</i>) ▶ Kalingag (<i>Cinnamomum mercadoi</i>) ▶ Yakal (<i>Shorea astylosa</i>) ▶ Balete (<i>Kingiodendron alternifolium</i>) ▶ Mangkono (<i>Xanthostemon verdugonianus</i>) ▶ Tega/Mapilig (<i>Xanthostemon bracteatus</i>) <p>Palms</p> <ul style="list-style-type: none"> ▶ Kaliso (<i>Areca caliso</i>) ▶ Pandan-dagat (<i>Pandanus dinagatensis</i>) 	<p>Shrubs</p> <ul style="list-style-type: none"> ▶ Linatog (<i>Eurycoma longifolia</i>) <p>Climbers</p> <ul style="list-style-type: none"> ▶ Pitcher plant (<i>Nepenthes belii</i>) ▶ Pitcher plant (<i>Nepenthes mindanaoensis</i>) ▶ Sandaoua (<i>Nepenthes truncata</i>) <p>Herbs</p> <ul style="list-style-type: none"> ▶ Lady slipper orchid (<i>Paphiopedilum ciliolare</i>) ▶ Fire orchid (<i>Renanthena matutina</i>) 	<p>Birds</p> <ul style="list-style-type: none"> ▶ Mindano tarictic hornbill (<i>Penelopides affinis</i>) ▶ Visayan flowerpecker (<i>Dicaeum haematostictum</i>) <p>Reptiles</p> <ul style="list-style-type: none"> ▶ Philippine sailfin lizard (<i>Hydrosaurus pustulatus</i>) <p>Amphibians</p> <ul style="list-style-type: none"> ▶ Mindanao fanged frog (<i>Limnonectes magnus</i>)

HINATUAN		
<p>Mangrove</p> <ul style="list-style-type: none"> ▶ Piyapi (<i>Avicennia marina</i>) ▶ Piyapi (<i>Avicennia officinalis</i>) ▶ Gapas-gapas (<i>Camptostemon philippinense</i>) ▶ Tabao (<i>Lumitzera littorea</i>) ▶ Lipata (<i>Excoecaria agallocha</i>) ▶ Saging-saging (<i>Aegiceras corniculatum</i>) ▶ Tinduk-tindukan (<i>Aegiceras floridum</i>) ▶ Bantigi (<i>Xylocarpus granatum</i>) ▶ Busain/Pototan (<i>Bruguiera gymnorhiza</i>) ▶ Bakhaw-lalaki (<i>Rhizophora apiculate</i>) ▶ Bakhaw-babae (<i>Rhizophora mucronate</i>) ▶ Bakhaw-bato (<i>Rhizophora stylosa</i>) ▶ Nilad (<i>Scyphiphora hydrophyllacea</i>) ▶ Pagatpat (<i>Sonneratia alba</i>) ▶ Dungon (<i>Heritiera littoralis</i>) <p>Seagrass</p> <ul style="list-style-type: none"> ▶ Tropical eelgrass (<i>Enhalus acoroides</i>) ▶ Dugong grass (<i>Thalassia hemprichii</i>) ▶ Spoon grass (<i>Halophila ovalis</i>) ▶ Ribbon grass (<i>Cymodocea rotundata</i>) ▶ Fiber-strand grass (<i>Halodule uninervis</i>) ▶ Needle grass (<i>Halodule pinifolia</i>) ▶ Syringe grass (<i>Syringodium isoetifolium</i>) <p>Reptile</p> <ul style="list-style-type: none"> ▶ Mindanao Bow-fingered Gecko (<i>Cyrtodactylus agusanensis</i>) <p>Anuran</p> <ul style="list-style-type: none"> ▶ Giant Philippine Frog (<i>Limnonectes magnus</i>) 	<p>Bird</p> <ul style="list-style-type: none"> ▶ Braminy kite (<i>Haliastur indus</i>) ▶ White-Bellied Sea Eagle (<i>Haliaeetus leucogaster</i>) ▶ White collared kingfisher (<i>Todiramphus chloris</i>) ▶ Pygmy Swiflet (<i>Collocalia troglodytes</i>) ▶ Glossy Swiflet (<i>Collocalia esculenta</i>) ▶ Large-billed crow (<i>Corvus macrorhynchos</i>) ▶ Emerald Dove (<i>Chalcophaps indica</i>) ▶ Orange belied flowerpecker (<i>Dicaeum trigonostigma</i>) ▶ Red-keeled Flowerpecker (<i>Dicaeum australe</i>) ▶ Olive back sunbird (<i>Cinnyris jugularis</i>) ▶ Yellow vented bulbul (<i>Pycnonotus goiavier</i>) ▶ Pied fantail (<i>Rhipidura javanica</i>) ▶ Asian Glossy Starling (<i>Aplonis panayensis</i>) ▶ Eurasian Tree Sparrow (<i>Passer montanus</i>) <p>Mammals</p> <ul style="list-style-type: none"> ▶ Geoffroy's rousettes (<i>Rousettus amplexicaudatus</i>) ▶ Lesser musky fruit bat (<i>Ptenochyris minor</i>) ▶ Short-nosed fruit bat (<i>Cynopterus brachyotis</i>) ▶ Island flying fox (<i>Pteropus hypomelanus</i>) 	<p>Flora Terrestrial</p> <ul style="list-style-type: none"> ▶ Payospos (<i>Leptospermum amboinense</i>) ▶ Mangkono (<i>Xanthostemon verdugoniannus</i>) ▶ Aagoho del Monte (<i>Gymnostoma rumphianum</i>) ▶ Pandenus tectorius ▶ Alstonia parviflora ▶ Dracaena angustifolia ▶ Sparrow's mango (<i>Buchanania arborescens</i>) ▶ Banga (<i>Orania decipiens</i>) ▶ Syzygium brevistylum ▶ Leucosyke capitellata ▶ Artocarpus multifidus ▶ Axocarpus latifolius ▶ Carallia brachiata ▶ Cratoxylum formosum ▶ Morinda citrifolia ▶ Heritiera littoralis ▶ Tiga (<i>Tristaniaopsis micrantha</i>) ▶ Kakaag (<i>Commersonia batramia</i>) ▶ Cycas circinalis ▶ Diospyros ebenoides ▶ Diospyros philippinensis ▶ X. viridugonianus ▶ Macaranga bicolor ▶ Pterocarpus indicus ▶ Tacca leontopetaloides ▶ Tropical Pitcher Plant (<i>Nepenthes allott</i>)

DINAPIGUE		
<p>Endangered</p> <ul style="list-style-type: none"> ▶ Monitor Lizard ▶ Philippine Eagle 	<p>Vulnerable</p> <ul style="list-style-type: none"> ▶ Philippine kingfisher ▶ Philippine duck ▶ Philippine eagle owl 	<p>Vulnerable</p> <ul style="list-style-type: none"> ▶ Ashy thrush ▶ South Asia box Turtle

BIODIVERSITY PROGRAMS							
RTN	CMC	HMC	DMC				
Edible Landscaping Contest	13 has	Marine Protected Area Management	80 has	Buffer Zone Establishment	347 has	Final Rehabilitation	1 ha
Mangrove Plantation Project	42 has	Bufferzone Management Program	60 has	Reforestation inside MPSA	314 has	National Greening Program	12 has
Bamboo Plantation Project	55 has	Terrestrial and Flora Fauna Assessment	697 has	Mangrove Plantation	10 has		
		Resarch and Development Management Program	697 has				

Energy Consumption and Management

GRI 103-1, 103-2, 103-3

Efficient use of resources combined with practical resource management plans implemented with care was the approach NAC used as it aimed to reduce overall energy consumption across the organization.

GRI 302-1, EM-MM-130a.1

FUEL & ELECTRICITY CONSUMPTION	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
Genset (Ltrs)	224,542	106,025	213,229	476,213	108,133	N/A	2500	1,130,642
Energy Generated by Genset (MwH)	113	318	619	1,242	235	N/A	18	2,545
Vehicles - Diesel (Ltrs)	9,579,626	12,765,390	692,492	9,012,512	82,544	758	15,683	32,149,005
Vehicles - Gasoline (Ltrs)	42,190	24,829	35,329	27,930	N/A	907	0	131,185
Electricity from Local Supply (MwH)	2,162	2,733	65	N/A	5	15	909	5,889
LPG (GJ)	N/A	131.82	792	1,165	N/A	N/A	14	2,103
2020								
Genset (Ltrs)	90,619	133,987	197,380	530,552	60,715	N/A	4,580	1,017,833
Energy Generated by Genset (MwH)	102	408	656	1,216	29	N/A	5.9	2,417
Vehicles - Diesel (Ltrs)	9,712,166	14,494,354	2,929,808	7,508,319	88,332	N/A	15,139	34,748,118
Vehicles - Gasoline (Ltrs)	46,967	26,170	22,633	14,537	N/A	N/A	800	111,107
Electricity from Local Supply (MwH)	1,980	2,489	70	N/A	N/A	N/A	553	5,092
LPG (GJ)	N/A	91	780	2,950	N/A	N/A	13	3,834
2019								
Genset (Ltrs)	115,592	179,004	191,734	525,035	70,392	N/A	20,939	1,102,696
Energy Generated by Genset (MwH)	178	430	671	1,304	138	N/A	206	2,927
Vehicles - Diesel (Ltrs)	9,480,511	16,712,150	6,011,503	8,850,506	94	N/A	18,373	41,073,137
Vehicles - Gasoline (Ltrs)	62,978	31,126	74,302	12,582	N/A	N/A	60	181,048
Electricity from Local Supply (MwH)	2,218	1,736	N/A	N/A	N/A	N/A	482	4,436
LPG (GJ)	N/A	57	792	2,500	N/A	N/A	13	3,362



Solar plant EPI

In 2021, TMC continued the use of the more fuel-efficient Articulated Dump Trucks (ADT) and the use of its conveyor belt system that reduces the need for a trucking system in ore hauling. Mine yards were relocated to reduce haulage distance. With the conversion to LED lights across its operations, its gensets operating hours amounted to only 20% of its overall consumption.

HMC chose to use LED-type equipment for all lighting needs of its facilities. The efficient adoption of such equipment helped reduce long-term costs and maintenance. Furthermore, HMC has adopted the use of solar technology as an alternative source of power for streetlights. HMC's power reduction program was supported through guidelines on scheduled operations of the gensets to optimize usage with identified peak and off-peak hours to generate minimal power consumption.

DMC also used the same strategy of optimizing genset use based on the load requirement. It has three gensets available. The 125KVA genset will operate when the load or power demand is minimal, while the 569KVA is to supply and meet the power demand during day operation (peak load), all offices, accommodations, Assay lab, Sample prep, core house, Motor-pool, and warehouse. On the other hand, CMC managed consumption by lowering shipment numbers per year and monitoring and controlling fuel utilization through carpooling services for employees' service transport.

The pandemic situation had an impact on all these conservation efforts. Due to the government workplace restrictions, temporary work scheduling was enforced, and this included night shifts as part of the adjustment during the lockdown period. Another challenge was the upkeep and comprehensive maintenance system for gensets to ensure reliability as the equipment ages. Gensets require regular and proper maintenance to be in good running condition and prevent performance and efficiency loss.

Water Use and Discharge

GRI 103-1, 103-2, 103-3, 303-1, 303-2, RR-ST-140a.2

The EMS also enables the NAC to identify facilities and activities that pose a threat to groundwater. Hence, each mine site has a water management plan, supplemented by several policies and practices on water conservation. Among the processes in place are:

- ▶ Monthly and quarterly physical and chemical monitoring of Total Suspended Solids (TSS)
- ▶ Establishment of activated carbon gabions
- ▶ Regular dredging of sumps and ponds
- ▶ Planting of slopes to reduce exposed areas
- ▶ Vetiver grass planting in ponds for phytoremediation
- ▶ Using oil-water separator to prevent contamination
- ▶ Covering of ore stockpiles to minimize silted water
- ▶ Generation from stockpile areas
- ▶ In-house water sampling
- ▶ Emergency response procedures for accidental releases of contaminated water
- ▶ Construction of a drainage system that directs water/leakages to designated areas of treatment

Water use and discharge were regularly monitored, and proper mitigation measures were implemented for known risks. The landfill, for instance, is layered with high-definition polyethylene to provide impermeability and containment of contaminated water. Also, wastewater undergoes filtration through silt curtains and silt containment ponds and was then reused for dust suppression activities and product washing.

RTN also installed a rainwater harvesting facility for toilet use at its Admin Building, conducted desilting and installation of desilting pads on three (3) siltation ponds for more water attenuation and water recycling. Improvements were made to the spillway of Lower Togpon Pond, that further initiated the innovation proposals for possible water efficiency programs in 2022.

TMC conducted maintenance on settling ponds by desilting a total of 440,706 cubic meters, with new sumps constructed on active areas to initially collect silt carried by run-offs during rain. Meanwhile, HMC installed surfactant traps at its laundry facility and grease traps at its kitchen areas to intercept most greases and solids before entering a wastewater disposal system.

DMC took steps to identify improvements to water lines for implementation under its approved 2022 budget. Similar to the other subsidiaries, DMC continued to encourage employees and guests to conserve water and be conscious of water consumption. Signage and posters in strategic areas remind people to turn off the faucet when not in use.

GRI 303-3, 303-4, EM-MM-140a.1, RR-ST-140a.1

WATER USE AND PROTECTION					
2021	EXTRACTION		DISCHARGE		
	WATER BODY	VOLUME (CU.M)	WATER BODY	VOLUME (CU.M)	SILT COLLECTED (WMT)
RTN	Water wells	1,148,808	Lower Kinurong Pond	1,200,119	78,371
	Rainfall/Surface	11,481,734	Lower Togpon Pond	10,102,030	
TMC	Underground	211,427	Hubasan Creek	179,870	440,706
HMC	Kaskag	5,934	Banug Strait	1,977	61,284
	Base Camp	10,825	Banug Strait	270	
CMC	Settling ponds	65,029	Dinagat Sound	148,876	63,989
	Creeks	18,925	Gaas Bay	57,238	
DMC	Stream	9,829	Septic Tank	3,406	2,099
TOTAL		12,952,511¹		11,693,786	646,499
2020	EXTRACTION		DISCHARGE		
	WATER BODY	VOLUME (CU.M)	WATER BODY	VOLUME (CU.M)	SILT COLLECTED (WMT)
RTN	Water wells	1,064,411	Lower Kinurong	1,910,637	14,136
	Tagpisa Pond	83,193	Lower Togpon	8,496,849 ²	
TMC	Hubasan Creek	157,262	Taganito River ³	35,861,046,919	345,254
HMC	Filtered Springs	16,321	Hinatuan Passage	29,561	100,380
	Kaskag Creek	38,083	Banug Strait	9,763	
CMC	Baliwan Settling Pond and Area 6	32,383	CMC Dinagat	60,957	73,394
	Water well	1,934			
	Maraguig Watershed	28,574			
DMC	Stream	4,264	Septic Tank	3,411	2,913
TOTAL		1,426,425		35,871,558,097	533,164
2019	EXTRACTION		DISCHARGE		
	WATER BODY	VOLUME (CU.M)	WATER BODY	VOLUME (CU.M)	SILT COLLECTED (WMT)
RTN	Water wells	957,741	Lower Kinurong	506,140	57,888
	Tagpisa Pond	79,675	Lower Togpon	1,437,865	
TMC	Hubasan Creek	80,354	Taganito River	0 ⁴	3,499
HMC	Filtered Springs	28,382	Hinatuan Passage	159,900	109,451
	Kaskag Creek	58,672	Banug Strait	95,709	
CMC	Baliwan Marsh Land	42,000	CMC Dinagat	24,365	72,468
	Maraguig Watershed	30,000			
DMC	Stream	2,541	Septic Tank	2,033	4,431
TOTAL		1,279,365		2,226,012	247,737

¹ Increase in extraction due to two storms that hit Palawan
² Significant difference is due to the increase in rainfall last 2020

³ Water discharge is based on rainfall
⁴ No available data last 2019

Air Protection

GRI 103-1, 103-2, 103-3, EM-MM-110a.2

NAC's operating mines conduct regular emission testing and measurement of dust emissions to ensure compliance with all air quality regulations. In addition, the Company has also acquired necessary permits for pollutant-emitting devices and provided monitoring reports to DENR agencies that assured emissions are well within the regulatory limits.

RTN consistently conducted stack emission sampling of new air pollutant sources. As a result, RTN identified fugitive dust as the primary emission from its operation. The Company used additional water trucks for road watering and acquired a road vacuum sweeper. Meanwhile, TMC deploys water lorries to designated strategic areas to address dust excesses and integrated a new contract requirement for its contractor specifying the provision of water lorries to help address dust issues.

In addition, the NAC Technical Working Group (TWG) and Economic, Social, and Governance

(ESG) team required each subsidiary to submit 5-year historical baseline of GHG emissions. A training on GHG Inventory was also conducted to update and harmonize the tools and methods being used by the subsidiaries.

In support, RTN conducted baselining of certain forest areas to determine sequestration capacity and potential emissions once disturbed and used for mining activities.

And for its part, EPI conducted an in-house inventory of its GHG emissions based on the streamlined standards and is collecting historical baseline data as a reference for its ongoing assessment and gap analysis. After this analysis is completed, EPI can move forward to strategically design plans to manage Scope 2 emissions which may include the use of renewable energy sources or leasing biofuel/renewable energy-based equipment.

GRI 305-1, 305-2, 305-3, 305-6, 305-7, EM-MM-110a.1, EM-MM-120a.1

AIR QUALITY	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
Avoided emission	N/A	N/A	N/A	N/A	N/A	N/A	(30,352)	(30,352)
Scope 1 emissions (tCO ₂)	26,354	37,711	8,663 ¹	21,051	701	71	N/A	94,551
Scope 2 emissions (tCO ₂)	1,607	2,307 ²	55	N/A	371	11	504	4,855
Scope 3 emissions (tCO ₂)	5	19	3,372 ³	N/A	1	0.16	0.41	3,398
Ozone-depleting substances (ODS) (kg)	N/A	0	N/A	N/A	N/A	N/A	N/A	0
Nitrous Oxides (NOx) (mg/Ncm)	N/A	894	N/A	⁴	<1	N/A	N/A	894
Sulfur Oxides (SOx) (mg/Ncm)	N/A	N/A	N/A	⁵	<7	N/A	N/A	0
Persistent organic pollutants (POP)	N/A	0	N/A	N/A	N/A	N/A	N/A	0
Volatile organic compounds (VOC)	N/A	0	N/A	N/A	N/A	N/A	N/A	0
Hazardous air pollutants (HAP)	N/A	0	N/A	N/A	N/A	N/A	N/A	0
Particulate matter (PM) (ug/Ncm)	24	42	5 ⁵		35	N/A	N/A	71

AIR QUALITY	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2020								
Avoided emission	N/A	N/A	N/A	N/A	N/A	N/A	(15,452)	(15,452)
Scope 1 emissions (tCO ₂)	26,382	38,121	8,138	21,274	N/A	N/A	N/A	93,915
Scope 2 emissions (tCO ₂)	1,095	48	59	18	N/A	N/A	316	1,536
Scope 3 emissions (tCO ₂)	6	8	2,171	21	N/A	N/A	0	2,206
Ozone-depleting substances (ODS) (kg)	N/A	N/A	61	N/A	N/A	N/A	N/A	61
Nitrous Oxides (NOx) (mg/Ncm)	N/A	N/A	198	39	N/A	N/A	N/A	237
Sulfur Oxides (SOx) (mg/Ncm)	N/A	N/A	⁶	3	N/A	N/A	N/A	3
Persistent organic pollutants (POP)	N/A	N/A	⁶	N/A	N/A	N/A	N/A	-
Volatile organic compounds (VOC)	N/A	N/A	⁶	3	N/A	N/A	N/A	3
Hazardous air pollutants (HAP)	N/A	N/A	⁶	N/A	N/A	N/A	N/A	-
Particulate matter (PM) (ug/Ncm)	13	44	51	9	N/A	N/A	N/A	117
2019								
Avoided emission	N/A	N/A	N/A	N/A	N/A	N/A	(13,142)	(13,142)
Scope 1 emissions (tCO ₂)	27,068	46,538	9,053	23,223	N/A	N/A	N/A	105,882
Scope 2 emissions (tCO ₂)	N/A	42	55	8	N/A	N/A	272	377
Scope 3 emissions (tCO ₂)	N/A	47	8,723	152	N/A	N/A	0	8,922
Ozone-depleting substances (ODS) (kg)	N/A	N/A	27	N/A	N/A	N/A	N/A	27
Nitrous Oxides (NOx) (mg/Ncm)	N/A	694	N/A	3	N/A	N/A	N/A	697
Sulfur Oxides (SOx) (mg/Ncm)	N/A	N/A	N/A	28	N/A	N/A	N/A	28
Particulate matter (PM) (ug/Ncm)	11	75	11	5	N/A	N/A	N/A	102
¹ Increase due to fuel consumption ² Increase due to change in formula used following the GHG Protocol formula ³ Increase due to air travel data ⁴ Results not yet released by 3rd party laboratory ⁵ Sampling was conducted during rainy season ⁶ No monitoring for this period								

Waste Management

GRI 103-1, 103-2, 103-3, 306-1, 306-2

As a responsible corporate citizen concerned not only for the environment but also for the health and safety of its people, NAC fully supports the global campaign on reducing waste. Accordingly, the Company conscientiously implemented an effective solid waste management plan.

Furthermore, NAC supports the principle of upcycling, seeing great value in technologies that help the Company manage wastes effectively, such as DOST's bioreactor, vermicomposting, and mulching for biodegradable wastes; the use of Materials Recovery Facility (MRF) for recyclable and reusable wastes; and the use of sanitary landfill for residual wastes.

GRI 306-3, 306-4, RR-ST-150a.1

Additional initiatives by the operating mines include TMC's purchase of a shredder machine to fragmentize residual and plastic waste, which are then transformed into eco-bricks. TMC also processes biodegradable waste in the biofertilizer maker machine to eventually mix with ameliorated soil.

HMC has also intensified the production of bio-organic fertilizers from biodegradable kitchen wastes and the practice of vermicomposting. In addition, it initiated the establishment of Biogas Digester Facility to accommodate all kitchen wastes, especially food wastes. Also, the Company continued using Jobo Pots in the nursery operations. For such efforts, HMC saw a reduction in solid waste generation of about 28% for 2021 compared to the previous year.

WASTE MANAGEMENT	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
Biodegradable Waste (kg) ¹	52,480 ²	10,621 ³	16,499	35,687	521	50	12,700	128,588
Hazardous Waste (kg)	90,551	187,178 ⁴	66,584 ⁵	92,387 ⁶	1,075	153	153	438,081
Recyclable Waste (kg) ⁷	193,750	3,260	867	6,196	2,203	23	118,000	324,299
Residual Waste (kg) ⁸	56,980	2,312 ⁹	15,489 ¹⁰	15,466	1,588	50	10,300	102,185
Solid Waste (kg)	303,210	16,192	32,855	57,348	4,311	23.4	141,000	554,939
Used Oil (L) ¹¹	65,140	144,102	46,400	67,698	816	20	40	324,216
2020								
Biodegradable Waste (kg) ¹²	87,200	24,341	24,042	29,063	1,624	N/A	2,300	168,570
Hazardous Waste (kg)	80,815	138,498	38,272	65,577	400	N/A	0	323,562
Recyclable Waste (kg) ¹³	215,120	4,349	827 ¹⁴	9,909	1,377	N/A	110	231,692
Residual Waste (kg) ¹⁵	79,470	6,492	20,800	11,632	950	N/A	990	120,334
Solid Waste (kg)	381,790	59,523	45,670	50,604	3,952	N/A	3,400	544,939
Used Oil (L) ¹⁶	62,100	112,600	38,083 ¹⁷	59,202	249	N/A	0	272,234
2019								
Biodegradable Waste (kg) ¹⁸	58,940	27,755	37,300	20,151	2,209	N/A	1,720	148,075
Hazardous Waste (kg) ¹⁹	111,899	13,120 ²⁰	27,214	48,335	1,079	N/A	90.5	201,738
Recyclable Waste (kg) ²¹	221,520	5,310	2,920	10,366	N/A	N/A	330	240,446
Residual Waste (kg) ²²	52,210	6,765 ²³	28,030	13,155	3,043	N/A	1,250	104,453
Solid Waste (kg) ²⁴	332,670	49,241	68,250	43,672	6,674	-	3,300	503,807
Used Oil (L) ²⁵	84,268	97,200	66,800	41,922	837	-	95	291,122
¹ Disposal via composting, third-party service provider, sanitary landfill ² Drop due to less trimming (trees/branches) activity ³ Drop due to biodegradable wastes being converted into fertilizers ⁴ Increase in generated hazardous waste specially the used oil during the peak season and additional contractor (ETER) ⁵ Increased due to number of vessels shipped out and the inclusion of used oil generated from the LCTs ⁶ Increase due to handling of waste following COVID-19 protocol ⁷ Reuse paper/others thrown; donation to LGUs/scrap haulers ⁸ Disposal via third-party service provider; sanitary landfill ⁹ Decrease due to some of residual wastes being converted into eco-bricks and biowaste fertilizer ¹⁰ Decrease due to initiative to limit use of single used plastics ¹¹ Recycled by TSD Facility ¹² 21,638 kg processed for Composting; 2,404 kg converted to Bio-organic fertilizer ¹³ Sold to junk buyer, Recycling/Landscaping/ Gulayan sa Minahan ¹⁴ Significant change from 2019 due to voluntary stoppage of operation on the 2nd quarter of 2020 and early declaration of off season. Water tumblers were also provided to personnel to lessen the use of plastic bottles during meetings and activities. ¹⁵ Landfilling, Granulator/ Landscaping/ Landfill ¹⁶ Offsite TSD facility ¹⁷ Decrease in figures were because of the voluntary stoppage of mining operations in the second quarter and the early declaration of off-season due to COVID-19 outbreak in the last quarter of CY 2020 ¹⁸ Bioreactor Vermicomposting ¹⁹ DENR-Accredited Transporter/ Treater ²⁰ Figure accounts for treated hazardous waste only ²¹ Materials Recovery Facility Eco Bricks ²² Sanitary Landfill ²³ 16,176 in 2019AR ²⁴ Materials Recovery Facility Eco Bricks ²⁵ DENR-Accredited Transporter/ Treater								

Climate-related Risks and Opportunities

NAC advocates for responsible mining as we recognize how we are all connected. We appreciate that our synergetic relationship with our communities and our environment impacts both short- and long-term.

With the governance and leadership of the Board of Directors and the management team, our Enterprise Risk Management (ERM) system helps us establish proper measures for the identification, assessment, and management of risks that may affect the Company.

The risk management strategy addresses climate-related risks and identifies action plans, persons responsible, and expected timelines to maintain the Company's operations or reduce the duration of operation disruptions.

The risks were identified based on how they would impact our people's safety, the supply chain, the reliable energy supply, and the unhampered logistics in and out of mine sites. Integral to the ERM is preparing both people and facilities for emergencies, the training of emergency responders, the provision of equipment and technology, and the redundancies for physical systems.

NAC works with the rest of the industry players, its host communities and nearby communities, and government agencies and regulators, toward building resilient and sustainable communities. In addition, the Company is proactively working to protect shared natural resources that would benefit future generations.





**MOVING
COMMUNITIES
TOWARDS
GROWTH AND
PROGRESS ^S**

SDMP and CSR

GRI 103-1, 103-2, 103-3, 413-1, EM-MM-210b.1

NAC’s relationships with its host and neighboring communities have been built over the years of working together towards the same goals. The Company’s Social Development Management Program (SDMP) and its Corporate Social Responsibility (CSR) initiatives have been

impactful, meaningful, and relevant. NAC designed its SDMP and CSR programs to address the genuine needs of the communities, which became most important as families struggled through the unprecedented crisis that continued throughout 2021.

SDMP & CSR SPENDING (MILLION PHP)								
ELEMENT		RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
2021								
SDMP	Required Spending	46.9	89.4	21.1	50.9	12.3	N/A	220.6
	Actual Spending	44.0	77.2	21.9	44.3	6.8	N/A	194.2
CSR	Non-IP Communities	35.2	4.7	24.4	7.9	0.2	6.2	78.6
	IP Communities	11.6	0.5	N/A	N/A	1.5	22.5	36.1
2020								
SDMP	Required Spending	36.7	99.4	24.7	47.3	14.4	N/A	222.7
	Actual Spending	35.5	85.2	24.7	44.8	4.1	N/A	179.4
CSR	Non-IP Communities	13.2	11.6	5.8	11.3	0.1	0.2	84.2
	IP Communities	10.7	1	0	0	1.5	3.4	26.2
2019								
SDMP	Required Spending	34.7	77.2	21.1	39.9	13.1	N/A	186.0
	Actual Spending	30.1	53.3	22.0	37.4	1.1	N/A	143.9
CSR	Non-IP Communities	34.9	15.6	10.8	9.0	0.7	2.8	73.8
	IP Communities	11.5	2.5	0	0	1.5	1.3	16.8



Community Relations

GRI 103-1, 103-2, 203-1, 203-2, 413-1

With the lockdowns and restrictions on movements brought about by the pandemic, local government units (LGUs) requested that programs focus first on mitigating the COVID-19 impact on communities. As a result, the Company temporarily placed many programs on hold, especially those requiring face-to-face interactions and community gatherings.

The Company realigned initiatives toward purchasing food items for distribution to respective barangay stakeholders as support. The IEC programs became a platform for MHO

to discuss new implementing rules of the Province and the Municipality relative to COVID Protocols. The environmental IEC provided a refresher on solid waste management best practices that households can adopt as families stay at home.

DMC conducted an information campaign on the health benefits of vaccination and blood donation and the importance of continuing to take care of the environment, with a focus on solid waste management. These were done in partnership with MHO and DMC Health and Environment Teams.

RIO TUBA				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
COVID-19 Assistance for Local Government Units	<ul style="list-style-type: none"> ▶ Financial Assistance to provincial and Municipal Government as well as BLGUs in Bataraz ▶ Food packs provided to target beneficiaries 	PhP 2,285,840	8,593	<ul style="list-style-type: none"> ▶ Minimized spread of COVID-19 ▶ Aims to provide basic needs of beneficiaries during lockdown/travel restrictions

TAGANITO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Prevention of Emerging and Re-emerging Infectious Diseases; and Establishment of a Municipal Quarantine Facility	<ul style="list-style-type: none"> ▶ Procurement of COVID-19 vaccines ▶ Support the activities of the municipal quarantine facility 	PhP 16,050,400	40,731	Prevention and control of the spread of COVID-19

HINATUAN				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Access to Health and Services, Health Facilities and Professionals	Purchase of COVID-19 vaccines	PhP 3,327,882	1500 individuals	Increase number of vaccinated people

CAGDIANAO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
	<ul style="list-style-type: none"> ▶ Procurement of Vaccine for Municipality of Cagdianao and Libjo ▶ Turn over SWAB test kits to Provincial Health Office ▶ Turn over Antigen Test Kit and Medical Supplies to Albor District Hospital 	PhP 11,153,863		

Promoting Health and Wellness

RIO TUBA				
PROJECT/ PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Hospital Subsidy	SDMP Impact and Non-impact Barangays shared 10% of SDMP fund to LGU - Bataraza District Hospital for free hospitalization of Bataraza IP and indigents residents	PhP 4,092,870	2 Hospitals ⁴⁵	Increase access to health care services and free hospitalization

⁴⁵ Rio Tuba Nickel Foundation Inc. Hospital and Bataraza District Hospital.

TAGANITO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Access to Health and Services, Health Facilities and Professionals	Subsidy to Barangay Health Centers manpower; and, Clean & Green Program-Food Always in the Home (FAITH) Gardening	PhP 4,897,518	40,731	<ul style="list-style-type: none"> ▶ Improved health services ▶ Zero-waste management

HINATUAN				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Access to Health and Services, Health Facilities and Professionals	Semestral provision of medicines to community health centers	PhP 546,888	650 individuals	Decrease morbidity and mortality rate and improve access to health services

CAGDIANAO				
PROJECT/ PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
	<ul style="list-style-type: none"> ▶ Provision of health center facilities and equipment¹ ▶ Assistance to health-related concerns or emergencies and Blood Letting Activity with RHU and Red Cross ▶ Provision of essential medicines, dental and "buntis" kits and COVID-related PPEs¹ ▶ Provision of health supplies to Senior Citizens & PWD¹ ▶ Procurement of COVID Vaccines¹ ▶ Assistance to the repair and improvement of barangay health stations² ▶ Provision of materials for the installation of sanitary toilets¹ 	PhP 9,379,383	1,566	

¹ Host and neighboring communities
² Boa, Bayanihan, Valencia

As an advocate of health and wellness for our communities, NAC provides fully equipped medical facilities in each of our operating mines. And while pandemic restrictions have temporarily stalled our usual medical missions for other nearby communities, those plans will be resumed once the situation eases and such activities are once more allowed.

In the meantime, the Company looked for ways to contribute to and promote healthy habits for the benefit of the people. For instance, TMC provided handwashing facilities to 29 schools within Claver,

Gigaquit, and Surigao City as part of its SDMP. As a result, 52 handwashing units were distributed to public elementary and high schools to support efforts to encourage frequent handwashing as a way to protect oneself from the COVID-19 virus.

Aside from donating to schools, TMC also gave out handwashing facilities to the local government units of the Municipality of Bacuag, Barangays Binacoran, and Villa Riza in the Municipality of Malimono and the Philippine Red Cross - Surigao del Norte Chapter.

Strengthening Livelihood Programs

RIO TUBA				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Corn Production	The project aims to support and strengthen the livelihood project of the farmers, encourage farmers to adopt new technology from backyard to subsistence farming. Increase production of quality corn for human consumption and to increase farmers' income. This project is to support the "Livestock Production" under Sapa Farmers' Producers Cooperative	PhP 150,000	102 farmer beneficiaries	Adoption of new technology on Corn Production, increase quality corn production, additional income for farmers and improve their quality of living.

TAGANITO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Enterprise Development and Networking	Enterprise development of Peoples' Organizations like GAMAWA, SIFAS, DAPJA, CREMACO, TACPECCO, TAWETA, CGUS, HAMVA, CAFSPIA, KABAMAS, URCAP and UCPC	PhP 3,269,542	303	Create an avenue for the communities to enhance and develop their skills and livelihood opportunities

HINATUAN				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Enterprise Development and Networking	Provision of support for bamboo production project (seedling)	PhP 355,562	25 organization members	Increase income generation and awareness on environmental protection and conservation

CAGDIANAO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
	<ul style="list-style-type: none"> ▶ Capacity and capability enhancement trainings and seminar for livelihood project beneficiaries [1] ▶ Procurement of hand tillers and other farming tools and implements (Valencia, Boa, Legaspi and Bayanihan) ▶ Assistance to Regular- Seasonal Workers Association ▶ Bangus Production Project ▶ Additional assistance for the Poultry project (layer chicken)- Brgy. Legaspi ▶ Additional assistance to the fishermen and GADIFCO - Brgy. Legaspi ▶ Improvement of Cabiton-an Rice Mill ▶ Establishment of Multi-species hatchery, Phase 1 ▶ Livelihood Manual of Operation 	PhP 3,277,469	1,106	

DINAPIGUE				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Selling of Fertilizer of Ubbog Sur Farmers (Brgy. Bucal Sur)	Provision of capital to Ubbog Sur Farmers to purchase fertilizer	PhP 60,013	113 farmers	To provide sustainable livelihood to the association and additional source of income to the members.



Key to NAC's SDMP design is the principles of skills training and start-up resources for meaningful impact. This was even more important in 2021 as communities worked to recover from the adverse effects of the pandemic.

Among the many activities the Company initiated were the following:

HMC's supported the Talavera United Women's Association (TUWA) through the provision of delivery service motorcycle and pump boat. TUWA owns and manages Island's Pure Water Refilling Station in Barangay Talavera in which the vehicles will be used to transport and distribute products to its customers in Brgy. Talavera and in nearby island communities.

With the addition of the delivery service motorcycle, TUWA can deliver its products to customers far from their business location. The pump boat allowed to cater to clients from neighboring island communities, enabling them to serve more customers, even those in neighboring islands. Customers can simply text, chat or call when they need water, making it more convenient for them who are mostly housewives tending to their homes.

RTN turned over around 1,000 calamansi seedlings to the indigenous people (IP) community of Sitio Cabuan, Barangay Ocayan in Bataraza, Palawan as the Company aimed to support the revival of backyard gardening and to attain food sufficiency during the pandemic for the IP community.

Around 200 households in Ocayan benefitted and each one received five seedlings to maintain and cultivate as their livelihood's source. The community shifted to calamansi farming after they encountered a problem with the water sources for their previous

vegetable plantation. With calamansi, the community can enjoy the benefits within a short period of time as the crop grows quicker. With proper cultivation, the community can harvest the fruits after a few months' time.

RTN also extended support to the farming venture of the Indigenous Cultural Community (ICC) of Sitio Pinuwasan, Barangay Sumbiling in Bataraza through the provision of some Jackfruit and Calamansi seedlings as sources of additional income for the farmers. The farming venture is expected to be a sustainable livelihood project for the members of Palaw'an and the potential income from agricultural products will be beneficial in their area.

TMC has been supporting the members of the Gagmayn'g Mananagat sa Wangke (GAMAWA), a group of fishermen from Barangay Wangke, Claver, Surigao del Norte. Following two rounds of releasing of 30,000 bangus fingerlings funded by TMC, 20,000 fingerlings were released in its third time. These fingerlings were funded by the group's own earnings.

Early 2021, the fish pens and cottages were renovated to strengthen its foundations and to comply with recommendations of the Bureau of Fisheries and Aquatic Resources (BFAR). Seeking to add value to their product and explore potential markets, GAMAWA members also underwent a training on deboning and bottling where they initially produced marinated boneless bangus, bottled bangus in olive oil, and bottled bangus in tomato sauce.

Alongside their fish production, GAMAWA has become a tourist destination within the municipality where visitors stop by to rest in their cottages while enjoying a view of the fish pens, the sea and of neighboring islands.

Educational Support

RIO TUBA				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Scholarship Program	<ul style="list-style-type: none"> Scholarship for high school and college Allowances 	PhP 5,554,118	489	Increase and improve literacy and participatory rate. Increase access to social mobility and increase access to job opportunities.

TAGANITO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Access to Education and Educational Support Program	<ul style="list-style-type: none"> College Financial Assistance under the DHNC component Full Academic Scholars under the DMTG component Support to school activities and other initiatives 	PhP 23,117,925	508	To produce graduates that will be part of the country's workforce.

HINATUAN				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Access to Education and Educational Support Program	<ul style="list-style-type: none"> Provision of printing materials for modules (bond papers and toner ink) 	PhP 499,866	1,346	Increase literacy rate and decrease number of out of school youth.

CAGDIANAO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
	<ul style="list-style-type: none"> Assistance to college scholars (host and neighboring communities) through procurement of learning/school materials, computer units and other related equipment and facilities. Subsidy to volunteer teachers and daycare workers Assistance to Alternative Learning System 	PhP 4,164,568	1,464	

DINAPIGUE				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Financial assistance to Community College Scholars (6 Barangays)	<ul style="list-style-type: none"> Provision of tuition fee Reimbursement and monthly allowance to college students 	PhP 250,614	29	To advance the educational literacy of Dinapigue and improve the quality of life of the beneficiaries and their families through the educational support program.

JSI				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
EPI/JSI Support for Modular Learning at Local Community Educational Institutions During COVID-19 Pandemic	Donation of bond papers to local schools	PhP 34,112	10 schools	Reduces the burden of school faculty in terms of limited resources for printing of modules during the pandemic and aids in providing uninterrupted quality education to the local youth



Support for students and the education sector was even more crucial in 2021, as most schools followed an online approach blended with other learning modes such as radio, television, online platforms, and modules.

TMC, through its Community Relations Department, initiated a laptop subsidy program for their full scholars who didn't have laptops and who wished to avail of tools for their studies. A total of 15 scholars availed of the program wherein each received a laptop with up-to-date specs such as Intel Core i5 10th Generation Processor, Intel Iris Plus Graphics, 4GB memory, 14" HD display, 512G B SSD Storage, and Windows 10 Operating System. The program helped the scholars meet the demands of the new normal education system that was mostly delivered through online classes.

RTN supported learners from far-flung areas coping with the blended learning period by providing Radio-Based Instructions (RBI) facility to two elementary schools in Bataraza, Palawan. The RBI worth over PhP 97,000 was donated to Barangkas Elementary School (BES) and Igang-Igang Elementary School (IES). RTN also partnered with the LGU of Barangay Rio Tuba to purchase more supplies to cover blended learning needs in five schools, augmenting their needs for module production.

HMC also continuously supported education initiatives and reached out to its partners in education to empower them to improve their best distance learning practices. The Department of Education (DepEd) Siargao Division was one of these education partners and it received a Risograph machine, paper supplies, and health essentials such as alcohol in support of its Learning Continuity Plan dubbed "Padajon an Edukasyon" (Education Will Continue). HMC also

provided support to DepEd Surigao del Norte Division and DepEd Malimono, contributing items such as thermal scanners, alcohol, washable facemasks, Vitamin C, chlorine powder, risograph machine for module printing, and paper supplies.

TMC allocated PhP 2 million for the purchase of over 7,000 workbooks in English and Mathematics, in time for the opening of classes for the students of Surigao del Norte. Part of its SDMP, the initiative supported the Provincial Government's Education Caravan School Year 2020-2021, the annual Education Caravan wherein various educational supplies such as books, bags, and health kits were distributed to students in Surigao del Norte as well as Siargao island.

Aside from the supporting online programs, RTN, together with CBNC, demonstrated commitment to the mining communities and is building a state-of-the-art training center located in the mining community of Rio Tuba in Bataraza. The center will have audio-visual rooms and dedicated areas for various workshops, and will be equipped with conveyor belts, overhead cranes, vertical structure platforms, electrical simulators for trainings. It will host classes for skills education and job-preparatory training based on the courses offered by Technical Education and Skills Development Authority (TESDA) offers. Bataraza aims to partner with TESDA for the job-preparatory skills training and for the NC-II National Certificates that will be given to the graduates.

The new facility is one of the major projects of RTNMC and CBNC and will be officially launched this 2021 under its Social Development and Management Program (SDMP). It will serve as a center for manpower pooling that will regularly train residents to be highly qualified for local, domestic, and overseas employment.

Disaster Resilience in Vulnerable Communities

RIO TUBA				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Hazard and Flood-prone Mapping for SDMP Areas	Under the DMTG Program, hazards and flood-prone areas will be identified to protect SDMP infrastructure and livelihood projects. Trainings for climate resilient crops will also be provided as part of the program.	PhP 5,554,118	12 barangays	Replicable sustainable livelihood and agricultural programs and infrastructure projects.

TAGANITO				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Community Coastal Protection	Site Bouldering (Phase 2)	PhP 1,994,412	996	Protection of households of the barangay from possible storm surge and other weather disturbances

HINATUAN				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Others	Formulation of barangay DRRM plan and provision of DRRM equipment	PhP 821,822	808 households	Increase resilience of residents in the community

DINAPIGUE				
PROJECT/PROGRAM NAME	DESCRIPTION	EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT/EXPECTED IMPACT
Gabion Wall Project (Brgy. Dimaluade)	Construction of Gabion Wall Project which will serve as the flood control interceptor during heavy rains.	PhP 3,505,337	91 households	To prevent flooding in the households and agricultural lands during the rainy days through the construction of gabion wall.



NAC is committed to supporting host and neighboring communities in their drive to better protect their members and recover from disasters.

DMC distributed relief assistance to the six barangays of Dinapigue that were affected by a series of typhoons. The Company realigned a total of PhP 1.3 million from its Annual SDMP to provide relief assistance to the communities. And despite the difficult road conditions brought about by typhoons, the company was able to distribute assorted grocery items to a total of 1,587 beneficiaries in Barangays Dimaluade, Bucal Norte, Bucal Sur, Ayod, Digumased, and Dibulo.

In addition, the employees of DMC also participated in a Personal Social Responsibility project (PSR) along with other business units of Nickel Asia to donate food and toys to other affected communities in the province of Isabela from their personal funds.

RTN was among the first to respond to the fire that razed through the coastal community of Sitio Marabahay in Barangay Rio Tuba, Bataraza

and which saw 44 families evacuated. RTN sent its fire truck and safety personnel to the site. The Company was also quick to distribute relief goods

RTN has also supported the installation of a Level-2 Water System that will benefit some 24 indigenous peoples (IP) households in Sitio Tagkawayan, Barangay Sumbiling in Bataraza town. With this project, the families will no longer have to solely depend on communal deep wells for their water supply needs. RTN funded and supplied the construction materials needed to complete the project which is seen to strengthen the community's resistance against malnutrition and health issues.

RTN has also installed a complete solar panel set with accessories worth PhP 300,000 in Barangay Culandanum, Bataraza in support of the Barangay's drive to have power connection to deliver basic goods and services to people. The installation of the solar panel will help speed up the daily operation and demands in services of the barangay to the community.



TMC CSR project for farmers

A construction worker wearing a yellow hard hat and a green long-sleeved shirt is shown in profile, leaning forward and working on a construction site. The background is a warm, orange-toned photograph of a construction site. A large, diagonal, semi-transparent overlay with a repeating pattern of small, light-colored squares covers the left side of the image. The text 'WELFARE OF OUR EMPLOYEES' is written in white, bold, uppercase letters across the middle of the patterned area, with a small 's' at the end of the second line.

**WELFARE OF
OUR EMPLOYEES** s

Employee Diversity

GRI 103-1, 103-2, 103-3

In 2021, NAC demonstrated commitment to the welfare and well-being of our people as the Company offered a stable and reliable source of gainful employment as it focused on inclusive and sustainable growth even through challenging times brought about by a global pandemic.

Steadfast in supporting the principles of human rights, fair compensation, the practice of non-discrimination and equal employment, and development through continuous learning, NAC promotes diversity and inclusion in all its subsidiaries.

A total workforce of 2,874 was productively employed, with an industry-typical 1:4 ratio of males to females. NAC is able to provide employment opportunities to its host and neighboring communities, employing 1,795 locals in 2021, 80 of them being indigenous people.

This is made possible through the Company's Impact Sourcing practice, where local hires, who

are part of the economically disadvantaged groups, are prioritized to be provide with opportunities. NAC welcomes IPs in the workforce and recognizes that their successful careers enable the Company to fulfill part of our commitment to their forefather who also welcomed the Company onto their ancestral land.

The Company places the best available person fit for the role. Recruitment decisions are based on assessment criteria that identify candidates' knowledge, technical and professional skills, potential for growth and leadership, and attitude and character that fits the Company's culture and shared values.

CMC, for its part, has a clear commitment to the host and neighboring community to open opportunities for both host community and neighboring communities. Only if the required talent is not available in Dinagat Islands does the company seek candidates from outside of the province.

GRI 405-1, 102-7, 102-8, EM-MM-000.B

EMPLOYMENT BY CONTRACT TYPE AND GENDER		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
2021										
Male	Regular/Probationary	485	565	142	198	28	63	6	27	1,514
	Seasonal	172	1	164	100	1	0	0	0	438
	Project-based	119	11	0	0	1	0	0	0	131
	Total	784	577	306	298	30	63	6	27	2,083
Female	Regular/Probationary	67	114	53	54	14	58	6	7	373
	Seasonal	0	0	16	14	0	0	0	0	30
	Project-based	40	6	0	0	1	1	0	0	48
	Total	107	120	69	68	15	59	6	7	451
Total	(Regular/Probationary)	552	679	195	252	42	122	12	34	1,887
2020										
Male	Regular/Probationary	612	565	146	198	22	56	3	27	1,629
	Seasonal	206	315	53	110	7	0	-	-	691
	Project-based	116	25	2	0	-	1	-	-	144
	Total	934	905	201	308	29	57	3	27	2,464
Female	Regular/Probationary	80	107	55	52	13	43	6	7	363
	Seasonal	0	9	8	13	-	0	-	-	30
	Project-based	9	6	0	0	-	0	-	-	15
	Total	89	122	63	65	13	43	6	7	408
Total	(Regular/Probationary)	692	672	201	250	35	99	9	34	1,992
2019										
Male	Regular/Probationary	620	562	184	190	31	21	5	25	1,638
	Seasonal	233	6	78	0	-	0	-	-	317
	Project-based	231	5	0	0	-	0	-	4	240
	Total	1,084	573	262	190	31	21	5	29	2,195
Female	Regular/Probationary	69	93	52	46	17	33	3	7	320
	Seasonal	0	0	10	0	-	0	-	-	10
	Project-based	10	2	0	0	-	0	-	-	12
	Total	79	95	62	46	17	33	3	7	342
Total	(Regular/Probationary)	689	665	236	236	48	54	8	32	1,958



EMPLOYMENT BY POSITION AND GENDER (REGULAR/PROBATIONARY)		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
2021										
Male	Senior Management	0	1	2	1	0	17	1	-	22
	Managers	24	45	11	13	6	10	2	1	112
	Supervisors	92	145	45	70	21	15	0	5	393
	Rank and file	369	374	84	114	1	21	3	21	987
Female	Senior Management	1	0	0	0	0	3	2	-	6
	Managers	7	13	3	5	4	12	1	1	46
	Supervisors	44	80	37	42	9	20	3	3	238
	Rank and file	15	21	13	7	1	23	0	3	83
Total		552	679	195	252	42	121	12	34	1,887
2020										
Male	Senior Management	19	1	5	1	-	19	1	-	46
	Managers	9	43	9	12	6	8	-	1	88
	Supervisors	107	143	50	68	15	15	-	2	400
	Rank and file	477	378	82	117	1	14	2	23	1,094
Female	Senior Management	4	1	0	0	-	3	2	-	10
	Managers	7	12	3	5	3	10	1	1	42
	Supervisors	52	75	38	40	9	16	3	3	236
	Rank and file	17	19	14	7	1	14	-	4	76
Total		692	672	201	250	35	99	9	34	1,992
2019										
Male	Senior Management	4	3	3	3	-	3	1	-	17
	Managers	24	33	12	7	8	4	1	1	90
	Supervisors	102	136	65	59	22	3	-	2	389
	Rank and file	490	390	104	121	1	11	3	22	1,142
Female	Senior Management	2	0	0	0	-	1	2	-	5
	Managers	9	7	3	4	5	3	-	1	32
	Supervisors	43	71	38	29	11	14	1	4	211
	Rank and file	15	15	11	13	1	15	-	2	72
Total		689	655	236	236	48	54	8	32	1,958



EMPLOYMENT BY POSITION AND AGE GROUP (REGULAR/PROBATIONARY)	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
2021									
Below 30 years old									
Senior Management	0	0	0	0	0	0	0	0	0
Managers	2	11	0	2	0	1	0	0	16
Supervisors	23	60	37	47	18	17	1	1	204
Rank and file	12	18	9	7	0	20	1	7	74
Total	37	89	46	56	18	38	2	8	294
30 to 50 years old									
Senior Management	0	0	1	0	0	7	1	0	9
Managers	19	35	11	13	6	17	3	1	105
Supervisors	92	135	34	56	11	16	2	7	353
Rank and file	299	258	68	80	2	22	2	15	746
Total	410	428	114	149	19	62	8	23	1,213
Over 50 years old									
Senior Management	1	1	1	1	0	13	2	0	19
Managers	10	12	3	3	3	4	0	1	36
Supervisors	21	30	11	9	1	2	0	0	74
Rank and file	73	119	20	34	1	2	0	2	251
Total	105	162	35	47	5	21	2	3	380
2021 Total	552	679	195	252	42	121	12	34	1,887
2020									
Below 30 years old									
Senior Management	0	0	0	0	-	0	-	-	0
Managers	2	9	1	1	-	0	-	-	16
Supervisors	30	60	40	50	15	15	1	-	204
Rank and file	17	24	11	12	-	13	-	10	74
Total	49	93	52	63	15	28	1	10	294
30 to 50 years old									
Senior Management	8	1	3	0	-	7	1	-	20
Managers	11	33	9	13	7	13	1	2	89
Supervisors	105	132	36	52	8	14	2	5	354
Rank and file	370	265	66	85	2	13	2	15	818
Total	494	431	114	150	17	47	6	22	1,281
Over 50 years old									
Senior Management	8	1	2	1	-	15	2	-	29
Managers	10	13	2	3	2	5	-	-	35
Supervisors	24	26	12	6	1	2	-	-	71
Rank and file	107	108	19	27	0	2	-	2	265
Total	149	148	35	37	3	24	2	2	400
2020 Total	692	672	201	250	35	99	9	34	1,992

EMPLOYMENT BY POSITION AND AGE GROUP (REGULAR/PROBATIONARY)	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
2019									
Below 30 years old									
Senior Management	0	0	0	0	-	0	-	-	0
Managers	6	2	0	2	-	1	-	-	11
Supervisors	45	64	46	47	19	3	-	2	226
Rank and file	28	26	11	13	-	6	-	8	92
Total	79	92	57	62	19	10	-	10	329
30 to 50 years old									
Senior Management	3	2	2	0	-	1	1	-	9
Managers	13	26	13	7	7	3	-	2	71
Supervisors	80	118	43	36	12	10	1	4	304
Rank and file	393	275	77	87	2	16	3	14	876
Total	489	421	135	130	21	30	5	20	1,251
Over 50 years old									
Senior Management	3	1	1	3	-	3	2	-	13
Managers	14	12	2	2	6	3	-	-	39
Supervisors	20	25	14	5	2	4	-	-	70
Rank and file	84	104	27	34	-	4	1	2	256
Total	121	142	44	44	8	14	3	2	378
2019 Total	689	655	236	236	48	54	8	32	1,958

EMPLOYMENT FROM LOCAL COMMUNITIES AND IPS		RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021									
Male	Regular	491	444	40	98	0	1	19	1,093
	Probationary	2	11	0	2	0	0	0	15
	Seasonal	172	8	111	94	1	0	0	386
	Local Communities (Total)	665	463	151	194	1	1	19	1,494
	Indigenous People	60	10	0	0	0	0	2	72
Female	Regular	76	72	9	18	3	1	3	182
	Probationary	0	4	0	0	0	0	0	4
	Seasonal	0	4	17	14	0	0	0	35
	Local Communities (Total)	76	80	26	32	3	1	3	221
	Indigenous People	5	3	0	0	0	0	0	8
Total		741	543	177	226	4	2	22	1,715
2020									
Male	Regular	390	454	139	91	0	0	25	1,099
	Probationary	2	4	4	5	0	0	0	15
	Seasonal	206	38	53	104	0	0	0	401
	Local Communities (Total)	598	496	196	200	0	0	25	1,515
	Indigenous People	93	7	0	0	0	0	3	103

EMPLOYMENT FROM LOCAL COMMUNITIES AND IPS		RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
Female	Regular	45	69	46	15	2	1	2	180
	Probationary	0	2	3	1	0	0	0	6
	Seasonal	0	4	8	13	0	0	0	25
	Local Communities (Total)	45	75	57	29	2	1	2	211
	Indigenous People	0	2	0	0	0	0	0	2
Total		643	571	253	229	2	1	27	1,726
2019									
Male	Regular	403	464	106	87	0	1	16	1,077
	Probationary	2	3	0	3	0	0	3	11
	Seasonal	233	3	45	0	0	0	1	282
	Local Communities (Total)	638	470	151	90	0	1	20	1,370
	Indigenous People	79	2	0	0	0	0	3	84
Female	Regular	43	59	10	13	2	0	2	129
	Probationary	0	2	0	1	0	0	0	3
	Seasonal	0	0	10	0	0	0	0	10
	Local Communities (Total)	43	61	20	14	0	0	2	142
	Indigenous People	5	7	0	0	0	0	0	12
Total		681	531	171	104	2	1	22	1,512

Employee Training and Benefits

GRI 103-1, 103-2, 103-3, 404-2

Aside from hiring policies and practices, NAC implements employee engagement programs and initiatives to ensure that people are aware that their contributions are recognized and valued. Among these programs are: Participation of Union Association in management's objective setting, regular pep talks before and after work shifts, incentive programs, management's full commitment to the Collective Bargaining Agreements (CBA), and continuous training opportunities (covering health and safety, quality, environmental, technical, Continuing Professional Development (CPD), leadership among others.

In 2021, NAC was able to provide a total of 29,400 training hours for its employees, helping boost their productivity, confidence, motivation, and morale. These measures enabled them to perform their roles more effectively even through difficult times.

The Company also supported the creation of the TESDA Assessment Center which aims to upgrade

the skills of drivers and operators through the issuance of NC2 certifications. Scholarships are granted to employees and their dependents who want to pursue a degree in Mining Engineering.

This year, TMC, in partnership with St. Paul University Surigao (SPUS), launched a mining engineering program that is open to qualified employees whose backgrounds are not related to mining, with the inaugural batch for school year 2021-2022. The classes were held virtually and onsite– maximizing access to actual operations, the pool of experts available in the field, and quality education from SPUS.

The students mostly have mining and engineering foundations and are currently assigned as geologists, chemists, geodetic engineers, safety inspectors, data analysts, etc. As a unique feature of the program, TMC's technical pool of engineers and geologists are being tapped as resource speakers for the students' technical subjects such as Engineering, Surveying and Geology.

GRI 102-48, 404-1

TRAINING HOURS	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	JSI	TOTAL
2021¹								
Total Training Hours	13,755	402	9,305	5,005	829	587	104	29,400
Male Training Hours	10,425	204	5,997	1,797	532	278	52	18,475
Female Training Hours	3,330	198	3,308	3,208	297	309	52	10,393
Total Employees Trained	541	256	604	143	42	101	12	1,598
Male Employees Trained	467	186	385	87	30	45	7	1,132
Female Employees Trained	74	70	219	56	12	56	5	492
Average Training Hours by Position								
Senior Management	56	11	59	21	N/A	4	-	
Middle Management	31	15	105	29	281	8	3	
Supervisors	35	13	485	30	454	7	8	
Rank and File	22		126	33	48	3	4	
Average Training Hours ²	25	1	48	20	20	5	3	16
2020								
Total Training Hours	11,774	6,255	6,255	39	2,744	899	106	33,642
Male Training Hours	10,657	4,442	4,442	12	1,632	380	95	25,399
Female Training Hours	1,117	1,813	1,813	27	1,112	519	11	8,243
Total Employees Trained	414	306	306	136	33	77	6	1,245
Male Employees Trained	348	226	226	109	16	39	4	915
Female Employees Trained	66	80	80	27	10	38	2	323
Average Training Hours by Position								
Senior Management	105	38	42	N/A	N/A	3	-	
Middle Management	64	37	132	3	84	26	-	
Supervisors	20	37	553	3	79	5	53	
Rank and File	26	13	325	3	88	13	53	
Average Training Hours ²	17	9	59	0.2	78	9	3	17
2019								
Total Training Hours	19,912	16,344	12,705	10,776	1,912	752	288	62,689
Male Training Hours	16,232	11,448	9,712	7,248	1,432	440	224	46,736
Female Training Hours	3,680	4,896	2,993	3,528	480	312	64	15,953
Total Employees Trained	418	324	175	183	-	32	29	1,161
Male Employees Trained	351	251	122	124	-	15	24	887
Female Employees Trained	67	73	53	59	-	17	5	274
Average Training Hours by Position								
Senior Management	80	105	11	8	N/A	16	-	
Middle Management	51	101	98	77	64	18	10	
Supervisors	66	60	118	75	145	29	40	
Rank and File	37	23	29	134	0	8	12	
Average Training Hours ²	29	25	54	46	40	14	9	32

¹ Due to the pandemic, EPI cannot conduct online training; still in adjustment phase.
² Change in figures due to recomputation (total training hours/total employees).

GRI 404-2

KEY TRAININGS	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
Technical Trainings	3	169	99	0	19	0	0	3
Leadership Skills Training	44	70	125	104	71	37	0	0
Soft Skills Training	68	1,035	35	77	45	62	0	0

Employee development does not stop at the provision of training as performance evaluations are an essential factor in employee retention strategies. Through effective and timely assessments, leaders can provide commendations as well as coaching and interventions for those who need improvement

Employee performance is tracked using an established Performance Evaluation and Development Sheet with key performance indicators. Employees who delivered excellent service throughout the year are recognized during the Service Awards program and are given promotions, bonuses and/or salary increases. Seeking to also improve on the process for the benefit of its employees, NAC is developing a new performance evaluation system for 2022.

The focus on continuous people development is among the reasons for the Company's low attrition rate, along with appreciative and competitive compensation and benefits packages. TMC, for one, provides one of the most attractive compensation and benefits packages in the Caraga region where the average package enjoyed by regular rank- and-file employees is three (3) times more than the prevailing daily minimum wage rate in the region.

NAC subsidiaries offer benefit packages beyond mere compliance, from providing transportation allowance, vitamins, PPEs, COVID-19 testing and free flu vaccines to protect the health of employees, to providing free accommodations for essential employees during the pandemic.

HMC's benefits package is also noteworthy as it includes attractive features, such as: Rice Allowance, Medicine Allowance (cash), Group Life Insurance (Manulife), HMO (Intellicare), Mid-Year and Year-End bonus, free uniform, and free meals for Supervisors and Managers.

Another is CMC, which, amidst the pandemic and with the aftermath of the typhoon Odette onslaught, provided a one-month mid-year bonus along with a 14th month bonus and a 4 to 5 months performance bonus to its employees. Employees receive monthly production incentive during the loading season under specific conditions such as monthly attainment of targets for production and shipments, no recorded Lost Time Accidents (LTA), or meeting Grade specification dispatched are met.

GRI 401-3

PARENTAL LEAVES		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	JSI	TOTAL
Paternal Leave	Total employees who took parental leave [A]	26	11	2	5	0	0	0	44
	Number of employees who returned to work after parental leave [B]	26	7	2	5	0	0	0	40
	Return to work rate (%)	100%	64%	100%	100%	0%	0%	0%	91%
	Number of employees who are still employed one year after their return from parental leave [C]	31	9	1	4	0	0	0	45
	Retention rate (%)	84%	43%	50%	100%	0%	0%	0%	67%
Maternal Leave	Total employees who took parental leave [A]	5	20	1	7	0	3	0	36
	Number of employees who returned to work after parental leave [B]	4	20	1	7	0	3	0	35
	Return to work rate (%)	80%	100%	100%	100%	0%	100%	0%	97%
	Number of employees who are still employed one year after their return from parental leave [C]	5	10	0	4	0	1	0	20
	Retention rate (%)	83%	100%	0%	100%	0%	50%	0%	80%

GRI 401-2

BENEFITS	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
Percentage of Male Employees Who Availed for 2021								
SSS	5%	100%	96%	16%	11%	98%	100%	100%
PhilHealth	1%	100%	86%	3%	7%	98%	100%	100%
Pag-Ibig	2%	100%	69%	22%	13%	98%	100%	100%
Vacation Leaves	73%	100%	98%	71%	100%	98%	100%	100%
Sick Leaves	57%	23%	1%	26%	100%	98%	17%	89%
Medical benefits	1%	6%	1%	3%	100%	0%	100%	100%
Housing assistance	0%	45%	N/A	N/A	N/A	0%	N/A	N/A
Retirement benefit	0.82%	2%	N/A	N/A	2%	0%	N/A	N/A
Further education support	0%	3%	N/A	N/A	8%	0%	N/A	N/A
Company stock options	N/A	N/A	9%	N/A	N/A	0%	N/A	N/A
Telecommuting	37%	N/A	98%	1%	N/A	0%	N/A	N/A
Flexible-working hours	63%	5%	98%	N/A	100%	0%	100%	N/A
Free company quarters, with basic furnishing, free electricity, and water	3%	3%	100%	43%	0%	52%	N/A	N/A
Birthday Leave (BL)	N/A	50%	96%	16%	100%	0%	N/A	N/A
Medicine Allowance	95%	N/A	8%	72%	100%	90%	N/A	N/A
Annual Physical Exam	37%	68%	98%	75%	100%	60%	100%	100%
Rice Subsidy	95%	N/A	100%	72%	98%	0%	100%	4%
Toiletries	100%	N/A	100%	24%	42%	58%	N/A	N/A
Lighting Allowance	N/A	14%	N/A	57%	0%	N/A	N/A	N/A
Working Uniform	70%	100%	34%	74%	100%	69%	N/A	100%
Life Insurance	100%	100%	9%	N/A	1%	58%	100%	4%
Professional Tax Renewal (PRC)	3%	5%	0%	14%	24%	0%	N/A	N/A
Free Meals/Meal Allowance	95%	68%	0%	34%	42%	58%	100%	4%
Free Laundry	N/A	1%	0%	24%	42%	58%	N/A	N/A
Percentage of Female Employees Who Availed for 2021								
SSS	19%	100%	100%	6%	22%	93%	100%	100%
PhilHealth	3%	100%	88%	3%	10%	93%	100%	100%
Pag-Ibig	5%	100%	81%	6%	10%	93%	100%	100%
Vacation Leaves	84%	100%	92%	25%	100%	93%	100%	100%
Sick Leaves	68%	22%	0%	16%	100%	93%	33%	43%
Medical benefits	3%	13%	4%	3%	100%	0%	100%	100%
Housing assistance	0%	49%	N/A	N/A	N/A	0%	N/A	N/A
Retirement benefit	0%	2%	N/A	N/A	0%	0%	N/A	N/A
Further education support	0%	4%	N/A	N/A	0%	0%	N/A	N/A
Company stock options	N/A	N/A	20%	N/A	N/A	0%	N/A	N/A
Telecommuting	68%	N/A	92%	1%	N/A	0%	N/A	N/A
Flexible-working hours	32%	26%	92%	N/A	100%	0%	100%	N/A
Free company quarters, with basic furnishing, free electricity, and water	2%	10%	100%	21%	0%	100%	N/A	14%
Birthday Leave (BL)	N/A	60%	100%	11%	100%	0%	N/A	N/A
Medicine Allowance	100%	N/A	11%	24%	100%	92%	N/A	N/A
Annual Physical Exam	44%	58%	92%	26%	100%	93%	100%	100%
Rice Subsidy	97%	N/A	100%	24%	98%	0%	100%	43%
Toiletries	100%	N/A	100%	19%	90%	93%	N/A	N/A
Lighting Allowance	N/A	32%	N/A	10%	0%	N/A	N/A	N/A
Working Uniform	70%	72%	85%	25%	100%	100%	N/A	100%
Life Insurance	100%	100%	20%	N/A	2%	93%	100%	43%
Professional Tax Renewal (PRC)	85%	15%	0%	10%	43%	0%	N/A	N/A
Free Meals/Meal Allowance	95%	58%	0%	22%	90%	100%	100%	43%
Free Laundry	N/A	3%	0%	19%	88%	100%	N/A	N/A



GRI 202-1, 401-1

NEW HIRES AND EMPLOYEE TURNOVER		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
2021										
Male	New Hires	2	0	7	11	8	5	3	0	36
	Attritions/Turnover	19	226	13	5	9	8	1	0	281
	Attrition Rate	4%	40%	9%	3%	32%	13%	17%	0%	19%
	Ratio of lowest paid employee against minimum wage	1:1	1:1	5:3	4:3	11:9	7:5	162:5	55:2	-
Female	New Hires	0	0	8	6	4	12	1	0	31
	Attritions/Turnover	3	7	11	3	1	2	1	1	29
	Attrition Rate	4%	6%	21%	6%	7%	3%	17%	14%	8%
	Ratio of lowest paid employee against minimum wage	1:1	1:1	2:1	5:3	4:3	8:5	1:0	1:0	-
2020										
Male	New Hires	5	377	5	13	13	6	-	2	421
	Attritions/Turnover	21	7	40	3	3	1	-	-	75
	Attrition Rate	3%	1%	27%	2%	14%	2%	-	-	4.6%
	Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1	1:1	6:0	11:9	-	-	-
Female	New Hires	2	17	5	2	2	6	3	-	37
	Attritions/Turnover	1	0	7	2	4	1	-	-	15
	Attrition Rate	1%	0%	13%	4%	31%	2%	-	-	4%
	Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1	1:1	1:0	8:5	-	-	-
2019										
Male	New Hires	7	4	10	15	11	0	-	7	54
	Attritions/Turnover	25	5	14	6	10	1	-	-	61
	Attrition Rate	4%	1%	8%	3%	32%	5%	-	-	4%
	Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1	5:4	1:0	1:1	-	-	-
Female	New Hires	7	1	5	2	7	0	-	1	23
	Attritions/Turnover	1	0	3	2	5	0	-	-	11
	Attrition Rate	1%	0%	6%	4%	29%	0%	-	-	3%
	Ratio of lowest paid employee against minimum wage	1:1	6:5	1:1	1:1	1:0	4:3	-	-	-

Freedom of Association and Collective Bargaining

GRI 103-1, 103-2, 103-3

NAC guarantees employees the unconstrained availability of their Freedom of Association and Collective Bargaining. As important partners in business, unions deserve an environment of mutual trust and respect, teamwork, proactive policies, and openness in terms of information sharing, discussions, consultations, and negotiations. As standard practice, unions are included in working committees for programs and activities and are involved in formulating strategies to handle company issues.

TMC has one union, the Taganito Labor Union, which represents regular rank-and-file employees. HMC also has one union called the Hinatuan Mining Labor Union (HIMLU), which is affiliated with Kilusang Mayo Uno (KMU).

Support for maintaining good relations is institutionalized through both process

and structure. For instance, TMC’s Labor Management Committee (LMC) supports the relationship-building between labor and management, just like DMC’s recently created Labor Management Cooperation Committee. Meanwhile, HMC management and HIMLU representatives hold a monthly Labor Management Conference every third Friday.

Similarly, CMC has an existing Collective Bargaining Agreement that provides a monthly Labor Management Conference every third Friday. The Company concluded five (5) Collective Bargaining Agreements without any labor dispute that reached the National Conciliation and Mediation Board (NCMB) or the National Labor Relations Commission. In addition, the union has been involved in seminars for livelihood in different government agencies and in various community and social activities.

GRI 102-41, EM-MM-310a.1

COLLECTIVE BARGAINING AGREEMENT	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
Number of employees under CBA	446	395	92	94	N/A	N/A	N/A	1,027
Percent of employees under CBA	81%	58%	47%	37%	N/A	N/A	N/A	54%
No. of consultations conducted with employees concerning employee-related policies	1	697	367	2	N/A	N/A	N/A	1,067
2020								
Number of employees under CBA	556	397	91	93	N/A	N/A	N/A	1,137
Percent of employees under CBA	80%	59%	45%	37%	N/A	N/A	N/A	63%
No. of consultations conducted with employees concerning employee-related policies	4	12	7	8	N/A	N/A	N/A	31
2019								
Number of employees under CBA	574	399	113	91	N/A	N/A	N/A	1,177
Percent of employees under CBA	83%	61%	48%	39%	N/A	N/A	N/A	65%
No. of consultations conducted with employees concerning employee-related policies	11	0	12	10	N/A	N/A	N/A	33

A group of approximately ten farmers, mostly women wearing headscarves and men wearing caps, are standing in a lush green field. They are all smiling and holding bundles of freshly harvested green beans. The background is filled with tall green plants, likely bean stalks. The image is partially overlaid by an orange diagonal shape on the left side, which contains the text.

CREATING A SAFE AND HEALTHY WORKPLACE ^S



GRI 103-1, 103-2, 103-3, 403-1, 403-3, 403-4, 403-6, 403-7

As the whole country dealt with the impact of a long-drawn and protracted global health crisis in 2021, the Company stayed committed to providing people with a safe and healthy workplace at all times.

NAC has an Occupational Safety and Health (OSH) management system, ISO 45001 certified, which guided the intensified Safety Awareness Campaigns along with the continuous implementation of Safety Programs, and provision of PPE (including COVID-19 PPE), and intensive implementation of COVID-19 protocols.

The subsidiaries also intensified the walk-around inspections and audits on all areas of operations, including contractors. In addition, engineering controls were implemented, such as the installation of barriers, handwashing facilities, and Isolation Areas. The Company made adaptations that addressed work arrangements (work-from-home or modified work schedules), travel restrictions, Daily Health Checklist, workplace disinfection, COVID-19 Vaccination Drive, mandatory Antigen Testing, information dissemination, Vitamin C distribution, provision of face mask and face shield. In most cases, the Company practiced stringent health protocols at a level even higher than those required by the Department of Health or by the COVID-19 Inter-Agency Task Force (IATF).

Onsite, employees were supported with clinic services, First-Aid provision, Immunization/ Vaccination Programs (for Flu, Pneumonia, Hepatitis and Tetanus Toxoid), Periodic Physical Examination/APE, IECs, monthly immune

system supplements (Vit. C, Vit. B Complex, Vit. D), doctor consultation, monitoring of various health conditions (blood sugar, blood pressure, etc.), Rapid Antigen testing for employees, 24/7 emergency services.

Our people's active cooperation and adherence to the minimum health protocols for COVID-19 were solicited through clear and constant communications using various channels such as pep talks, IECs, toolbox meetings, and promotion through social media. Regular and frequent decontamination of offices, equipment and common areas was also conducted, along with temperature check and health assessment upon entry at the mine site.

OSH personnel on duty monitored the site, while the Central Safety and Health Committee (CSHC) of all mine sites stepped up their drive to ensure the consistent execution of the safety programs at all times and in every situation.

The CSHC is composed of the Resident Mine Manager, at least one safety engineer, and representatives across Divisions, Groups, Departments, Sections, the union, and contractors. The CSHC implements standard processes and constantly monitors issues and employee concerns relating to health and safety. Safety Officers conduct regular inspections to ensure compliance with the Company's safety rules and regulations.

Seeking to ensure that employees have a voice in these Health and Safety Committees, employees are proactively sought for input and suggestions.

GRI 403-8, 403-9, 403-10, EM-MM-320a.1

INJURIES AND ACCIDENTS	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
No. of employees in health & safety committee	46	41	23	54	34	N/A	7	205
Total Manhours	5,240,944	7,953,642	3,857,142	4,709,358	107,590	N/A	181,606	22,050,282
Safe Manhours	5,240,944	7,953,642	3,857,142	4,709,358	107,590	N/A	181,606	22,050,282
Lost time accidents	0	0	0	0	0	N/A	0	0
Number of occupational injuries/illnesses	0	5	1	0	1	N/A	0	7
Incidence Rate	0	5	2	0	1.5	N/A	0	8.5
Severity Rate	0	0	0	0	0	N/A	0	0
Lost days	0	0	0	0	0	N/A	0	0
Fatalities	0	0	0	0	0	N/A	0	0
Work-related fatalities	0	0	0	0	0	N/A	0	0
No. of safety drills	9	11	9	11	6	N/A	1	47
2020								
No. of employees in health & safety committee	38	41	28	46	23	N/A	7	183
Total Manhours	5,356,949	7,338,671	2,828,142	4,290,200	344,884	N/A	172,680	20,331,526
Safe Manhours	8,023,730	5,641,043	29,899,280	15,224,007	198,213	N/A	172,680	59,158,953
Lost time accidents	0	-	0	0	1	N/A	0	1
Number of occupational injuries/illnesses	0	4	4	21	5	N/A	0	34
Incidence Rate	2.45	12.4	8.5	6.5	1.45	N/A	0	31
Severity Rate	0	817.6	0	0	17.4	N/A	0	291.7
Lost days	0	6,000	0	0	6	N/A	0	6,006
Fatalities	0	1	0	0	0	N/A	0	1
Work-related fatalities	0	0	0	0	0	N/A	0	0
No. of safety drills	6	6	9	15	4	N/A	1	41
2019								
No. of employees in health & safety committee	45	55	28	35	23	N/A	6	192
Total Manhours	5,836,303	7,214,578	4,429,835	4,281,251	514,858	N/A	193,798	22,470,623
Safe Manhours	2,666,781	2,932,982	27,198,119	10,933,806	514,858	N/A	193,798	44,440,344
Lost time accidents	2	2	0	0	0	N/A	0	4
Number of occupational injuries/illnesses	5	6	9	1	13	N/A	0	34
Incidence Rate	1.7	7.1	9.9	7.0	2.52	N/A	0	28
Severity Rate	0.34	2,495	0	0	0	N/A	0	2,495
Lost days	6018	18,000	0	0	0	N/A	0	24,018
Fatalities	1	3	0	0	0	N/A	0	4
Work-related fatalities	1	3	0	0	0	N/A	0	4
No. of safety drills	8	4	4	4	5	N/A	1	26

GRI 403-5, EM-MM-320a.1

TRAINING PROGRAMS ON HEALTH AND SAFETY	RTN	TMC	HMC	CMC	DMC	EPI	JSI
2021							
Medical Trainings	1,350	17	0	38	42	N/A	0
Road Safety Trainings	521 ¹	116	0	0	0	N/A	0
Fire Safety Trainings	104	0	0	36	0	N/A	2
Occupational Health and Safety Trainings	571	5,235	151	119	60	N/A	16
COVID-19 Response Trainings	15	7	0	0	0	N/A	0
2020							
Medical Trainings	37	0	49	0	0	N/A	-
Road Safety Trainings	2,634	186	255	10	0	N/A	-
Fire Safety Trainings	21	36	173	35	0	N/A	1
Occupational Health and Safety Trainings	1,064	3,094	159	107	8	N/A	2
COVID-19 Response Trainings	2	22	47	2	0	N/A	16
2019							
Medical Trainings	908	58	24	38	0	N/A	21
Road Safety Trainings	1,482	15	135	133	0	N/A	-
Fire Safety Trainings	53	0	33	15	5	N/A	14
Occupational Health and Safety Trainings	155	3,909	178	118	0	N/A	29

¹ Limited face-to-face trainings due to rising COVID-19 cases in RTN



RTN Hospital



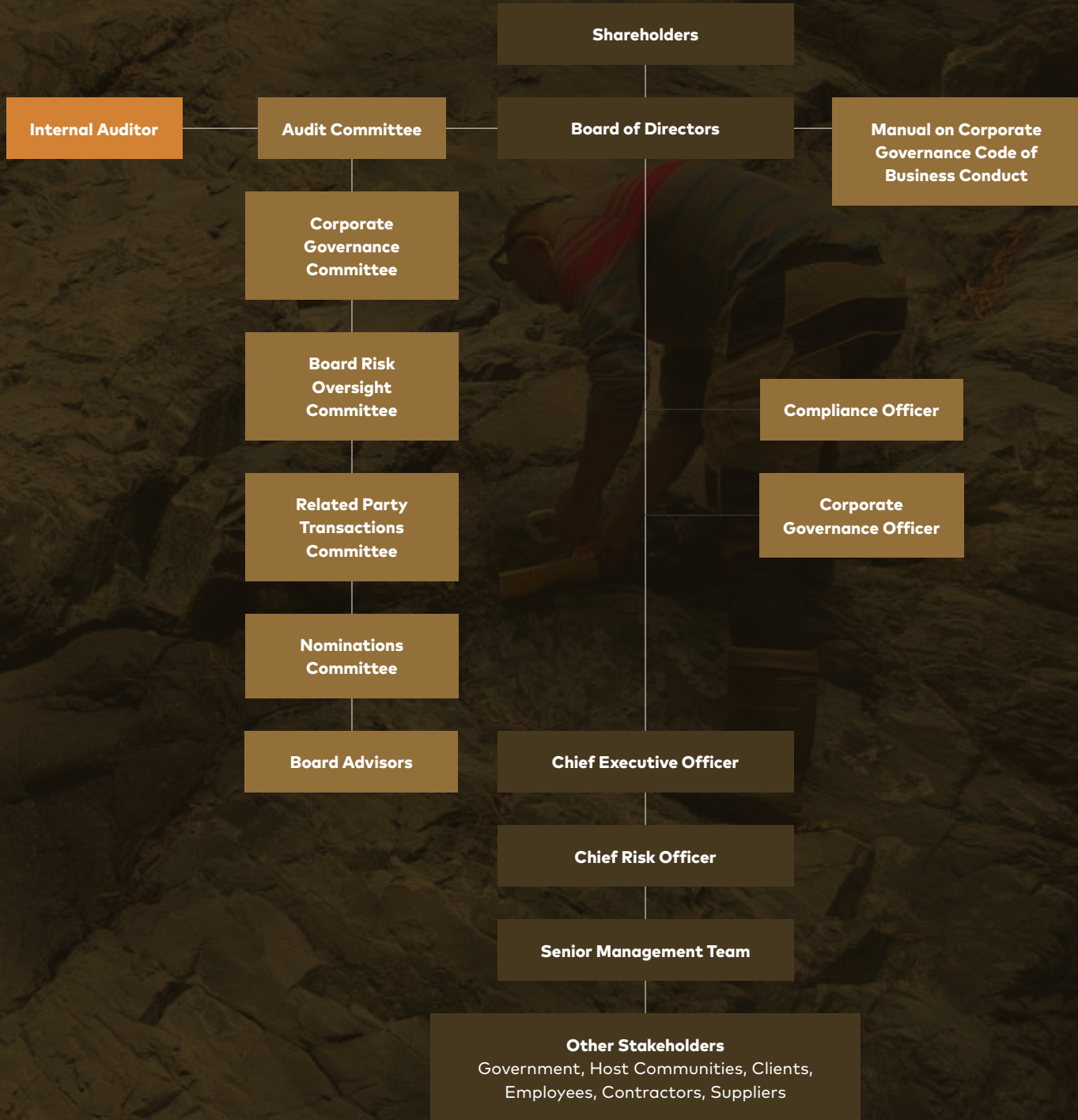
GOOD GOVERNANCE G

NAC and its employees strive every day to ensure that actions and decisions are guided by our values, and the principles of ethics and good governance. The goal is to create positive impact on the lives of our stakeholders. The Company

has institutionalized these attributes in policies and processes that enable people to responsibly contribute, grow, and pursue their career goals, as they help the Company achieve its, vision.

Corporate Governance Structure

GRI 102-18



Leadership Profiles

GRI 102-22, 102-23



Gerard H. Brimo

EXECUTIVE DIRECTOR

CHAIRMAN OF THE BOARD OF DIRECTORS

AGE: 70

DATE FIRST ELECTED TO THE BOARD: AUGUST 1, 2009

Gerard H. Brimo is the Chairman of the Board of Directors of the Company. He is the Chairman of the Corporate Governance Committee of the Board. He is also the Chairman of the Board of Directors of all of the Company's mining subsidiaries and an Independent Director of Security Bank Corporation and of Commonwealth Foods, Inc. Prior to his career in mining, he worked for Citibank for a period of eight years and was the Vice President in the bank's Capital Markets Group in Hong Kong before joining Philex Mining Corporation as Vice President-Finance. Mr. Brimo served as Chairman and Chief Executive Officer of Philex Mining Corporation from 1994 until his retirement in December 2003. He served as President of the Chamber of Mines of the Philippines from 1993 to 1995, as Chairman from 1995 to 2003, and 2017 to 2021 and currently is its Vice Chairman. He received his Bachelor of Science degree in Business Administration from Manhattan College, USA and his Master of Business Management degree from the Asian Institute of Management.



Martin Antonio G. Zamora

EXECUTIVE DIRECTOR

PRESIDENT AND CHIEF EXECUTIVE OFFICER

AGE: 49

DATE FIRST ELECTED TO THE BOARD: JUNE 16, 2010

Martin Antonio G. Zamora is the President and CEO of the Company. He is the President of all of the mining subsidiaries of the Company and Chairman of the Board of Directors of EPI and its subsidiaries. Before joining the Company in 2007, Mr. Zamora was the Philippine Country Manager and a Director of UPC Renewables, a global developer, owner, and operator of wind farms and solar facilities. Prior to that, he worked for 10 years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV and Co. He received his BSC in Management from Ateneo de Manila University (Philippines), his MBA from London Business School (UK), and his Masters in Organizational Psychology from INSEAD.



Philip T. Ang is the Vice Chairman of the Company and a member of the Corporate Governance Committee of the Board of Directors. He is the Vice-Chairman of RTN and TMC and a Director of CMC, DMC, HMC, CEXCI, Newminco, and EPI. He is a Board Advisor of Security Bank Corporation. He was previously involved in the textile business as Chairman and President of Solid Mills, Inc. and Unisol Industries and Manufacturing Corp. and a Director of Investors Assurance Corp. and International Garments Corp. He received his Bachelor of Science in Business Administration degree from Oregon State University and his Master of Business Administration degree from the University of Denver, USA.

Philip T. Ang

VICE-CHAIRMAN, NON-EXECUTIVE DIRECTOR

AGE: 80

DATE FIRST ELECTED TO THE BOARD: JULY 11, 2008



the incumbent President of SMMPHC, CBNC, and THPAL since June 2019. He was an Executive Officer and the Senior Deputy General Manager of Non-Ferrous Metals Division of SMM from June 2017 until May 16, 2019 and as Deputy General Manager of Overseas Project Department of Non-Ferrous Metals Division from July 2014 to March 2016.. Mr. Kamiya held various positions within the SMM Group since he joined the same in April 1982. He was the President and Representative Director of Hyuga Smelting Co. Ltd., a subsidiary of SMM, from April 2016 until May 2019, and was also the General Manager of the Administration Department of the Taganito Project Division from September 2010 until March 2016. Prior thereto, he was the Executive Vice President of CBNC from February 2007 to August 2010, and was the Manager of the Ferro Nickel Section, Nickel Sales & Raw Materials Department of SMM from January 2002 to January 2007. He was also the General Manager of Sumitomo Metal Mining Oceania Pty. Ltd. from April 1998 to December 2001. Mr. Kamiya obtained his Bachelor of Arts in Political Science and Economics from Waseda University in Tokyo, Japan.

Masahiro Kamiya

NON-EXECUTIVE DIRECTOR

AGE: 62

DATE FIRST ELECTED TO THE BOARD: AUGUST 7, 2018

Masahiro Kamiya is the Chairman of the Related Party Transactions Committee and is a member of the Audit and Nominations Committees of the Board. He is a Qualified Executive of SMM and



Maria Patricia Z. Riingen

NON-EXECUTIVE DIRECTOR

AGE: 55

DATE FIRST ELECTED TO THE BOARD: MAY 20, 2019

Ms. Riingen is the President of Manta Equities, Inc and Manta Foundation, Inc and a Director of Mantra Resources, Inc. She is also a Director

of EPI. Prior thereto, she held various positions with the Western Union Company, and was the Senior Vice President and Regional Head for Asia Pacific. Her other previous roles were as Executive Director and a member of the Board of Directors at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble. She is a member of the Young President's Organization (YPO). She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines.

Ms. Riingen obtained her Bachelor of Science degree in Business Administration, major in Marketing, Magna Cum Laude, from the University of the Philippines.



Yusuke Niwa

NON-EXECUTIVE DIRECTOR

AGE: 55

DATE FIRST ELECTED TO THE BOARD: AUGUST 5, 2021

Yusuke Niwa is the General Manager of the Nickel Sales and Raw Materials Department, Non-Ferrous Metals Division of SMM. He has more than thirty years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile. Mr. Niwa is also an incumbent director of the Company's affiliates, Taganito HPAL Nickel Corporation, Coral Bay Nickel Corporation and Nickel Asia Holdings, Inc. He obtained his Bachelor of Science degree in Political Science and Economics from Waseda University in Tokyo, Japan.



Jaime J. Bautista

INDEPENDENT DIRECTOR

AGE: 64

DATE FIRST ELECTED TO THE BOARD: JUNE 4, 2021

Jaime J. Bautista is the Lead Independent Director, Chairman of Audit Committee, and a member of the Board Risk Oversight, Corporate Governance, and Related Party Transactions Committees. He started his career as Staff Auditor of SyCip, Gorres, Velayo and Company before he joined the Lucio Tan Group (LTG) of Companies in 1980, occupying various management positions in the group. In 1993, the LTG became the majority shareholder of Philippine Airlines (PAL), and Mr. Bautista was appointed as its Vice President – Comptroller in 1993. He was promoted to Senior Vice President and Chief Finance Officer of PAL in 1994, Executive Vice President in 1998 and President

in 2004. He was President of PAL until he retired in 2012. Mr. Bautista remained as consultant and adviser of various LTG companies. In 2014, he was appointed again as President of PAL until his second retirement on June 30, 2019. Mr. Bautista used to be a member of the board of various companies in the Lucio Tan Group, namely Macroasia Corp., Macroasia Airport Services Corp., Macroasia Catering Services Corp., Macroasia Properties Development Corporation, Eton Properties Development Corp., PNB Forex, Inc., Air Philippines, Inc., Asian Alcohol Corp. and other various holding companies of the Group. At present, he is a member of the Board of Trustees of the University of the East, member of the Board of Trustees of UE Ramon Magsaysay Medical Memorial Center, member of the Board of Trustees of International School of Sustainable Tourism, member of the Board of Directors of Air Speed International Inc., Alphaland Corp., Belle Corporation, Premium Leisure Corp., Gothong Southern Shipping, Inc., Cosco Capital, Inc. and Philippine Bank of Communications. He is an active member of the Financial Executives of the Philippines and the Rotary Club of Makati West. He is also the President of SKAL Makati International, a Philippine, regional and international tourism organization. Mr. Bautista is a recipient of several management and tourism awards by various Philippine and International Organizations. Mr. Bautista graduated from Colegio de San Juan de Letran, Magna Cum Laude in 1977 with a decree of Bachelor of Science in Commerce. He is a Certified Public Accountant. He was also conferred Doctor of Philosophy in Humanities (Honoris Causa) by the Central Luzon State University on August 8, 2018.



Luis J.L. Virata

NON-EXECUTIVE DIRECTOR

AGE: 67

DATE FIRST ELECTED TO THE BOARD: JULY 11, 2008

Mr. Virata is the founder and Chairman of Amber Kinetics Philippines, Inc. He is also the Chairman Emeritus of Exchange Equity Partners Group Corporation, Chairman of Cavitex Holdings, Inc., Vice President of Exchange Properties Resources Corp., and a Director of Benguet Corporation. He is also a Founder and Trustee of Asia Society Philippine Foundation and the Metropolitan Museum of Manila and is a member of the Huntsman Foundation. He previously held positions with Dillon, Read and Co., Crocker National Bank, Bankers Trust Company, Philippine Airlines, the Philippine Stock Exchange, and the Makati Stock Exchange. He received his Bachelor of Arts and Master of Arts degrees in Economics from Trinity College, Cambridge University and his Master of Business Administration degree from the Wharton School of the University of Pennsylvania.



Angelo Raymundo Q. Valencia

INDEPENDENT DIRECTOR

AGE: 53

DATE FIRST ELECTED TO THE BOARD: MAY 8, 2020

Angelo Raymundo Q. Valencia is the Chairman of the Board Risk Oversight Committee and a member of the Related Party Transactions, Audit, and Nominations Committees of the Board.

He is likewise an Independent Director of GR Bank, Inc., Country Bankers Life and Non-Life Corporations. In these regulated public companies, he is the Chairman of the Corporate Governance Committees. Mr. Valencia is Presidential Adviser on Food Security, Education, and Environmental Stewardship of the Integrated Bar of the Philippines. He is also a Senior Fellow at the Development Academy of the Philippines, and a Lecturer at the Armed Forces of the Philippines (AFP) Command Staff Graduate Course. He also serves as Senior Advisor to the NOLCOM Heroes Foundation, Philippine Marine Corps, the Philippine Air Force, and AFP Leadership Development Center. He was also a Senior Corporate and Tax Counsel of the Lucio Tan Group and Chief Operating Officer of Mindanao Grains Processing Co., Inc. Mr. Valencia has received numerous awards and citations for his public service endeavors. He founded the project Klasrum ng Pag-asa, a private sector initiative that builds, augments and reconstructs public school structures nationwide. He obtained his Juris Doctor from the Ateneo School of Law in 1998. He is a member of the Philippine Bar.

Board Advisors



Manuel B. Zamora, Jr. was appointed as one of the Company's Board Advisors on June 4, 2021. He is a founder of the Company and was a Director of the Company from 2008 until 2018. He was also Chairman Emeritus of the Company from 2018 to June 2021. He is a Director of RTN and TMC. He is also a director of a number of other companies in the Philippines including CLSA Exchange Capital, Inc. (CLSA). He once served as Chairman of the Chamber of Mines of the Philippines. Mr. Zamora is a lawyer and a member of the Integrated Bar of the Philippines. He received his Bachelor of Science degree from the University of the Philippines. He placed third in the 1961 Bar Examinations after receiving his Bachelor of Laws degree from the University of the Philippines.

Manuel B. Zamora, Jr.

BOARD ADVISOR

AGE: 83



Frederick Y. Dy was appointed as Board Advisor of the Company on June 4, 2021. He was an Independent Director of the Company from 2009 until 2021. Mr. Dy is also the Chairman Emeritus and a Director of Security Bank Corporation, Chairman of St. Luke's Medical Center, Chairman of City Industrial Corporation, and a Director of Ponderosa Leather Goods Company, Inc. He received his Bachelor of Science degree in Industrial Engineering from Cornell University, USA.

Frederick Y. Dy

BOARD ADVISOR

AGE: 66

DATE FIRST ELECTED TO THE BOARD:
SEPTEMBER 24, 2010

Board Committees

AUDIT COMMITTEE

The Audit Committee is composed of Mr. Jaime J. Bautista (Independent Director) as Chairman, and Messrs. Angelo Raymundo Q. Valencia (Independent Director) and Masahiro Kamiya as members. The Committee reports to the Board and is required to meet at least once every three months.

Aside from overseeing the internal and external auditors of the Company, the Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to Management and shareholders of the continuous improvement of the risk management system, business operations, and the proper safeguarding and use of Company resources and assets. The Committee provides a general evaluation and assistance in the overall improvement of risk management, control, and governance processes.

The table below shows the attendance of the members at the Committee meetings held in 2021:

BOARD	NAME	NUMBER OF MEETINGS HELD DURING THIS YEAR	NO. OF MEETINGS ATTENDED	%
Chairman	Frederick Y. Dy*	2*	2*	100
Member	Jaime J. Bautista**	2**	2**	100
Member	Angelo Raymundo Q. Valencia	4	4	100
Member	Masahiro Kamiya	4	4	100

*Mr. Dy was the Chairman of the Audit Committee until June 4, 2021.
**Mr. Bautista was appointed as Chairman of the Audit Committee at the Organizational Meeting of the Board of Directors on June 4, 2021.

RELATED PARTY TRANSACTIONS COMMITTEE

The Related Party Transactions Committee is composed of Mr. Masahiro Kamiya as Chairman and Messrs. Jaime J. Bautista (Independent Director) and Angelo Raymundo Q. Valencia (Independent Director) as members. Mr. Bautista

replaced Mr. Frederick Y. Dy as a member of the Committee on June 4, 2021.

The Committee is tasked with reviewing all material and related party transactions of the Company to ensure that such transactions are conducted on terms which are no more favorable than the terms of similar transactions with non-related parties under similar circumstances. This Committee is also responsible for identifying potential or actual conflicts of interest and reputational risk issues that may arise from such related party transactions. The Committee further ensures that transactions between and among related parties are properly identified, monitored, and reflected in reports to the Board and relevant regulatory authorities.

The table below shows the attendance of the members at the Committee meetings held in 2021:

BOARD	NAME	NUMBER OF MEETINGS HELD DURING THIS YEAR	NO. OF MEETINGS ATTENDED	%
Chairman	Masahiro Kamiya	4	4	100%
Member	Frederick Y. Dy	2*	2*	100%*
Member	Angelo Raymundo Q. Valencia	4	4	100%*
Member	Jaime J. Bautista	2**	2**	100%**

*Mr. Dy was a member of the Related Party Transactions Committee until June 4, 2021.
**Mr. Bautista was appointed as member of the Related Party Transactions Committee on June 4, 2021.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is composed of Mr. Gerard H. Brimo as Chairman and Messrs. Philip T. Ang and Jaime J. Bautista (Independent Director) as members. Mr. Bautista replaced Mr. Frederick Y. Dy as member of the Committee on June 4, 2021.

The Committee is responsible for ensuring compliance with and proper observance of corporate governance principles and practices of the Company. It also oversees the implementation

and the periodic review of the Company's corporate governance framework to ensure that it remains responsive to the Company's size, complexity, and business strategy. Further, the Committee conducts an annual evaluation of the Board, its Committees, and the management of the Company. Also, it develops and implements action plans and programs to improve the performance of the Board, Committees, and Company officers.

The Committee is tasked to establish and maintain a formal and transparent procedure for developing policy on remuneration of Directors and officers to ensure that their compensation is consistent with the Company's culture, strategy, and business environment. The Committee is also responsible for administering the Company's stock option policies and for approving bonuses to all employees of the Company and its subsidiaries. The table below shows the attendance of the members at the Committee meetings held in 2021:

BOARD	NAME	NUMBER OF MEETINGS HELD DURING THIS YEAR	NO. OF MEETINGS ATTENDED	%
Chairman	Gerard H. Brimo	3	3	100%
Member	Philip T. Ang	3	3	100%
Member	Frederick Y. Dy	1*	1*	100%*
Member	Jaime J. Bautista	2**	2**	100%**

*Mr. Dy was a member of the Corporate Governance Committee until June 4, 2021.
**Mr. Bautista was appointed as a member of the Committee on June 4, 2021.

BOARD RISK OVERSIGHT COMMITTEE

The Board Risk Oversight Committee is composed of Mr. Angelo Raymundo Q. Valencia (Independent Director) as Chairman and Messrs. Martin Antonio G. Zamora and Jaime J. Bautista (Independent Director) as members. Mr. Bautista replaced Mr. Frederick Y. Dy as Committee member on 04 June 2021.

The Committee assists the Board in its oversight responsibility for the Company's Enterprise Risk

Management and shall review the effectiveness of the risk management system. The Board Risk Oversight Committee reports to the Board and is required to meet at least once every three months.

The table below shows the attendance of the members at the Committee meetings held in 2021:

BOARD	NAME	NUMBER OF MEETINGS HELD DURING THIS YEAR	NO. OF MEETINGS ATTENDED	%
Chairman	Angelo Raymundo Q. Valencia	4	4	100%
Member	Frederick Y. Dy	2*	2*	100%*
Member	Jaime J. Bautista	2**	2**	100%**
Member	Martin Antonio G. Zamora	4	4	100%

*Mr. Dy was a member of the Board Risk Oversight Committee until June 4, 2021.
**Mr. Bautista was appointed as a member of the Board Risk Oversight Committee on June 4, 2021.

NOMINATIONS COMMITTEE

The Nominations Committee reports directly to the Board and is composed of Mr. Martin Antonio G. Zamora as Chairman and Messrs. Angelo Raymundo Q. Valencia (Independent Director) and Masahiro Kamiya as members.

The Committee is responsible for setting qualification standards to facilitate the selection of potential nominees to Board seats and nominees to other positions within the Company which require an appointment by the Board. The Committee also provides the shareholders with an independent and objective evaluation of the members of its Board and that the officers appointed by the Board are competent and foster the Company's long-term success and competitiveness.

The Nomination Committee held two meetings in 2021, and all members were present in both meetings.

Executive Implementation

CHAIRMAN

Mr. Gerard H. Brimo is the Chairman. The Chairman is responsible for leadership of the Board. He ensures the effective operation of the Board and its committees in conformity with the highest standards of corporate governance. He is accountable to the Board. The Chairman ensures that the Board sets an agenda that is focused on strategy, performance, and accountability taking into consideration the recommendations of the Directors and management. He assures the availability of training opportunities to all Directors, including an orientation program for first-time Directors. He ensures that the Board performance is evaluated at least once a year.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Martin Antonio G. Zamora is the President and Chief Executive Officer of the Company. As President, he provides the leadership for Management to develop and implement sound business strategies, plans, budgets, and a system of internal controls. He ensures that the overall business and affairs of the Company are managed in a sound and prudent manner in accordance with the Company's strategic plan. He also warrants that business risks are identified and properly addressed. He also ensures that operational, financial, and internal controls are adequate and effective in order to generate sound and reliable financial and operational information, to maximize the effectiveness and efficiency of operations, to safeguard Company assets and resources, and to comply with all laws, rules, regulations, and contracts.

As CEO, he acts as the direct liaison between the Board and the management of the Company. The President and CEO, together with management, has the responsibility to provide the Board with a balanced, understandable and accurate account of the Company's performance, financial condition, results of operations, and prospects on a regular basis. The President is the link between the internal operations and the external stakeholders.

CHIEF RISK OFFICER

Gen. (Ret.) Romeo T. Tanalgo, Vice President-Security and Administrative Services and Officer-in-Charge of the Risk and Assurance Group, assumed the post of Chief Risk Officer effective 01 April 2021. He replaced Mr. Jose B. Anievas who retired on March 31, 2021. The Chief Risk Officer supervises the Company's Enterprise Risk Management System and spearheads its implementation, review, and improvement. He takes the lead in identifying key risk exposures relating to economic, environmental, social, and governance factors that may affect the achievement of the Company's strategic objectives and the developing risk mitigation plans for such risks. He communicates the status of the Company's risk management strategies and action plans to the Board Risk Oversight Committee and works with the Chairman and the President and CEO in updating and making recommendations to the Board Risk Oversight Committee.

CORPORATE GOVERNANCE OFFICER

Ms. Georgina Carolina Y. Martinez, Senior Vice President, Head of the Compliance and Corporate Support Services Group, is the Company's Chief Governance Officer. The Chief Governance Officer is tasked in ensuring that corporate governance policies are disseminated and adopted throughout the Company, and become an integral part of the Company's culture. In addition, he ensures that the necessary systems are in place to monitor compliance.

COMPLIANCE OFFICER

Ms. Georgina Carolina Y. Martinez also serves as Chief Compliance Officer of the Company. The Compliance Officer ensures the Company's strict adherence to all laws, regulations, guidelines relevant to the business, and to the Company's internal controls.

CORPORATE SECRETARY

Atty. Barbara Anne C. Migallos is the Corporate Secretary of the Company. She ensures that all Board procedures, rules, and regulations are strictly followed.

Auditors

CHIEF AUDIT EXECUTIVE

Mr. Patrick S. Garcia is the Company's Chief Audit Executive. The Chief Audit Executive is primarily tasked with evaluating the adequacy and effectiveness of the Company's governance and operations, reliability and integrity of financial information, safeguarding of assets, and compliance with relevant laws, rules, and regulations.

EXTERNAL AUDITOR

The external auditor is appointed by the shareholders upon the recommendation of the Audit Committee which reviews its qualifications, performance, and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change (external auditor is changed every five years). The hiring of employees of the external auditor is also prohibited. Prior approval from the Audit Committee is required before any audit and non-audit services and related fees are engaged. The approval of the Audit Committee is also required for any disclosure made by the auditor. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an external auditor or would compromise its objectivity or independence as such.

INVESTOR RELATIONS PROGRAM

The Company is committed to making timely, full and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange. External and internal communications are handled by the Public and Social Affairs, Compliance and Corporate Support Services, and Investor Relations units. Major company announcements are reviewed and approved by the VP-Public and Social Affairs, SVP-Compliance and Corporate Support Services, the Chief Financial Officer, and the President and CEO.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

Compliance

GRI 103-1, 103-2, 103-3, EM-MM-210a.3

We respect and follow all pertinent rules and requirements for responsible mining operations.

NAC continues to report its activities through disclosures to the PSE and SEC, through its Annual Reports and Sustainability Reports. In addition, the Related Party Transactions Committee of the Board has begun to meet quarterly to monitor related party transactions across the NAC Group. Subsidiaries and affiliates submit periodic reports necessary for NAC's consolidated group reports and disclosures.

As a point of principle, NAC is resolutely environmentally compliant. We adhere to the policies and laws prescribed by the Department of Environment and Natural Resources (DENR) and its agencies; namely the Mines and Geosciences Bureau (MGB), the Environmental Management Bureau (EMB), the Biodiversity Management Bureau (BMB). Furthermore, NAC has a Risk and Assurance Group that monitors the business risks, including environmental compliance, on a regular basis. Status of environmental permits are reported monthly to the Management, and quarterly to the Board Risk Oversight Committee and to the Board. The Company has a dedicated team that constantly monitors compliance with environmental laws and regulations.

We also adhere to the policies and laws prescribed by the Department of Labor and Employment (DOLE), the Department of Health (DOH), the National Commission on Indigenous Peoples (NCIP), the Philippine Competition Commission (PCC), and the local government units (LGUs).

NAC has a Public Relations Sector and Community Relations Sector that work with the Community Relations and Operations teams to monitor and ensure compliance with relevant laws, rules and regulations relating to the impact of its business on host and neighboring communities as well as to indigenous peoples in its areas of operations. All NAC subsidiaries abide by commitments stipulated in their Environmental Compliance Certificates (ECC) and specified in their approved Work Programs.

Supply Chain Management

GRI 103-1, 103-2, 103-3

NAC ensures stringent monitoring for quality and service from all suppliers, whether local or foreign.

NAC's supply chain management approach utilizes an accreditation process whose criteria includes environmental performance. An Accreditation Committee who reviews the vendor applications and evaluates each one based on track record,

GRI 204-1

quality, cost, delivery lead times, as well as Safety, Environmental, and Regulatory compliance.

Local suppliers continue to be prioritized whenever possible, not only because of the advantage of paying in Philippine Peso and standard terms of payment, but also because the Company recognizes how it can help stimulate local economies.

SPENDING ON LOCAL SUPPLIERS (IN MILLIONS PHP)	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
2021								
Total Spending	1,843	3,819	912	1,579	136	11	35	8,335
Spending on Local Suppliers	459	1,921	621	840	44	1	0.3	3,886
Percentage of Spending on Local Suppliers	25%	50%	68%	53%	32%	7%	1%	47%
2020								
Total Spending	1,573	3,438	787	2,203	48	17	47	8,113
Spending on Local Suppliers	242	1,368	495	614	22	1	0.3	2,742
Percentage of Spending on Local Suppliers	15%	40%	63%	28%	45%	6%	1%	34%
2019								
Total Spending	1,393	3,383	439	2,238	112	18	24	7,607
Spending on Local Suppliers	157	1,958	87	713	25	0.1	0.2	2,940
Percentage of Spending on Local Suppliers	11%	58%	20%	32%	22%	1%	1%	39%

Ethical Operation

EM-MM-510a.1

ANTI-CORRUPTION

GRI 103-1, 103-2, 103-3, 205-3

For 2021, there were no recorded complaints or cases of corruption as the Company was able to consistently maintain its campaign on anti-corruption. Enabled by the Code of Business Conduct and Ethics which is clearly explained during new hire orientations and during the annual general orientation, all employees understand the Company's expectations on how they should act or make their decisions regarding their work and the business.

Every employee is also required to acknowledge the annual renewal of Certificate of Integrity and Compliance. This served as an effective reminder to be alert and to stay away from any potential risks of corruption, unethical business acts, or conflict of interest.

The Internal Audit team is working on documenting the various relevant processes as the Compliance team is scheduled to conduct a review in 2022 of the Code of Business Conduct and related policies, including Whistle Blowing Policy, Gifts Policy, Travel Policy, and those dealing with suppliers. Such regular audits and reviews aim to strengthen and improve the Company's policy framework to remain relevant and responsive to the times.

ENSURING GOOD LABOR PRACTICES

GRI 103-1, 103-2, 419-1

NAC promulgates the Philippine Labor Code and conscientiously adhered to laws that cover child labor, forced labor, and the respect for human rights. And as an Equal Opportunity Employer, the Company mandates a non-discrimination policy in the workplace, especially during the hiring process.

There were no recorded incidents of Labor Code violations in 2021. And any complaint of such nature would be treated seriously and with due process, in accordance with the grievance mechanisms provided for in the Collective Bargaining Agreements. NAC ensures open channels are available and accessible to all employees and encourages constant dialogue between employees and their superiors. They are encouraged to freely communicate their concerns. The Whistle Blowing Policy guarantees that whistleblowers need not fear retaliation. Employees can communicate through a dedicated email address, fax number and landline. Complainants may choose to file anonymously or identify himself or herself.

Any complaint for discrimination is dealt with in a confidential manner. The Chief Compliance Officer and HR Head ensure that the identity of the complainant and the details of the complaint are kept confidential and disclosed only to those who are involved in the investigation. Those involved in the investigation are also required to observe confidentiality with respect to the matter subject of the complaint and the persons involved.

CONTRIBUTION TOWARDS ECONOMIC GROWTH

GRI 103-1, 103-2, 103-3

In 2021, NAC's operations continued to contribute to the local economy of the provinces and municipalities where our mines are located, not only through the direct and indirect employment of close to 2,874 employees but also through purchases from local suppliers which accounted for about 47% of the Company's total procurement.

Overall, NAC paid PhP 1.04 billion in excise taxes and PhP 3.06 billion in income taxes. Total taxes paid by overall operations in 2021 reached PhP 7.32 billion, including PhP 361.79 million paid to the LGUs.

These taxes are used by the government to fund essential services to citizens, including programs for communities recovering from the impact of the global pandemic as well as natural calamities that have visited the country in the past year.

In addition, NAC fully complies with the mandated SDMP as well as further efforts are made by operating companies through their corporate social responsibility (CSR) programs for host and neighboring communities.

Meanwhile, wherever Indigenous Peoples (IPs) reside in our host communities, we share 1% of revenues as royalties paid to the IPs. Total royalties paid out in 2021 amounted to PhP 184.72 million.

GRI 201-1

ECONOMIC	RTN	TMC	HMC	CMC	DMC	EPI	JSI
1. Shareholding Percentage (%)	60%	65%	100%	100%	100%	86%	83%
2. Financial Highlights (million PHP)							
Direct revenue generated	6,440	12,535	2,679	5,099	13	0	341
Costs and expenses	1,007	2,910	713	1,963	133	50	10
Total assets	6,230	11,957	1,395	2,484	984	5,224	6,204
Taxes, licenses, and fees paid	1,499	3,463	485	1,598	9	7	25
Employee compensation & benefits	658	754	210	195	29	30	17
Dividends to stockholders	1,800	6,500	800	1,900	0	0	0
Payments to suppliers	1,843	3,819	912	1,579	136	11	35
3. Amount of ore sold (thousand WMT)	4,792	8,285	1,824	3,013	21	N/A	N/A

Enterprise Risk Management

GRI 102-11

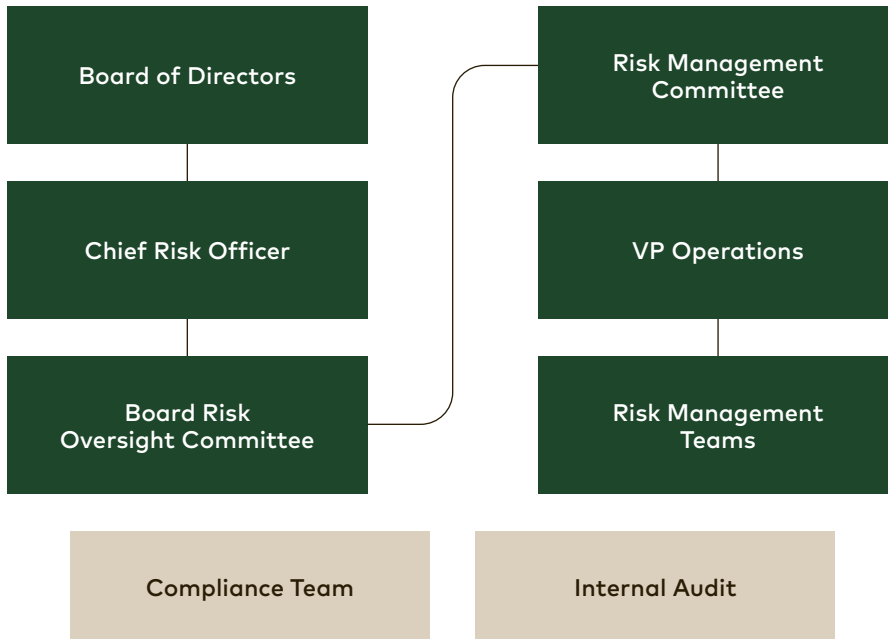
The Company adopts a risk philosophy aimed at enhancing shareholder value by sustaining competitive advantage, managing risks, and enabling the Company to pursue strategic growth opportunities with greater speed, skills and confidence over its competitors. To put this philosophy into action, the Board, through its Board Risk Oversight Committee, adopted an Enterprise Risk Management (ERM) system that

ensures all business risks are identified, measured and managed effectively and continuously within a structured and proactive framework. The Company's ERM is based on the Committee of Sponsoring Organizations of the Treadway Commission-ERM framework. Values and standards of business conduct and ethics are important elements of the internal environment for risk management.

ENTERPRISE RISK MANAGEMENT PROGRAM



RISK MANAGEMENT STRUCTURE



The Board, through its Board Risk Oversight Committee, has the responsibility of overseeing risk management within the Company. Assisting the Board is the Chief Risk Officer (CRO) who, in turn, is supported by the Risk Management Committee. The Risk Management Committee is responsible for ensuring that all significant risks are managed adequately. The Company CRO reports the significant risks and related risk strategies to the Board Risk Oversight Committee, as well as the status of the risk management initiatives on a regular basis.

In addition to the risk management teams, a cross-functional group composed of personnel with technical, financial, and legal expertise, review the Company's compliance with mining laws and regulations, assess and monitor risk management effectiveness for the critical and more significant risks identified in the operating companies. The Internal Auditor reports to the Audit Committee the results of the review of the effectiveness of the risk management strategies and action plans adopted by management.





FINANCIAL REVIEW

Revenues

GRI 103-1, 103-2, 201-1

SALE OF NICKEL ORE	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2021	2020	2019	2021 VS. 2020	2020 VS. 2019
Revenue (in PhP Millions)	25,854	20,096	16,255	29	24
Volume (WMT '000)	17,935	18,203	18,836	-1	-3
Average Price – LME-based (US\$/lb.)	8.36	6.21	6.23	35	-
Average Price – tonnage based (US\$/WMT)	40.40	33.99	23.52	19	45
Sale of Limestone, Services and Others (in PhP Millions)	1,550	1,676	1,668	-8	-
Total Revenue (in PhP Millions)	27,404	21,772	17,923	26	21

Nickel ore shipments decreased to 17.94 million WMT in 2021 compared to 18.20 million WMT in 2020. Direct export of ore, which accounted for 60% of total shipments, slightly increased to 10.79 million WMT in 2021 from 10.02 million WMT in 2020. Ore deliveries to the two HPAL plants, which comprise the remaining 40% of total shipments, also decreased to 7.14 million WMT in 2021 compared to 8.18 million WMT in 2020.

The Company realized an average of US\$ 8.36 per pound of payable nickel on its shipment of ore to the HPAL plants in 2021 the pricing of which is linked to quoted prices in the London Metal Exchange (LME). This compares to an average price of US\$ 6.21 per pound of payable nickel sold in 2020 and US\$ 6.23 in 2019. With respect to

export sales, the Company achieved an average price of US\$ 40.40 in 2021 compared to US\$ 33.99 in 2020 and US\$ 23.52 in 2019. On a combined basis, the average price received for sales of both ore exports and ore deliveries to the two plants in 2021 was US\$ 29.13 per WMT, significantly higher than the US\$ 22.46 achieved in 2020 and the US\$ 16.69 in 2019.

The realized PhP / US\$ exchange rate was PhP 49.48 in 2021 compared to PhP 49.15 in 2020.

Our consolidated revenues reached PhP 27.40 billion from PhP 21.77 billion in the prior year due to the much-improved realized prices despite overall lower sales volume.

REVENUE BREAKDOWN PER PRODUCT (IN PHP MILLIONS)	FOR THE YEARS ENDED DECEMBER 31		
	2021	2020	2019
Sapolite-Japan	2,130	894	1,869
Sapolite-China	17,820	14,976	9,610
Limonite-China	1,626	857	1,235
Limonite-HPAL	4,278	3,370	3,541

Operating Costs and Expenses

IN PHP MILLIONS	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2021	2020	2019	2021 VS. 2020	2020 VS. 2019
Cost of Sales, Services and Others	8,295	8,162	7,815	2	4
General and Administrative	1,145	1,118	1,156	2	-3
Excise Taxes and Royalties	2,706	2,244	1,787	21	26
Total Operating Costs and Expenses	14,611	13,855	12,683	5	9
Total Cash Operating Costs and Expenses	11,559	10,681	10,728	8	-

CASH COSTS	FOR THE YEARS ENDED DECEMBER 31		
	2021	2020	2019
Cost of Sales	49%	48%	58%
Excise Tax and Royalties	23%	21%	16%
Shipping and Loading	18%	19%	16%
General and Administrative	10%	12%	10%

The cash operating cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance as well as changes in per unit costs from year to year. The cash operating cost includes production, excise taxes and royalties, shipping

and loading costs, and general and administrative expenses incurred by the Group. On a per WMT of ore sold, total cash costs and expenses increased to PhP 660.44 per WMT in 2021 compared to PhP 586.74 per WMT in 2020 and PhP 571.48 per WMT in 2019.

IN PHP MILLIONS	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2021	2020	2019	2021 VS. 2020	2020 VS. 2019
Net Income	10,638	5,489	3,826	94	43
Net income attributable to equity holders	7,813	4,069	2,685	92	52

The net income for 2021 is inclusive of a PhP 557.9 million equity income from the Company's investment in Taganito HPAL

Corporation and in Coral Bay Nickel Corporation, compared to PhP 190.4 million in 2020 and PhP 10.4 million in 2019.

PROFITABILITY RATIOS	FOR THE YEARS ENDED DECEMBER 31		
	2021	2020	2019
Return on assets	21%	11%	8%
Return on equity	29%	16%	11%
Net profit margin	39%	25%	21%

Financial Condition, Liquidity and Capital Resources

GRI 102-48

CASH FLOWS			
FOR THE YEARS ENDED DECEMBER 31			
IN PHP MILLIONS	2021	2020	2019
Net cash flows from operating activities	9,676	8,778 ¹	5,833 ¹
Net cash flows used in investing activities	(2,819)	(2,858)	(1,573)
Net cash flows used in financing activities	(8,048)	(5,842) ¹	(2,888) ¹

¹ Restated to align the comparative balances.

The Company continued with the annual upgrade of its mining fleet and facilities at its four operating mines, with total capital expenditures in 2021 of PhP 0.65 billion compared to PhP 1.10 billion and PhP 0.9 billion in 2020 and 2019, respectively. Capital expenditures were financed from available cash resources.

The Company has consistently paid out cash dividends to its shareholders totaling PhP 6,133.9 million in 2021, PhP 4,089.4 million in 2020, and PhP 957.2 million in 2019.

As at year end, the Company's financial position reflected total assets of PhP 51,701.0 million, a 6% increase from 2020.

FINANCIAL POSITION (IN PHP MILLIONS)	DECEMBER 31, 2021	DECEMBER 31, 2020
Cash, Cash Equivalents and Other Financial Investments	17,215	17,331
Other Current Assets	6,796	4,681
Noncurrent Assets	27,690	26,901
Total Assets	51,701	48,913
Current Liabilities	11,925	10,944
Noncurrent Liabilities	3,447	3,372
Equity Attributable to Equity Holders of the Parent Company	32,940	31,043
Non-controlling Interests	3,389	3,554
Total Equity	36,329	34,597

The composition of the consolidated cash, cash equivalents and other financial investments follows:

	DECEMBER 31, 2021	DECEMBER 31, 2020
Cash in Bank and Time Deposits	61%	58%
Managed Offshore	27%	24%
Managed Domestic	9%	15%
Local Debt and Equity Instruments	3%	3%

The following are the relevant liquidity and debt-equity ratios as of end of calendar year 2021 and 2020:

	DECEMBER 31, 2021	DECEMBER 31, 2020
Current ratio	2.01	2.01
Quick ratio	1.61	1.72
Debt-to-equity ratio	0.42	0.41



OPERATIONAL REVIEW

Summary of Ore Reserves and Resources

TOTAL MINERAL RESERVES ¹ AS OF DECEMBER 31, 2021							
OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (KWMT)	TONNES (KDMT)	%NI	%FE	CONTAINED NI(KT)
RTN	Saprolite	Proved and Probable	38,077	24,462	1.49	13.68	364.47
	Limonite	Proved and Probable	42,151	29,448	1.11	35.51	326.87
TMC	Saprolite	Proved and Probable	35,909	24,984	1.42	11.64	354.71
	Limonite	Proved and Probable	80,104	53,816	1.00	47.31	539.13
CMC	Saprolite	Proved and Probable	5,980	3,887	1.46	16.12	56.57
	Limonite	Proved and Probable	5,934	3,857	1.11	39.49	42.72
HMC	Saprolite	Proved and Probable	1,384	941	1.44	12.69	13.58
	Limonite	Proved and Probable	2,521	1,384	1.05	43.40	14.52
DMC	Saprolite	Proved and Probable	22,909	14,891	1.39	19.63	206.31
	Limonite	Proved and Probable	36,414	23,669	1.04	43.34	245.61
Total Reserves	Saprolite	Proved and Probable	104,259	69,165	1.44	14.35	996
	Limonite	Proved and Probable	167,124	112,174	1.04	43.06	1,169

This summary was prepared by Engr. Arnilo Milaor, who is the current OIC of Mine Production Center consisting of Rio Tuba Nickel Mining Corporation, Taganito Mining Corporation, Cagdianao Mining Corporation, Hinatuan Mining Corporation and Dinapigue Mining Corporation. Engr. Milaor is a

Competent Person under the definition of the Philippine Mineral Reporting Code (PMRC) and has sufficient experience as to the type of deposit and mineralization. He has given his consent to the Public Reporting of this statement concerning Mineral Reserve Estimation.

TOTAL MINERAL RESOURCES ¹²³⁴ AS OF DECEMBER 31, 2021							
OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (KWMT)	TONNES (KDMT)	%NI	%FE	CONTAINED NI(KT)
RTN	Saprolite ⁵	Measured and Indicated	41,911	27,048	1.54	13.72	417
	Limonite ⁵	Measured and Indicated	43,107	30,016	1.13	35.37	339
	Saprolite	Inferred	13,396	8,776	1.49	12.73	130
	Limonite	Inferred	2,444	1,705	1.17	33.51	20
TMC	Saprolite ⁶	Measured and Indicated	49,926	34,456	1.55	11.60	536
	Limonite ⁶	Measured and Indicated	93,429	62,741	0.99	46.48	621
	Saprolite	Inferred	3,492	2,415	1.55	12.57	37
	Limonite	Inferred	56	38	0.88	47.92	0
CMC	Saprolite	Measured and Indicated	14,856	9,660	1.37	15.02	132
	Limonite	Measured and Indicated	11,982	7,788	1.03	42.542	80
	Saprolite	Inferred	2,458	1,597	1.34	17.15	21
	Limonite	Inferred	465	302	0.97	41.68	3
HMC	Saprolite	Measured and Indicated	7,271	4,779	1.36	12.50	65
	Limonite	Measured and Indicated	11,335	7,396	1.09	40.91	81
	Saprolite	Inferred	1,772	1,152	1.30	12.52	15
	Limonite	Inferred	1,271	826	1.16	35.00	10
DMC	Saprolite	Measured and Indicated	39,167	25,458	1.35	15.88	343
	Limonite	Measured and Indicated	69,050	44,883	1.02	43.65	459
	Saprolite	Inferred	13,810	8,976.52	1.28	15.65	115
	Limonite	Inferred	4,276	2,779.45	1.00	39.68	28
Total Reserves	Saprolite	Measured and Indicated	153,130	101,402	1.47	13.61	1,493
	Limonite	Measured and Indicated	228,903	152,823	1.03	43.00	1,579
	Saprolite	Inferred	34,928	22,917	1.39	14.16	319
	Limonite	Inferred	8,512	5,650	1.07	37.29	61

¹ Mineral Resources and Reserves tonnages are shown in full. Nickel Asia Corporation owns 60% of Rio Tuba, 65% of Taganito, and 100% of Cagdianao, Hinatuan operations and Dinapigue Mining Corporation.

² Inclusive of Mineral Resources converted to Ore Reserves

³ Mineral Resources include stockpiles.

⁴ The Contained Ni does not consider mining losses and dilution.

⁵ The mineral resource of RTN consists of 1.1 million WMT of saprolite and 8.6 million WMT of limonite within economic zone.

⁶ The mineral resource of TMC consists of 0.3 million WMT of saprolite and 11.9 million WMT of limonite within economic zone.

This summary was prepared by Kristine Grace Victoria, who is the current Head of Geologic Management Sector of Nickel Asia Corporation. Ms. Victoria is a Competent Person for Reporting Exploration Results and Mineral Resource Estimates under PMRC. She has sufficient

experience which is relevant to the type of deposit and style of mineralization.

Note: Cut-off grades used to estimate Mineral Resources are as follows:

RTN	Saprolite ≥ 1.00% Ni, < 20.00% Fe	Limonite ≥ 20.00% Fe
TMC	Saprolite ≥ 1.22% Ni, < 20.00% Fe	Limonite ≥ 20.00% Fe
CMC	Saprolite ≥ 0.90% Ni, < 20.00% Fe	Limonite ≥ 20.00% Fe
HMC	Saprolite ≥ 1.05% Ni, < 20.00% Fe	Limonite ≥ 20.00% Fe
DMC	Saprolite ≥ 1.10% Ni, < 25.00% Fe	Limonite ≥ 0.80% Ni, ≥25.00% Fe

Review of Operations

GRI 416-1

RIO TUBA NICKEL MINING CORPORATION (RTN – 60% OWNED)

The Company recorded significant milestones during the year with the subsequent renewal of the MPSA, the release of the Special Tree Cutting and Earthballing Permit (STCEP), the approval of the EPEP and FMRDP, and the revision of the ECAN Map that is vital to sustaining the mining operation.

Also, RTN established 55.3 hectares of the bamboo plantation as the priority program for climate change mitigation and component of the rehabilitation and reforestation commitments. The project provided livelihood opportunities to the members of the Indigenous Cultural Communities during the time of the pandemic. Meanwhile, the effectiveness of the environmental protection and pollution mitigation program was proven, withstanding the impacts of the typhoons that hardly hit the province. Thus, no environmental incident was recorded, prompting the Presidential Mineral Industry and Environmental Awards (PMIEA) Selection Committee a Platinum Award for the Nickel Mining Project and a Titanium Award for the Gotok Limestone Quarry Project of RTNMC.

The implementation of programs and projects have been challenging due to the adjustments dictated by the COVID-19 pandemic and unfavorable weather condition. But the

company were able to accomplished 94% financial and physical accomplishment or an equivalent of PhP 39,905,021.27 out of the allocated budget of PhP 42,292,913.02.

This year’s major accomplishments under the Development of Host and Neighboring communities include the access to electricity; solar panels were installed in two (2) barangays, generator set and solar home kits were distributed to various IP communities. Granting of scholarship to 58 college students, 257 high school students and 160 elementary pupils. “Zero-Billing” or Free Hospitalization Program of the Municipal Government and hospital subsidy for RTNFI hospital to cater indigents and indigenous people and establishment of water refilling station in Barangay Culandanum.

For the IEC, this year’s major accomplishment includes the utilization of the National Unified IEC which was realigned to our contributions to the on-going pandemic. The funds have reached out and benefited 45,261 households in three (3) municipalities - Bataraza, Balabac, and Rizal in Palawan province. The realignment was recommended and approved by the MGB as requested by the provincial government of Palawan thru Governor Jose Chavez Alvares.

RTNMC commits to provide a Safe and Healthy Workplace to all employees. The company

continuously implemented and improved workplace procedures and Occupational Safety and Health protocols against COVID-19 spread. Also, RTN acquired Safety Seal Certification given by DOLE MMAROPA last October 26, 2021 to assure its stakeholders that the company is implementing all applicable health control measures set by the government. Through management efforts and cooperation of all employees in the implementation of Occupational Safety and Health Program, RTNMC has accumulated 15,422,629 Safe- Manhours for its Nickel and Limestone operations and did not incur any lost time accident resulting to zero Severity Rate and Frequency Rate and has an improvement of its Incidence Rate from 2.54 to 1.34.

The company continuously implemented its Health and Wellness program to ensure healthy and active lifestyle to all employees.

RTN maintained its ISO Standards by successfully passing its 2nd Surveillance Audit in Environmental Management System, ISO 14001:2015, Occupational Health and Safety Management System, ISO 45001:2018 and Quality Management System, ISO 9001:2015 last March 8 to 12, 2021. The continuous implementation of the three standards as Integrated Management

System has contributed to the increased efficiency of the company's operations.

Mining Volume

The volume of ore mined for the year amounted to 4,532,584 WMT, consisting of 1,499,625 WMT of saprolite ore, 3,032,959 WMT of limonite ore. The stripping volume totaled to 300,012 WMT. RTN also retrieved 1,022,934 WMT of saprolite ore to meet the budgeted annual saprolite shipment.

Shipments

RTN shipped a total of 1,874,461 WMT of nickel ore in 2021. Saprolite shipments to Japan totaling 278,492 WMT was sold to Pacific Metals Co., Ltd. at an average price of US\$ 52.01 per WMT. In addition, a total of 1,595,969 WMT was shipped to Chinese customers at an average price of US\$ 48.39 per WMT.

HPAL-grade limonite ore (approximately 1.00% nickel grade) totaling 2,917,375 WMT was delivered to the Coral Bay HPAL facility. The realized LME nickel price for this tonnage averaged 8.34 per pound of payable nickel. In addition, 187,560 WMT of crushed limestone was sold to Coral Bay while 60,899 WMT was sold to Graymont Philippines Inc. (GPI). RTN also fed 274,207 WMT of outsourced limonite ore for the Coral Bay plant.

RIO TUBA			
	2021	2020	2019
Tonnage Mined (WMT)			
Saprolite	1,499,625	1,618,323	1,276,514
Limonite	3,032,959	3,567,931	4,172,818
Sales Data			
Saprolite - Japan (WMT)	278,492	250,854	398,310
Average nickel grade	1.38%	1.53%	1.51%
Average price (per WMT)	US\$ 52.01	US\$ 38.23	US\$ 23.81
Saprolite - China (WMT)	1,595,969	1,729,213	1,053,081
Average nickel grade	1.42%	1.41%	1.51%
Average price (per WMT)	US\$ 48.39	US\$ 32.13	US\$ 21.03
Limonite - China (WMT)	-	-	-
Average nickel grade	-	-	-
Average price (per WMT)	-	-	-
Limonite - CBNC (WMT)	2,917,375	3,027,026	3,424,587
Average nickel grade	1.03%	1.00%	1.05%
Average price (per WMT)	US\$ 11.09	US\$ 7.32	7.00%
Average realized LME price (per pound)	US\$ 8.34	US\$ 6.15	US\$ 6.27

**TAGANITO MINING CORPORATION
(TMC - 65% OWNED)**

The year 2021 became a promising year for the world because of the roll out of COVID-19 vaccines and the possibility of putting an end to the pandemic. And despite the detection of COVID-9 variants and imposition of stringent protocols to mitigate its spreading,

The year opened with the turn-over of the first Molecular Test Laboratory (MTL) in the province of Surigao del Norte. The MTL was funded by Nickel Asia Corporation's subsidiaries – TMC and CMC – and THPAL Nickel Corporation. The Philippine Red Cross handles the operation of the MTL which aimed at providing fast, accurate and affordable RT-PCR test for the people of the province. Aside from this, TMC extended Php 15.6million for the procurement of Moderna COVID-19 vaccines. A total of 7, 256 vials (for both the 1st and 2nd doses) of vaccines were turned over to LGU Claver to assist the vaccination drive of the government and achieve the target herd immunity.

When the provinces of Surigao del Norte and Dinagat were severely hit by super typhoon Odette, TMC provided Php 16.9million worth of relief goods, construction materials, and potable water to the affected families.

As an active partner for community development, TMC was recognized by LGU Claver for its invaluable contribution to the municipality's development; and the Mines and Geosciences Bureau RO-XIII for its invaluable contribution in providing relief assistance to the victims of ST Odette in Caraga Region.

To end the 2021, TMC bagged two (2) prestigious awards as proof of its continued pursuit for excellence in its operations, to wit: the Presidential Mineral Industry Environmental Award (PMIEA), the highest award a mining company can get because of its responsible and sustainable operations, environmental efforts, and social development programs; and, National Awardee of the 2021 Search for Outstanding Labor-Management Cooperation for Industrial Peace, which recognizes the company's best

labor practices, great workplace relations, and cooperation of labor and management in cushioning the impact of the COVID-19 pandemic.

Mining Volume

The volume of ore mined for the year amounted to 8,324,719 WMT. This consists of 4,284,686 WMT of saprolite ore and 4,040,033 WMT of limonite ore fed to THPAL.

Shipments

TMC sold a total of 8,285,216 WMT of nickel ore in 2021. High-grade and medium grade ore totaling 496,049 WMT were sold to PAMCO at an average price of US\$ 53.26 per WMT. Medium-grade saprolite ore totaling 3,790,651 WMT were sold to Chinese customers at an average price of US\$ 43.25 per WMT.

Low-grade limonite ore totaling 3,998,516 WMT, an 18.26% decrease from the prior year's volume of 4,891,750 WMT, was delivered to the Taganito HPAL plant. The realized LME nickel price for this tonnage was US\$ 8.38 per pound of payable nickel. In addition, TMC provided a variety of services such as handling and hauling of materials and supplies for the Taganito HPAL plant.



8,324,719 WMT

Total volume of saprolite and limonite ore mined and sold for the year

496,049 WMT

High- and medium-grade ore sold to PAMCO at US\$ 53.26 per WMT avg.

3,790,651 WMT

Medium- and low-grade ore sold to Chinese customers at US\$ 43.25 per WMT. avg.



2 awards

1 from PMIEA, 1 National Award of the 2021 Search for Outstanding Labor-Management Cooperation for Industrial Peace



PhP15.6 million

Amount spent for the procurement of Moderna COVID-19 vaccines

TAGANITO			
	2021	2020	2019
Tonnage Mined (WMT)			
Saprolite	4,284,686	3,901,058	4,915,953
Limonite	4,040,033	3,754,978	4,752,849
Sales Data			
Saprolite - Japan (WMT)	496,049	97,382	593,203
Average nickel grade	1.45%	1.55%	1.63%
Average price (per WMT)	US\$ 53.26	US\$ 43.19	US\$ 32.50
Saprolite - China (WMT)	3,790,651	3,533,870	3,585,087
Average nickel grade	1.43%	1.49%	1.57%
Average price (per WMT)	US\$ 43.25	US\$ 36.70	US\$ 25.42
Limonite - China (WMT)	-	-	56,900
Average nickel grade	-	-	0.99%
Average price (per WMT)	-	-	US\$ 12.68
Limonite - CBNC (WMT)	3,998,516	4,891,750	4,927,721
Average nickel grade	1.08%	1.12%	1.08%
Average price (per WMT)	US\$ 12.71	US\$ 8.93	US\$ 9.14
Average realized LME price (per pound)	US\$ 8.38	US\$ 6.25	US\$ 6.21

CAGDIANAO MINING CORPORATION (CMC - 100% OWNED)

Embracing the new normal amidst COVID-19, CMC remains as a responsible mining company committed to provide excellent products and services to all its stakeholders as it received recognitions and commendations from local government and EMB ROXIII. CMC maintained to address the pandemic risks without affecting expected outputs by intensifying protocols, implementing workplace safeguards, and organizing vaccination activities.

With the continued effort in prioritizing employees' safety and health, on 20 September 2021, CMC received its Safety Seal issued by the Department of Labor and Employment. This Seal denotes that the company is observing COVID-19 measures for the protection of its workers while the virus remains its threat. Safety program for 2021 is focused on recording near misses, identification, and elimination of work hazards. This is performed thru its daily inspections, weekly safety patrol inspections, in tandem with the daily toolbox meetings, regular scheduled safety and health committee meetings, safety trainings, and walk-around machine/heavy equipment inspection every start of work shifts, together with the ISO 45001 standards, OSH Standards, RA11058, and Safety and Health Elements of SHES Manual of Mines and Geosciences Bureau.

Taking steps to continuous improvement, another remote surveillance audit was conducted last May 17-18, 2021 to validate CMC's commitment to IMS ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System. CMC is looking towards the future with a positive outcome overcoming challenges and strengthening CMC's Integrated Management Systems.

Mining Volume

The volume of ore mined for the year amounted to 1,777,278 WMT, consisting of 1,223,163 of saprolite ore and 554,115 WMT of limonite ore. The stripping volume amounted to 3,156,887 WMT.

Shipments

CMC sold a total volume of 3,033,715 WMT of ore in 2021. High-grade saprolite ore totaling 48,350 WMT were sold to PAMCO at an average price of US\$ 45.00 per WMT. Medium-grade saprolite ore with a total volume of 2,509,749 WMT and limonite ore totaling to 271,971 at an average price of US\$ 36.90 per WMT and US\$ 25.94 per WMT, respectively, were sold to China. CMC also shipped 203,645 WMT of marginal limonite to Coral Bay in Rio Tuba, Palawan at a price of US\$ 15.00 per WMT.

CAGDIANAO			
	2021	2020	2019
Tonnage Mined (WMT)			
Saprolite	1,223,163	1,808,170	2,752,555
Limonite	554,115	699,573	658,501
Sales Data			
Saprolite - Japan (WMT)	48,350	100,918	201,881
Average nickel grade	1.51%	1.68%	1.75%
Average price (per WMT)	US\$ 45.00	US\$ 41.86	US\$ 36.50
Saprolite - China (WMT)	2,509,749	2,559,540	2,554,238
Average nickel grade	1.39%	1.52%	1.58%
Average price (per WMT)	US\$ 36.90	US\$ 37.28	US\$ 24.59
Limonite - China (WMT)	271,971	107,669	-
Average nickel grade	1.23%	1.15%	-
Average price (per WMT)	US\$ 25.94	US\$ 18.00	-
Limonite - CBNC (WMT)	203,645	224,743	30,709
Average nickel grade	1.02%	1.16%	1.18%
Average price (per WMT)	US\$ 15.00	US\$ 9.00	US\$ 9.00

HINATUAN MINING CORPORATION (HMC - 100% OWNED)

Hinatuan Mining Corporation (HMC) showcased its outstanding performance in the mining industry as the company was the successful recipient of the 2021 Presidential Mineral Industry Environmental Award (PMIEA) for Surface Mining Operation Category, the highest accolade awarded to a mining company in the Philippines, after successively receiving the PMIEA Platinum Achievement Award from 2017 to 2020 and Titanium Award in 2016. HMC also garnered multiple awards for being the Winner of Safest Mining Operation and Winner of Safest Surface Mining Operation. Winner of Best Mining Forest in Metallic Category after successively receiving the 1st Runner-up from 2019 to 2020. Individual awards for the 2021 PMIEA Mine's Best Personalities were handed to Mr. Aldrin L. Resullar as Best Surface Safety Inspector, a repeat of his 2020 recognition, and Ms. Jennifer Q. Inting as Best Surface Miner.

On September 17, 2021, HMC was issued a Safety Seal by the Department of Labor and Employment – Caraga Region recognizing its effort in preventing the spread of CoVID-19 in its minesite by providing enough safeguards and protocols.

HMC again passed the re-certification audit for ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System conducted by NQA Philippines on October 18-19, 2021.

The company was able to add 3,857,141.65 safe man-hours and reduced its damage costs by 5.22% from its 2020 figures. By the end of 2021, 33,756,422.5 safe man-hours without lost time accident were accumulated since April 2014.

When the government launched the National Greening Program, HMC fully supported it by adopting an NGP site located at Brgy. Opong and Brgy. Fabio where 149,167 indigenous forest tree seedlings were planted covering a total area of 179 hectares.

The company strengthened its ecotourism development as part of the ongoing preparation for its Final Mine Rehabilitation and Development Program (FMRDP), thus the following sites were developed: Haleakala and Hiraya Park, Farm Village, Lipata Cove, Anito Park, Gulong Wonderland, and HMC's 1.3-hectare Dragon Fruit Plantation.

For Community Relations, a total of PhP 21,861,788.06 was spent for Annual Social Development and Management Program (ASDMP) and PhP 24,399,437.12 for Corporate Social Responsibility (CSR). Some projects of ASDMP were realigned for the COVID-19 assistance and support to the families affected by Super Typhoon Odette. Support for the national COVID-19 vaccination program, distribution of health supplies and Super Typhoon Odette relief operations for its host and neighboring communities, Municipality of Tagana-an, Province of Surigao del Norte and City Government of Surigao were carried out. Financial assistance to employees affected by Super Typhoon Odette were released and PhP 5,000,000 donation to LGU-Tagana-an was turned-over for the construction of the new Rural Health building.

Though COVID-19 cases were still on track, HMC Health Section religiously continued implementing and disseminating information regarding the

company's protocol. Provision of free medicines and vitamins to employees, distribution of disinfectants and personal protective equipment (PPE) for free. Health Team encouraged employees to act proactively and break the chains of transmission and prevent its further spread in communities and workplaces as a whole.

Mining Volume

A total of 1,177,991 WMT ore volume was mined for the year, consisting of 245,119 WMT of saprolite ore and 932,872 WMT of limonite ore. The stripping volume totaled to 1,201,113 WMT.

Shipments

In 2021, HMC Tagana-an Nickel Project sold a total of 1,823,766 WMT of nickel ore. 874,711 WMT of medium-grade saprolite ore and 949,055 WMT of low-grade limonite ore were sold to China buyers at an average price of US\$ 29.53 per WMT and US\$ 27.88 per WMT, respectively.

HINATUAN			
	2021	2020	2019
Tonnage Mined (WMT)			
Saprolite	245,119	191,017	1,159,259
Limonite	932,872	496,883	1,436,458
Sales Data			
Saprolite - Japan (WMT)			
Average nickel grade	-	-	-
Average price (per WMT)	-	-	-
Saprolite - China (WMT)			
Average nickel grade	1.31%	1.39%	1.53%
Average price (per WMT)	US\$ 29.53	US\$ 27.79	US\$ 20.21
Limonite - China (WMT)			
Average nickel grade	0.84%	0.91%	0.85%
Average price (per WMT)	US\$ 27.37	US\$ 20.42	US\$ 15.13
Limonite - CBNC (WMT)			
Average nickel grade	-	1.19	1.27%
Average price (per WMT)	-	US\$ 9.00	8.83%
Average realized LME price (per pound)	-	US\$ 5.76	US\$ 5.43



DMC site

DINAPIGUE MINING CORPORATION (DMC – 100% OWNED)

The Dinapigue Mining Corporation (DMC) is the latest addition to Nickel Asia Corporation's subsidiaries. The company is committed to its responsible stewardship of the environment and was ISO 14001:2015 (Environmental Management System) certified on April 16, 2019, and passed the recertification audit on January 28, 2022, which was held remotely due to the on-going threat of the pandemic.

The DMC Environmental Department has a flourishing agro-forestry research program wherein the company grows crops and vegetables in ameliorated soil at the Agro-Farm and experiments with hydroponics where crops are grown all without using soil.

In taking care of its employees – the company's chief asset, the Dinapigue Mining Corporation

places a great emphasis on its health and safety programs to ensure that incidents are minimized and mitigated. The company is set to reach its 1,000,000 accumulated safe man-hours milestone in June 2022.

Mining Volume

The total volume of ore that DMC mined for the year 2021 amounts to 71,498 wet metric tons (WMT) with 25,020 WMT of that total being saprolite, and 46,478 being limonite.

Sales Volume

From July to August 2021, the company was able to sell a total of 20,807 WMT of limonite ore to Coral Bay Nickel Corporation in Palawan during its two successful trial shipments. The nickel grade for the trial shipments was 1.07% and the average price per WMT was US\$ 12.00.

DINAPIGUE ¹	
	2021
Tonnage Mined (WMT)	
Saprolite	25,020
Limonite	46,478
Sales Data	
Saprolite - Japan (WMT)	
Average nickel grade	-
Average price (per WMT)	-
Saprolite - China (WMT)	
Average nickel grade	-
Average price (per WMT)	-
Limonite - China (WMT)	
Average nickel grade	-
Average price (per WMT)	-
Limonite - CBNC (WMT)	
Average nickel grade	1.07%
Average price (per WMT)	US\$ 12.00

¹ DMC started operations this 2021

A photograph of a person wearing a blue long-sleeved shirt, blue jeans, and a dark bucket hat, walking through a field of tall, dry grass. In the background, there is a large, rugged mountain with a dark, rocky ridge. The sky is clear and blue. The image is partially obscured by a grey diagonal overlay on the left side, which contains a repeating pattern of light grey circles.

REVIEW OF EXPLORATION

EM-MM-210a.3

Nickel

TMC

Exploration activities for TMC are at the Kepha Mining Exploration Limited Company (KMELC) mining claim. The third renewal of the exploration period was approved in March 19, 2021 by MGB Central Office. The submitted Exploration Work Program and Environmental Work Programs are approved while the Community Development Program is still being evaluated at MGB 13. Follow-up letters have been sent to MGB-13 to facilitate the review and approval.

Accomplished also in 2021 is the signing of the addendum of the MOA between KMELC and Tribal leaders of CADT 048. The MOA was signed on November 29, 2021 at the TMC gym.

CMC

Development drilling activities in Parcels 8, 9, and 10 at the west portion of MPSA No. 078-97-XIII resumed last 12 April 2021 and was completed on 28 October 2021. The program consists of drillholes with 50x50m to 100x100m intervals. A total of 389 holes with a total meterage of 4,099.31 m were accomplished for the year. The additional samples obtained cover 256 hectares and now includes a new area called Parcel 10. The added measured and indicated resources coming from this area totals to 4.5 million WMT of limonite ore at 0.91% Ni and 46.97% Fe and 5.8 million WMT of saprolite ore at 1.34% Ni and 18.30% Fe.

DMC

The focus of 2021 drilling program was to cover previously undrilled areas of the MPSA and to gain additional confidence in key production areas in the future. A total of 361 drillholes have been drilled with an aggregate meterage of 5,002.78 meters. These drillholes were located in Areas 1, 2, 4 and 5. Total of 11.8 million WMT of limonite at 1.02 Ni% and 43.65 Fe% and 4.1 million WMT of saprolite at 1.35 Ni% and 15.85 Fe% coming from expansion areas are added to the mineral resource due to the 2021 drilling campaign.



MOA Signing

Signing between KMELC and CADT 048 Tribal leaders at TMC



4,099.31 meters

Total meterage for the year at west portion of CMC MPSA No. 078-97-XIII

5,002.78 meters

Total meterage for the year at DMC Areas 1, 2, 4 and 5



11.8 million

Total WMT of limonite during DMC's 2021 drilling campaign

4.1 million

Total WMT of saprolite during DMC's 2021 drilling campaign



Conveyor belt at TMC

Gold and Copper

Cordillera Exploration Co., Inc. (Cexci)

CEXCI has an application for Financial or Technical Assistance Agreement (AFTA) denominated as AFTA-008 within the adjoining provinces of Benguet, Ilocos Sur and Mountain Province. The original area applied for was 77,549 hectares, which was subsequently reduced to 54,940 hectares following the excising of national parks, built-up and agricultural areas. Parts of the AFTA have been converted to applications for Exploration Permits (EXPA).

In December 2015, CEXCI acquired 100% equity interest in Newminco Pacific Mining Corporation, which holds an EP for copper, gold, and related base and precious metals over an area located in the province of Zambales. The decision to acquire Newminco was made following the discovery of outcropping gold veins, the sampling of which in part returned good assays for gold.

On April 15, 2019, CEXCI acquired a tenement from Marian Mineral Exploration Co., Inc and Olympus Mineral Exploration Co., Inc. (Marian Property) via a Deed of Assignment with Royalty Agreement. The property predominantly in the province of Isabela has a pending application for a Mineral Production Sharing Agreement denominated as APSA-000021-II. This was later converted to an EXPA in July 2019 and is now denominated as EXPA-000166-II.

The description of CEXCI's various properties is described below:

ZAMBALES

In 2016, Newminco proceeded to implement its exploration program in the tenement designated as EP-001-2015-III which is located in the Municipalities of Cabangan, San Felipe and San Marcelino in the Province of Zambales. Exploration activities being conducted in the area include geologic mapping and surface sampling, which identified possible prospects and possible drilling areas. Roughly twenty-five (25) kilometers of old farm to market and logging roads were

rehabilitated and maintained to gain access to the property. Six hundred and sixty (660) meters of exploratory trenches were dug, logged, sampled and rehabilitated. Diamond core drilling was conducted with a total meterage of 3,799.5 meters. A total of 401 samples were sent to the laboratory for multi-element geochemical analysis.

Results of the 2016 exploration campaign verified gold mineralization in a portion of the area drilled. However, the work conducted so far precludes Newminco from defining any commercial viability to the project. Rehabilitation works on disturbed areas were completed in early 2017.

In 2017, a tenement wide ridge and spur soil sampling program was implemented in order to define targets for more detailed work. The EP expired in July 2017 and was given its 1st renewal in September 2020. The ridge and spur soil sampling survey was completed in mid-2021 while focused grid sampling was completed by 4th quarter 2021. Further exploration work is programmed for 2022 with the goal of delineating possible drill targets.



660 meters

Exploratory trenches dug, logged, sampled & rehabilitated in Zambales

25 kilometers

Roads rehabilitated and maintained for property access



3,799.5 meters

Diamond core drilling meterage in Zambales



401 samples

Sent to laboratories for multi-element geochemical analysis

ISABELA/NUEVA VIZCAYA

The Marian Property covers a total area of 6,325 hectares mainly located in the Province of Isabela with some portions in Nueva Vizcaya. It is owned by Marian Mineral Exploration Co. Inc and Olympus Mineral Exploration Co. Inc. which entered into a Royalty Agreement with Vulcan Industrial and Mining Corporation on October 1969 which was eventually terminated on November 2018. On July 24, 2019, CEXCI filed the conversion of APSA-000021-II into an Exploration Permit at MGB Region 2.

On January 29, 2020 an Order was issued by MGB Region 2 approving the Deed of Assignment with Royalty Agreement and the conversion of the APSA to an Exploration Permit application denominated as EXPA-000166-II.

Since its conversion, the documentary requirements and evaluation work for the issuance of the EP have been completed, which should result shortly in the granting of the EP over 90% of the tenement. Further evaluation work is required on the balance of the tenement. Once the EP has been issued, an extensive exploration program on the tenement will be undertaken.



54,940 hectares

Total combined area in Benguet, Ilocos Sur and Mountain Province converted to EXPAs

6,325 hectares

Total area covered by Marian Property in Isabela/Nueva Vizcaya

5,157 hectares

Area in Mankayan, Benguet that was converted into an EXPA

6,012 hectares

Area in Cervantes, Ilocos Sur that was converted into an EXPA



2

Ancestral domains identified in Bakun and Mankayan proper

MANKAYAN

Part of AFTA-008 within the municipality of Mankayan, Benguet province, consisting of 5,157 hectares was converted into an EXPA. Following the conversion, a Field-Based Investigation (FBI) by the National Commission for Indigenous Peoples (NCIP) was conducted as a prelude to the Free and Prior Informed Consent (FPIC) with the Indigenous Cultural Communities (ICC). Two distinct ancestral domains (AD) were identified – Bakun and Mankayan proper. Considerable delays were experienced in the FPIC process due to the local elections in 2016, while subsequently a decision was made to suspend the process to give way to the same process in the second EXPA in the municipality of Cervantes.

The resumption of the FPIC process in Mankayan was eventually requested in January 2020. However, further delays were experienced due to the COVID-19 pandemic and a number of resulting lock-downs. Thus, discussions on the resumption of the process only commenced on the last quarter of 2020. A substantial amount of community engagement work throughout 2021 followed, including Community Consultative Assemblies (CCAs) for each of the two (2) ADs.

The effort resulted in the consent to our EXPA given by the Bakun AD in January 2022. As we go to press on this report, negotiations with the ICCs within the AD for their conditions before any exploration work can be done are being undertaken. Once concluded, this should result in clearance from the NCIP followed by the issuance of the EP, since other documentary requirements by the Mines & Geosciences Bureau have been completed. On the other hand, a resolution of non-consent was issued by the Mankayan AD. CEXCI will file a Motion for Reconsideration with the NCIP while community engagement work continues.

CERVANTES

Part of AFTA-008 within the municipality of Cervantes, province of Ilocos Sur, consisting of 6,012 hectares was converted into an EXPA. Similar to activities in the Mankayan EXPA area, after the conduct by the NCIP of the FBI, extensive community engagement work with the ICCs was done to explain the exploration work program of



the Company. As part of the FPIC process, three (3) General Assemblies were conducted with Consensus Building in between the 2nd and 3rd General Assembly.

The 3rd and final General Assembly to announce the results was conducted on March 13, 2017. Six (6) out of the nine (9) barangays voted for the approval of the exploration program within their areas. Following this development, however, protests and petitions to discredit the results of the general assembly were filed by some groups. A validation exercise to investigate the protests was made by the NCIP in November 2017, which upheld the results of the voting. However, in order to diffuse the situation, no further action was taken by the NCIP regional office.

During this interregnum, community engagement work and presentations with local government officials on the exploration program continued. The Company also secured the consent from various Agricultural Reform Community beneficiaries. Finally, in January 2020, it was agreed upon by the NCIP commissioners that the FPIC process should proceed, which decision was communicated to the NCIP regional office. However, before the process could be resumed the COVID-19 pandemic struck. Due to enhanced community quarantines, locally imposed lockdowns by the LGUs and restrictions on group assemblies, the FPIC process was put on hold. While the lifting of the lockdowns and assemblies has now taken place, a decision was made to push for the continuation of the FPIC process after the May 2022 elections. In the meantime, the Company's community relations team continues to engage the communities and other stakeholders.

MOUNTAIN PROVINCE AND BENGUET

On December 13, 2020, three (3) portions of AFTA-008 within the provinces of Benguet and Mt. Province were converted to EXPAs, denominated as EXPA 119 (Besao) covering an area of 3,645 hectares within Mt Province; EXPA 120 (Bedbed) covering an area of 2,835 hectares in Mt Province and Benguet province; and EXPA 121 (Sadanga) covering an area of 5,751 hectares in Mt Province. The remaining areas of AFTA-008 in the Cordillera Administrative Region were withdrawn.

Groundwork for the new EXPAs has commenced with the engagement of a consultant to get a general consensus on the stand of the communities with regards to mineral exploration and mining. The results of this scoping study will be used by the Company to determine the scope of work after the local elections in May 2022.

ALULING

The remaining balance of AFTA-008 consists of 6,704 hectares all situated in the municipality of Cervantes, province of Ilocos Sur. A portion of this area (2,835 hectares) was applied for conversion to EXPA and has been approved by MGB Region 1, including the withdrawal of the remaining areas (3,869 hectares) of AFTA-008 in the province. Planned pre-FBI/FPIC activities for Aluling, if warranted, will be deferred until after the May 2022 elections.

MANMANOK

The Manmanok property is located within the Municipality of Conner, Apayao Province. The property is covered by EP-004-2006-CAR, which was first granted in October 2006 and subsequently renewed twice with the corresponding reduction in area coverage. The final area covered by the permit is approximately 4,996 hectares.

Following geophysical and geochemical work in an area that was deemed prospective for gold mineralization, drilling activities were conducted from June 2012 to March 2013, with poor results. The EP was relinquished in June 2021 due to the poor outcome and the difficulties experienced in operating in such a remote area and to give way to other projects.



12,231 hectares

Total area in Mountain Province and Benguet converted to EXPAs

2,835 hectares

Area in Aluling, Ilocos Sur converted to an EXPA

4,996 hectares

Total area in Manmanok, Apayao Province converted to EXPAs

ANNEX



GRI Content Index

GRI 102-55

GENERAL DISCLOSURES		PAGE NO. AND/OR DIRECT ANSWERS	OMISSION OR REMARKS
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GRI 102-10	Significant changes to the organization and its supply chain	No significant changes in supply chain	
GRI 102-11	Precautionary Principle or approach	82	
GRI 102-12	External initiatives	22	
GRI 102-13	Membership of associations	Chamber of Mines of the Philippines	
Strategy			
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GRI 102-46	Defining report content and topic Boundaries	26	
GRI 102-47	List of material topics	26	
GRI 102-48	Restatements of information	16, 59, 87	
GRI 102-49	Changes in reporting	Dinapigue Mining Corporation (DMC) and Emerging Power Inc. (EPI) have been added to the report.	
GRI 102-50	Reporting period	About the report	
GRI 102-51	Date of most recent report	Jun 10, 2021	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact point for questions regarding the report	135	
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	GRI 103-2	The management approach and its components	81	
	GRI 103-3	Evaluation of the management approach	81	
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	81	
Supply Chain				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	80	
		The management approach and its components	80	
	GRI 103-3	Evaluation of the management approach	80	
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	80	
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental criteria	None	
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	None	
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria	Key suppliers	
	GRI 414-2	Negative social impacts in the supply chain and actions taken	None	
Compliance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	79, 80	
	GRI 103-2	The management approach and its components	79, 80	
	GRI 103-3	Evaluation of the management approach	79, 80	
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	None	
	GRI 205-3	Confirmed incidents of corruption and actions taken	80	
GRI 206: Anti-competitive Behavior	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable	
GRI 307: Environmental Compliance 2016	GRI 307-1	Non-compliance with environmental laws and regulations	None	
GRI 419: Socioeconomic Compliance 2016	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	80	
Energy				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	35	
	GRI 103-2	The management approach and its components	35	
	GRI 103-3	Evaluation of the management approach	35	
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	35	
Water				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	36	
	GRI 103-2	The management approach and its components	36	
	GRI 103-3	Evaluation of the management approach	36	
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	36	
	GRI 303-2	Management of water discharge-related impacts	36	
	GRI 303-3	Water withdrawal	37	
	GRI 303-4	Water discharge	37	
Biodiversity				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	29, 31	
	GRI 103-2	The management approach and its components	29, 31	
	GRI 103-3	Evaluation of the management approach	29, 31	

MATERIAL TOPICS			PAGE NO. AND/OR DIRECT ANSWERS	OMISSION
GRI 304: Biodiversity 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	32	
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	32	
	GRI 304-3	Habitats protected and restored	32	
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	33	
Emissions				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	38	
	GRI 103-2	The management approach and its components	38	
	GRI 103-3	Evaluation of the management approach	38	
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	38	
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	38	
	GRI 305-3	Other indirect (Scope 3) GHG emissions	38	
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	38	
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	38	
Waste				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	40	
	GRI 103-2	The management approach and its components	40	
	GRI 103-3	Evaluation of the management approach	40	
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts	40	
	GRI 306-2	Management of significant waste-related impacts	40	
	GRI 306-3	Waste generated	40	
	GRI 306-4	Waste diverted from disposal	40	
Labor Practices & Employee Relations				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	53, 58, 63, 65	
	GRI 103-2	The management approach and its components	53, 58, 63, 65	
	GRI 103-3	Evaluation of the management approach	53, 58, 63, 65	
GRI 401: Employment 2016	GRI 401-1	New employee hires and takeover	62	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees .	61	
	GRI 401-3	Parental leave	60	
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	62	
GRI 402: Labor/ Management Relations 2016	GRI 402-1	Minimum notice periods regarding operational changes	30 days	
GRI 403: Occupational Health & Safety 2018	GRI 403-1	Occupational health and safety management system	65	
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Identification and prevention of hazardous and unhealthy working condition is part of the CBA of all mine sites	
	GRI 403-3	Occupational health services	65	
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	65	
	GRI 403-5	Worker training on occupational health and safety	67	
	GRI 403-6	Promotion of worker health	65	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65	
	GRI 403-8	Workers covered by an occupational health and safety management system	66	
	GRI 403-9	Work-related injuries	66	
	GRI 403-10	Worker-related ill health	66	

MATERIAL TOPICS			PAGE NO. AND/OR DIRECT ANSWERS	OMISSION
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	59	
	GRI 404-2	Programs for upgrading employee skills and transition assistance program	58	
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	54	
	GRI 405-2	Ratio of basic salary and remuneration of women to men	The ratio of salary is based on performance and position and not on gender	
GRI 406: Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken	There were no such incidents	
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	NAC ensures that none of our operations as well as our local suppliers have any incidents of child labor practice	
GRI 409: Forced or Compulsory Behavior 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
GRI 410: Security Practices	GRI 410-1	Security personnel trained in human rights policies or procedures	All our security personnel are outsourced and are regularly trained by their agency on human rights topics	
GRI 411: Rights of Indigenous peoples 2016	GRI 411-1	Incidents of violations involving rights of indigenous peoples	None	
GRI 412: Human Rights Assessment 2016	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	None	
	GRI 412-2	Employee training on human rights policies or procedures	None	
Community Development				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	29, 43, 44	
	GRI 103-2	The management approach and its components	29, 43, 44	
	GRI 103-3	Evaluation of the management approach	29, 43, 44	
GRI 203: Indirect Economic Impacts 2016	GRI 203-1	Infrastructure investments and services supported	25, 44	
		Significant indirect economic impacts	25, 44	
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	43, 44	
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	None	

SASB Index

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO.
Compliance					
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	N/A	EM-MM-510a.1	80
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Metric tons (t) saleable	EM-MM-510a.2	This is not measured.
Energy					
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-MM-130a.1	35
Water					
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	EM-MM-140a.1	37
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-MM-140a.2	Zero incidents of non-compliance in 2021.
Biodiversity					
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	N/A	EM-MM-160a.1	31
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Quantitative	Percentage (%)	EM-MM-160a.2	None
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	EM-MM-160a.3	33
Emissions					
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	EM-MM-110a.1	38
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	EM-MM-110a.2	38
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	EM-MM-120a.1	38
Waste					
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-MM-150a.1	Not applicable
	Total weight of mineral processing waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-MM-150a.2	Not applicable
	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	Number	EM-MM-150a.3	Not applicable

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO.
Labor Practices & Employee Relations					
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-MM-210a.1	None
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	EM-MM-210a.2	None
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	N/A	EM-MM-210a.3	79, 98
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Quantitative	Number, Days	EM-MM-310a.1	63
	Number and duration of strikes and lockouts	Quantitative	Percentage (%)	EM-MM-310a.2	0%
Workforce Health & Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-MM-320a.1	66, 67
Community Development					
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	N/A	EM-MM-210b.1	29, 43
	Number and duration of non-technical delays	Quantitative	Number, Days	EM-MM-210b.2	0

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE LOCATED
Production of (1) metal ores and (2) finished metal products	Quantitative	Metric tons (t) saleable	EM-MM-000.A	17
Total number of employees, percentage contractors	Quantitative	Number, Percentage (%)	EM-MM-000.B	54

RENEWABLE RESOURCES & ALTERNATIVE ENERGY SECTOR - SOLAR TECHNOLOGY & PROJECT DEVELOPERS

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO.
Energy					
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RR-ST-130a.1	927, 90%, 8%
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	Discussion and Analysis	N/A	RR-ST-410a.1	Module soiling, tree shading, unfavorable weather conditions.
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	Discussion and Analysis	N/A	RR-ST-410a.2	Increase in the power generation injected into the Luzon grid and cleaner energy source.
Water					
Water Management	"(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress"	Quantitative	Thousand cubic meters (m ³), Percentage (%)	RR-ST-140a.1	37
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RR-ST-140a.2	36

RENEWABLE RESOURCES & ALTERNATIVE ENERGY SECTOR - SOLAR TECHNOLOGY & PROJECT DEVELOPERS					
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO.
Hazardous Waste Management					
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RR-ST-150a.1	40, 29%
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RR-ST-150a.2	Not applicable
Community Relations					
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts	Quantitative	Number, Days	RR-ST-160a.1	Not applicable
	Description of efforts in solar energy system project development to address community and ecological impacts	Discussion and Analysis	N/A	RR-ST-160a.2	Continuous coordination with regulatory agencies, local government units, and community leaders to monitor, identify and immediately address the project's community and ecological impacts.
Materials					
Product End-of life Management	Percentage of products sold that are recyclable or reusable	Quantitative	Percentage (%)	RR-ST-410b.1	Not applicable
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RR-ST-410b.2	Not applicable
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Quantitative	Percentage (%)	RR-ST-410b.3	Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Quantitative	N/A	RR-ST-440a.1	Planning and ordering the supplies to ensure inventory is more than enough to support the operations.
	Description of the management of environmental risks associated with the polysilicon supply chain	Quantitative	N/A	RR-ST-440a.2	Not applicable

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE LOCATED
Total capacity of photovoltaic (PV) solar modules produced	Quantitative	Megawatts (MW)	RR-ST-000.A	14
Total capacity of completed solar energy systems	Quantitative	Megawatts (MW)	RR-ST-000.B	14
Total project development assets	Quantitative	Reporting currency	RR-ST-000.C	14

UNGC Index

FUNDAMENTAL RESPONSIBILITIES	PRINCIPLES	PAGE NO.
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	53, 79
	Principle 2: Make sure that they are not complicit in human rights abuses.	53, 79
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	63
	Principle 4: The elimination of all forms of forced and compulsory labour;	80-81
	Principle 5: The effective abolition of child labour; and	80-81
	Principle 6: The elimination of discrimination in respect of employment and occupation.	53, 80-81
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	41, 82
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	29, 41
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	29, 41
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	80

External Assurance Statement

GRI 102-56



INDEPENDENT ASSURANCE STATEMENT

HARNESSING ENERGY 2021 Annual and Sustainability Report

Nickel Asia Corporation (“NAC”) has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2021 Annual and Sustainability Report – Harnessing Energy (the “Report”) for the year ended 31st December 2021. This assurance engagement was conducted using AccountAbility, UK - AA1000 Assurance Standard (AA1000AS v3) and AA1000 AccountAbility Principles (AA1000AP) 2018 and Global Reporting Initiative (GRI) Standards.

Scope of Engagement

The scope of assurance included a review of sustainability activities and performance data for Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), Cagdianao Mining Corporation (CMC), and Hinatuan Mining Corporation (HMC). The boundary of the report for identified material aspects and performance indicators are defined in ‘Report Boundaries’, and ‘Materiality Aspects of Sustainability’ section of this report. The scope of assurance engagement is limited to the non-financial information associated with NAC and its subsidiaries operations covered within the report boundaries. This report was evaluated for adherence to the reporting principles of Global Reporting Standard (GRI) and AccountAbility principles. We performed a Type II, Moderate Level of Assurance and evaluated the Company’s Sustainability performance based on the information made available during the interviews to the assurers.

Assurance Procedure

We used the GRI Principles to evaluate the performance data together with the company’s data protocols for how the sustainability performance data is measured, recorded and reported. This formed the basis of the Reporting Criteria for undertaking our assurance work. In doing so, we have:

- Reviewed the approach towards stakeholder engagement and materiality analysis;
- Validated the accuracy performance data disclosed in the sustainability report;
- Assessed the reliability of internal process for data collection and management;
- Reviewed consistency of data/information within the report as well between the report and the original source;
- Conducted online interviews / discussions with senior management and decision makers;

Financial data reported in the 2021 Annual and Sustainability Report is taken directly from the independent audited financial statements and the same has not been checked against its source as part of this assurance process.

Limitations

Our scope of work did not include providing conclusions in relation to:

- The completeness or accuracy of information relating to areas other than the subject matters.
- Information reported by NAC other than in its Sustainability section in 2021 Annual Report.
- Management’s forward-looking statements.
- Any disclosure made by the subsidiaries not covered within the report boundaries.
- Remote verification of data sources due to COVID19 travel restrictions.



Adherence to AA1000 Principles

Inclusivity:

The company have a variety of well-managed mechanisms to regularly engage with its key stakeholders on a timely basis. The company considers stakeholder concerns and addresses them through proper channels as reported. This report clearly indicates the various stakeholders company engages along with their method of engagement and concerns raised.

Materiality:

We reviewed and analyzed the process of defining and assessing the material topics for NAC addressed in this report. The company has identified material topics based on stakeholder concerns and business objectives.

Responsiveness:

The company has adequate set of policies and guidelines in place to respond to the stakeholder concerns. Some of the key process has been defined in the stakeholder management section of the report.

Impact:

The company is regularly monitoring the impact it creates through its operations on both society and environment. A wide group of stakeholders such as local communities, employees, suppliers are able to grow through the socio-economic programs of the company while measuring its resources in an efficient way.

Conclusion

Subject to the section on limitations above and based on our procedures for this limited assurance engagement, we conclude that nothing has come to our attention that causes us to believe that sustainability disclosures are not fairly presented in accordance with the stated criteria.

In our opinion, the company has represented its Sustainability Performance in the report in a fair and balanced manner and meets the requirement of **Type-2, Moderate level** of assurance. All material issues of the company's business are adequately reported, and the report gives reliable, accurate and complete information about its sustainability performance for the year. The report adheres to the AA1000 principles of Materiality, Inclusivity and Responsiveness.

The reporting principles for defining the report content and quality are followed in accordance with the "GRI Standards: Core Option".

All the Standard disclosure and Performance Indicators disclosure related to the identified material issues have been externally assured and the credibility of the data disclosed has been verified.

Reliability and Quality of Information:

The data sources for the sustainability performance data are based on the reports such as Environmental Protection and Enhancement Program (EPEP) report, Social Development and Management Program (SDMP) and Mine Safety and Health Administration (MHSA) report submitted by the company to the respective regulatory bodies as required. Hence the reliability of data is maintained through regular monitoring and reporting. Due to the COVID restrictions, onsite assessment was not possible and therefore the verification of data was done through desk reviews.



Recommendations

Based on the activities conducted during the assurance as stated in the procedure, the assurance team has the following recommendations:

1. Define time-based targets against the identified United Nations Sustainable Development Goals (UN SDGs).
2. Include awareness on Sustainable Development during new employee orientation sessions.
3. Improve its safety performance and create more awareness and checks related to health and safety.
4. Align its Social Development Management Programs (SDMP) to UN SDGs and communicate to stakeholders.

Opinion

Nothing has come to our attention during the assurance engagement that suggests that the company does not adhere to the AccountAbility principles of assurance.

Responsibilities

The Sustainability Report was prepared by the management of NAC, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of the Specified Performance Indicators and the selection of and adherence to the stated criteria. In addition, NAC management is responsible for the identification and prioritization of stakeholders with respect to the material topics based on its review of the business and the views and expectations of its stakeholders.

NAC management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that the Sustainability Report is free from any misstatement.

Our responsibility as the assurance provider is to express an independent conclusion on the company's Sustainability performance disclosed and defined within the scope of work as mentioned above. Our statement represents independent opinion of NAC performance to all stakeholders.

Arpit Shrivastava
Lead Assurer
GCSS Inc.



Date: May 31, 2021
Place: Bonifacio Global City, Philippines

Financial Statements

GRI 102-45

Statement of Management's Responsibility for Financial Statements

The management of **Nickel Asia Corporation and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to conflate as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SGV & Co., the independent auditors, appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed on this 10th day of March, 2022.



Gerard H. Brimo

Chairman of the Board of Directors



Martin Antonio G. Zamora

President and Chief Executive Officer



Maria Angela G. Villamor

Chief Financial Officer

Report of the Audit Committee to the Board of Directors

The Audit Committee of Nickel Asia Corporation (the "Company" or "NAC") hereby submits this Report to the Board of Directors in connection with the Committee's compliance with its functions, duties and responsibilities consistent with the Company's Governance Manual and the Charter of the Audit Committee.

1. The Audit Committee confirms that, as constituted by the Board of Directors, the Audit Committee is composed of three (3) Directors, two (2) of whom are Independent Directors and one (1) a Non-Executive. The Chairman of the Committee is an Independent Director.
2. The NAC Audit Committee had four (4) meetings in 2021:
 - ▶ March 10, 2021
 - ▶ May 5, 2021
 - ▶ August 4, 2021
 - ▶ November 3, 2021
3. The Audit Committee discussed with the Internal Audit of the Company, headed by the Company's Chief Audit Executive and with the External Auditor, Sycip, Gorres, Velayo & Co. ("SGV") the scope and the plans for their respective audits.
4. Based on the Audit Committee's review of the reports of, and discussions with, the Chief Audit Executive and the internal audit team as well as discussion with the External Auditor, the Audit Committee confirms that the internal control systems, including financial and operational controls, are adequate and effective.
5. The Audit Committee reviewed and approved all audit services provided by SGV to the Company and its Subsidiaries and the audit fees for such services. Such audit fees are reported in the Company's Information Statement.
6. The Audit Committee also reviewed and approved non-audit work undertaken by the External Auditor and evaluated the External Auditor's independence consistent with prevailing independence standards.
7. The Audit Committee reviewed and discussed the audited financial statements of the NAC Group of Companies for the year ended December 31, 2021 with Management, which has the primary responsibility for the financial statements, and with the External Auditor.

Based on such review and discussions and consistent with its oversight responsibility, the Audit Committee recommended to the Board of Directors the approval of the Company's audited financial statements for the year ended December 31, 2021 and its inclusion in the Company's annual reports, including its annual report to the Securities and Exchange Commission on SEC Form 17-A.

Submitted on March 9, 2022.



Jaime J. Bautista
Committee Chairman
Independent Director



Masahiro Kamiya
Non-Executive Director
Committee Member



Angelo Raymundo Q. Valencia
Independent Director
Committee Member

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Nickel Asia Corporation

Opinion

We have audited the consolidated financial statements of Nickel Asia Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.





- 2 -

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of geothermal exploration and evaluation assets and deferred mine exploration costs

The ability of the Group to recover its geothermal exploration and evaluation assets and deferred mine exploration costs would depend on the commercial viability of the reserves. The substantial amount of these accounts and the significant management judgment required in assessing whether there is any indication of impairment are key areas of focus in our audit.

The carrying values of geothermal exploration and evaluation assets and deferred mine exploration costs as of December 31, 2021 are disclosed in Notes 11 and 13 to the consolidated financial statements.

Audit response

We obtained an understanding of the Group's capitalization policy and tested whether the policy has been applied consistently. We obtained management's assessment on whether there are impairment indicators affecting the recoverability of the geothermal exploration and evaluation assets and deferred mine exploration costs. We inquired into the status of these projects and their plans on operations. We reviewed contracts and agreements, and budgets for exploration and development costs. We inspected the licenses, permits and correspondences with regulatory agencies of each exploration project, to determine that the period for which the Group has the right to explore in the specific area, has not been cancelled or has not expired, will not expire in the near future, and will be renewed accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Impairment testing of solar project and construction in-progress

The Group is adversely affected by the continued decline in wholesale electricity prices. In the event that an impairment indicator is identified, the assessment of the recoverable amounts of the solar project and construction in-progress related to solar farms and geothermal projects, requires significant judgment and is based on assumptions. The assessment of the recoverable amounts of the Sta. Rita Solar Power and the Biliran Geothermal Power Projects, which require estimation and assumptions about future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rates, is a key audit matter in our audit. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast. Hence, such assessment is a key audit matter in our audit.

The carrying values of the Group's solar project and construction in-progress recorded as part of property and equipment as of December 31, 2021 are disclosed in Note 9 to the consolidated financial statements.





Audit response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts. We reviewed the reasonableness of these assumptions, such as future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rates. We compared the key assumptions used against the industry benchmark plant life, production reports from operations department, average market price of electricity on Wholesale Electric Spot Market (WESM), current tax laws and Department of Energy regulations, Bangko Sentral ng Pilipinas (BSP) forecasted inflation rate, industry debt ratio and discount rate based on industry weighted average capital cost. We tested the parameters used in the determination of the discount rate against the market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amounts of solar project and construction in-progress recorded as part of property and equipment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.





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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jaime F. del Rosario.

SYCIP GORRES VELAYO & CO.

A handwritten signature in black ink that reads "Jaime F. del Rosario".

Jaime F. del Rosario

Partner

CPA Certificate No. 56915

Tax Identification No. 102-096-009

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 56915-SEC (Group A),

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-072-2020, November 27, 2020, valid until November 27, 2023

PTR No. 8853485, January 3, 2022, Makati City

March 10, 2022



Consolidated Statements of Financial Position (Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P10,826,806	P11,835,201
Trade and other receivables (Note 5)	1,971,096	1,438,920
Inventories (Note 6)	2,242,932	2,930,348
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	5,266,080	2,846,822
Fair value through other comprehensive income (FVOCI)	1,122,284	2,548,760
Amortized cost	–	100,000
Prepayments and other current assets (Note 8)	2,581,867	311,919
Total Current Assets	24,011,065	22,011,970
Noncurrent Assets		
Property and equipment (Note 9)	17,238,357	16,889,585
Investments in associates (Note 10)	3,812,554	3,193,911
Geothermal exploration and evaluation assets (Note 11)	1,849,936	1,819,859
Financial assets at - net of current portion (Note 7):		
FVTPL	731,813	906,626
Amortized cost	460,000	110,000
Deferred income tax assets - net (Note 37)	309,746	607,264
Long-term stockpile inventory - net of current portion (Note 12)	42,535	–
Other noncurrent assets (Note 13)	3,244,876	3,374,075
Total Noncurrent Assets	27,689,817	26,901,320
TOTAL ASSETS	P51,700,882	P48,913,290
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 14)	P9,226,190	P8,033,675
Short-term debts (Note 15)	1,492,916	1,492,654
Income tax payable	773,450	1,034,281
Other current liability (Note 40k)	300,731	261,691
Current portion of:		
Long-term debts (Note 15)	89,248	84,040
Lease liabilities (Note 35)	35,754	30,982
Long-term payable (Note 17)	6,693	7,000
Total Current Liabilities	11,924,982	10,944,323
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Note 15)	867,111	893,409
Lease liabilities (Note 35)	578,190	584,922
Deferred income (Note 40m)	41,899	46,089
Long-term payable (Note 17)	–	6,093
Provision for mine rehabilitation and decommissioning (Note 16)	823,962	664,379
Pension liability (Note 36)	624,110	676,087
Deferred income tax liabilities - net (Note 37)	511,428	501,199
Total Noncurrent Liabilities	3,446,700	3,372,178
Total Liabilities	15,371,682	14,316,501

(Forward)



	2021	2020
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 18)	₱6,849,836	₱6,849,836
Additional paid-in capital	8,271,900	8,271,900
Other components of equity:		
Share in cumulative translation adjustment (Note 10)	599,215	381,991
Cost of share-based payment plan (Note 19)	473,442	441,589
Asset revaluation surplus	30,565	30,948
Net valuation gains on financial assets at FVOCI (Note 7)	3,363	57,771
Retained earnings:		
Unappropriated	16,710,460	14,952,425
Appropriated (Note 18)	135,000	189,950
Treasury stock (Note 18)	(134,014)	(134,014)
	32,939,767	31,042,396
Non-controlling Interests (NCI)	3,389,433	3,554,393
Total Equity	36,329,200	34,596,789
TOTAL LIABILITIES AND EQUITY	₱51,700,882	₱48,913,290

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Income (Amounts in Thousands, Except Earnings per Share)

	Years Ended December 31		
	2021	2020	2019
REVENUES			
Sale of ore and limestone (Notes 32 and 34)	₱26,099,020	₱20,456,629	₱16,669,736
Services and others (Notes 32 and 34)	797,163	1,026,794	861,307
Sale of power (Notes 32, 34, 40g and 40r)	507,932	288,158	392,251
	27,404,115	21,771,581	17,923,294
COSTS			
Cost of sales (Note 21)	7,611,841	7,519,981	7,105,870
Power generation (Note 22)	361,121	313,250	377,467
Services (Note 23)	321,622	328,562	331,819
	8,294,584	8,161,793	7,815,156
OPERATING EXPENSES			
Excise taxes and royalties (Note 24)	2,705,929	2,244,402	1,787,323
Shipping and loading costs (Note 25)	2,255,570	2,122,779	1,767,016
General and administrative (Note 26)	1,145,907	1,117,666	1,155,984
Marketing (Notes 40e and 40l)	209,121	208,078	157,031
	6,316,527	5,692,925	4,867,354
FINANCE INCOME (Note 29)	162,075	238,293	405,598
FINANCE EXPENSES (Note 30)	(244,081)	(274,502)	(343,655)
EQUITY IN NET INCOME OF ASSOCIATES (Note 10)	557,863	190,447	10,383
OTHER INCOME (CHARGES) - net (Note 31)	701,593	(263,209)	168,824
INCOME BEFORE INCOME TAX	13,970,454	7,807,892	5,481,934
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 37)			
Current	3,162,852	2,564,732	1,790,581
Deferred	169,428	(245,882)	(135,075)
	3,332,280	2,318,850	1,655,506
NET INCOME	₱10,638,174	₱5,489,042	₱3,826,428
Net income attributable to:			
Equity holders of the parent	₱7,812,575	₱4,068,732	₱2,684,969
NCI	2,825,599	1,420,310	1,141,459
	₱10,638,174	₱5,489,042	₱3,826,428
Basic/Diluted Earnings Per Share (EPS; Note 20)	₱0.57	₱0.30	₱0.20

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Comprehensive Income (Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	₱10,638,174	₱5,489,042	₱3,826,428
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:</i>			
Share in translation adjustment of associates (Note 10)	310,600	(256,271)	(186,419)
Income tax effect	(93,376)	25,627	18,642
	217,224	(230,644)	(167,777)
Net valuation gains (losses) on financial assets at FVOCI (Note 7)	(54,165)	23,545	133,932
Income tax effect (Note 7)	(243)	1,983	(9,185)
	(54,408)	25,528	124,747
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	162,816	(205,116)	(43,030)
<i>Other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods:</i>			
Remeasurement gain (loss) on pension liability (Note 36)	73,655	(276,917)	(77,048)
Income tax effect	(44,700)	83,076	23,114
	28,955	(193,841)	(53,934)
Asset revaluation surplus	(511)	(547)	(547)
Income tax effect	128	164	164
	(383)	(383)	(383)
Net other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods	28,572	(194,224)	(54,317)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	191,388	(399,340)	(97,347)
TOTAL COMPREHENSIVE INCOME - NET OF TAX	₱10,829,562	₱5,089,702	₱3,729,081
Total comprehensive income attributable to:			
Equity holders of the parent	₱7,999,522	₱3,727,463	₱2,599,758
NCI	2,830,040	1,362,239	1,129,323
	₱10,829,562	₱5,089,702	₱3,729,081

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020, and 2019 (Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 18)	Additional Paid-in Capital	Share in Cumulative Translation Adjustment (Note 10)	Share-based Payment Plan (Note 19)	Cost of Share-based Payment Plan	Asset Revaluation Surplus	Net Valuation Gains (Losses) on Financial Assets at FVOCI (Note 7)	Retained Earnings Appropriated (Note 18)	Treasury Stock (Note 18)	Total	NCI	Total
Balance at December 31, 2020	£6,849,836	£8,271,900	£381,991	£441,589	£57,771	£30,948	£14,952,425	£189,950	(£134,014)	£31,042,396	£3,554,933	£34,596,789
Net income	-	-	-	-	-	-	7,812,575	-	-	7,812,575	2,825,599	10,638,174
Other comprehensive income (loss)	-	-	217,224	-	(54,408)	(383)	24,514	-	-	186,947	4,441	191,388
Total comprehensive income (loss)	-	-	217,224	-	(54,408)	(383)	7,837,089	-	-	7,999,522	2,830,040	10,829,562
Cost of share-based payment plan (Notes 19 and 27)	-	-	-	31,853	-	-	-	-	-	31,853	-	31,853
Cash dividends (Note 18)	-	-	-	-	-	-	(6,133,883)	-	-	(6,133,883)	-	(6,133,883)
7% Cash dividends - Preferred share (Note 18)	-	-	-	-	-	-	(504)	-	-	(504)	-	(504)
Cash dividends to NCI (Note 33)	-	-	-	-	-	-	-	-	-	-	(2,995,000)	(2,995,000)
Reversal of appropriations (Note 18)	-	-	-	-	-	-	54,950	(54,950)	-	-	-	-
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	-	-	383	-	383
Balance at December 31, 2021	£6,849,836	£8,271,900	£599,215	£473,442	£3,563	£30,565	£16,710,460	£135,000	(£134,014)	£32,939,767	£3,389,433	£36,329,200



	Stock (Note 18)	Paid-in Capital	Adjustment (Note 10)	Plan (Note 19)	Revaluation Surplus	at FVOCI (Note 7)	Unappropriated	Appropriated (Note 18)	Stock (Note 18)	Total	NCI	Total
Balance at December 31, 2019	P6,849,836	P8,262,455	P612,635	P370,522	P31,331	P32,243	P13,713,383	P1,585,576	(P87,950)	P31,370,031	P3,761,230	P35,131,261
Net income	-	-	-	-	-	-	4,068,732	-	-	4,068,732	1,420,310	5,489,042
Other comprehensive income (loss)	-	-	(230,644)	-	(383)	25,528	(135,770)	-	-	(341,269)	(58,071)	(399,340)
Total comprehensive income (loss)	-	-	(230,644)	-	(383)	25,528	3,932,962	-	-	3,727,463	1,362,239	5,089,702
Cost of share-based payment plan (Notes 19 and 27)	-	-	-	71,067	-	-	-	-	-	71,067	-	71,067
Cash dividends (Note 18)	-	-	-	-	-	-	(4,089,425)	-	-	(4,089,425)	-	(4,089,425)
7% Cash dividends - Preferred share (Note 18)	-	-	-	-	-	-	(504)	-	-	(504)	-	(504)
Cash dividends to NCI (Note 33)	-	-	-	-	-	-	-	-	-	-	(1,702,000)	(1,702,000)
Acquisition of treasury stock	-	-	-	-	-	-	-	-	(46,064)	(46,064)	-	(46,064)
Reversal of appropriations (Note 18)	-	-	-	-	-	-	1,450,576	(1,450,576)	-	-	-	-
Appropriation of retained earnings (Note 18)	-	-	-	-	-	-	(54,950)	54,950	-	-	-	-
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	-	-	383	-	383
Effect of partial disposal of shares in a subsidiary	-	9,445	-	-	-	-	-	-	-	9,445	132,924	142,369
Balance at December 31, 2020	P6,849,836	P8,271,900	P381,991	P441,589	P30,948	P57,771	P14,952,425	P189,950	(P134,014)	P31,042,396	P3,554,393	P34,596,789

See accompanying Notes to Consolidated Financial Statements.



	Stock	Capital	Adjustment	Plan	Surplus	FVOCI	Unappropriated	(Note 18)	Stock	Total	NCI	Total
Balances at December 31, 2018	P6,849,836	P8,262,455	P780,412	P240,003	P31,714	(P92,504)	P11,794,529	P1,818,628	(P20,366)	P29,664,707	P3,786,123	P33,450,830
Net income	-	-	-	-	-	-	2,684,969	-	-	2,684,969	1,141,459	3,826,428
Other comprehensive income (loss)	-	-	(167,777)	-	(383)	124,747	(41,798)	-	-	(85,211)	(12,136)	(97,347)
Total comprehensive income (loss)	-	-	(167,777)	-	(383)	124,747	2,643,171	-	-	2,599,758	1,129,323	3,729,081
Cost of share-based payment plan (Note 27)	-	-	-	130,519	-	-	-	-	-	130,519	-	130,519
Cash dividends (Note 18)	-	-	-	-	-	-	(957,248)	-	-	(957,248)	-	(957,248)
7% Cash dividends - Preferred share (Note 18)	-	-	-	-	-	-	(504)	-	-	(504)	-	(504)
Cash dividends to NCI	-	-	-	-	-	-	-	-	-	-	(1,155,000)	(1,155,000)
Elimination of NCI at disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	784	784
Acquisition of treasury stock	-	-	-	-	-	-	-	-	(67,584)	(67,584)	-	(67,584)
Reversal of appropriations (Note 18)	-	-	-	-	-	-	318,628	(318,628)	-	-	-	-
Appropriation of retained earnings (Note 18)	-	-	-	-	-	-	(85,576)	85,576	-	-	-	-
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	-	-	383	-	383
Balances at December 31, 2019	P6,849,836	P8,262,455	P612,635	P370,522	P31,331	P32,243	P13,713,383	P1,585,576	(P87,950)	P31,370,031	P3,761,230	P35,131,261

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Cash Flows (Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱13,970,454	₱7,807,892	₱5,481,934
Adjustments for:			
Depreciation, amortization and depletion (Notes 9 and 28)	1,620,139	1,445,260	1,404,365
Equity in net income of associates (Note 10)	(557,863)	(190,447)	(10,383)
Unrealized foreign exchange losses (gains) - net (Note 31)	(241,331)	143,177	203,048
Loss (gain) on:			
Changes in fair value of financial assets at FVTPL (Note 31)	(69,404)	41,800	(347,725)
Casualty (Note 31)	63,384	-	-
Sale of financial assets at FVOCI (Note 31)	28,262	(47,157)	(19,055)
Write-off of input VAT (Note 31)	19,321	8,649	1,624
Sale of property and equipment (Note 31)	(8,360)	4,353	14,020
Write-off of project development cost and other deposits (Notes 31 and 40q)	-	4,367	99,139
Exchange of assets (Notes 31 and 40q)	-	-	(39,986)
Sale of investment in subsidiaries (Note 31)	-	-	(881)
Redemption of financial assets at amortized cost (Note 31)	-	-	(200)
Interest income (Note 29)	(162,075)	(238,293)	(405,598)
Interest expense (Note 30)	137,460	157,587	208,286
Accretion of interest on:			
Lease liabilities (Notes 30 and 35)	54,554	54,344	55,342
Provision for mine rehabilitation and decommissioning (Notes 16 and 30)	15,074	14,764	14,738
Long-term payable (Notes 17 and 30)	600	793	977
Provisions for (reversal of allowance for) impairment losses on (Note 31):			
Inventories	(25,962)	(2,749)	11,591
Input VAT	17,206	-	725
Advances to suppliers and contractors (Note 31)	8,072	15,336	-
Dividend income (Notes 7 and 31)	(32,073)	(33,500)	(45,539)
Cost of share-based payment plan (Notes 19 and 27)	31,853	71,067	130,519
Movements in:			
Pension liability (Note 36)	(6,087)	(9,652)	(33,987)
Deferred income	(4,190)	(4,190)	(4,190)
Operating income before working capital changes	14,859,034	9,243,401	6,718,764
Decrease (increase) in:			
Prepayments and other current assets	(2,289,269)	72,825	666,602
Inventories	645,316	1,174,516	(262,728)
Trade and other receivables	(333,077)	(351,071)	105,504
Increase in trade and other payables	218,052	725,974	254,248
Net cash generated from operations	13,100,056	10,865,645	7,482,390
Income taxes paid	(3,423,683)	(2,087,839)	(1,648,982)
Net cash flows from operating activities	9,676,373	8,777,806	5,833,408

(Forward)



	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at (Note 7):			
FVTPL	(₱5,721,442)	(₱3,251,619)	(₱1,233,089)
FVOCI	(5,467,059)	(4,662,785)	(2,247,021)
Amortized cost	(350,000)	–	(58,447)
Property and equipment (Note 9)	(1,774,433)	(2,132,848)	(1,255,523)
Proceeds from sale or redemption of:			
Financial assets at:			
FVOCI	6,811,108	4,909,068	2,233,070
FVTPL	3,640,683	1,947,885	1,065,502
Amortized cost	100,000	244,217	136,200
Property and equipment	16,108	2,230	5,067
Subsidiaries, net of cash disposed (Note 1)	–	–	51,366
Increase in:			
Other noncurrent assets	(241,653)	(208,303)	(262,902)
Geothermal exploration and evaluation assets (Note 11)	(30,077)	(8,148)	(18,267)
Interest received	170,592	268,676	404,381
Dividends received (Notes 7 and 10)	26,813	33,453	150,342
Issuance of loan (Note 40a)	–	–	(543,824)
Net cash flows used in investing activities	(2,819,360)	(2,858,174)	(1,573,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Cash dividends (Notes 18 and 33)	(7,854,387)	(5,731,929)	(2,212,752)
Short-term debt	(1,500,000)	(1,500,000)	(1,500,000)
Interest	(96,168)	(123,810)	(167,256)
Long-term debts	(75,546)	(75,546)	(334,637)
Principal portion of lease liabilities (Note 35)	(56,514)	(55,149)	(90,273)
Long-term payable	(7,000)	(5,000)	(5,000)
Proceeds from availment of:			
Short-term debts, net of debt issue costs (Note 15)	1,488,990	1,488,953	1,488,903
Long-term debt (Note 15)	13,321	94,976	–
Proceeds from sale of noncontrolling interest in a subsidiary (Note 1)	–	71,184	–
Acquisitions of treasury stock	–	(46,064)	(67,584)
Increase in other current liability	39,040	40,612	–
Net cash flows used in financing activities	(8,048,264)	(5,841,773)	(2,888,599)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,191,251)	77,859	1,371,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,835,201	11,943,128	10,784,369
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS (Note 31)	182,856	(185,786)	(212,905)
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱10,826,806	₱11,835,201	₱11,943,128

See accompanying Notes to Consolidated Financial Statements.



Officers

NICKEL ASIA CORPORATION

Gerard H. Brimo

Chairman of the Board of Directors

Philip T. Ang

Vice Chairman

Martin Antonio G. Zamora

President and Chief Executive Officer

Aloysius C. Diaz

Senior Vice President Operations¹

Georgina Carolina Y. Martinez

Senior Vice President Compliance and Corporate Support Services, Chief Compliance Officer, Chief Governance Officer, Assistant Corporate Secretary

Maria Angela G. Villamor

Senior Vice President, Chief Financial Officer, Head of Finance and Revenue Management Group

Jose Bayani D. Baylon

Vice President Public and Social Affairs Group

Rolando R. Cruz

Vice President Corporate Planning and Revenue Assurance Center

Rommel L. Cruz

Vice President Mine Strategic Planning, Officer-in-Charge VP – Revenue Generation Center

Christopher C. Fernandez

Vice President, Information and Communications Technology Sector

Koichi Ishihara

Vice President Mine Services Center

Ma. Fatima C. Mijares²

Vice President Human Resources Sector

Gerardo Ignacio B. Ongkingco

Vice President NAC Development Sector²

Romeo T. Tanalgo

Vice President Security and Administrative Services Sector, Chief Risk Officer, Officer-in-Charge, Risk and Assurance Group

Bimbo T. Almonte²

Assistant Vice President Occupational Health Sector

Rogel C. Cabauatan³

Assistant Vice President Community Relations and Environment Sector

Salvador C. Cabauatan²

Assistant Vice President, General Administrative Services Sector

Remedios C. Camo²

Assistant Vice President Industrial Safety Sector Officer-in-Charge, Assistant Vice President - Environment Sector

Jeffrey B. Escoto

Assistant Vice President Technical Services Sector

Patrick S. Garcia

Assistant Vice President Internal Audit

Rodrigo G. Gazmin

Assistant Vice President Material Management, Mine Services Sector²

Marnelle A. Jalandon

Assistant Vice President Business Applications Division

Ryan Rene C. Jornada

Assistant Vice President Public and Social Affairs Sector²

Christine Joanne C. Navarro²

Assistant Vice President, Legal Sector, Data Protection Officer

Iryan Jean U. Padillo

Officer-in-Charge, Assistant Vice President - Accounting and Financial Reporting Center²

Teody A. Pascual²

Assistant Vice President Service Management Sector

Jessie A. Payuyo²

Assistant Vice President Accounting and Financial Reporting Sector

Kristine Grace C. Victoria²

Assistant Vice President Geologic Management Sector

Arnilo C. Milaor

Officer-in-Charge Mine Production Center

Barbara Anne C. Migallos

Corporate Secretary

**RIO TUBA NICKEL
MINING CORPORATION**

Cynthia E. Rosero
Resident Mine Manager¹

Ronelbert A. Suguitan
Officer-in-Charge
Resident Mine Manager⁷

Mary Caroline B. Lagman
Assistant Vice President
Finance²

**TAGANITO MINING
CORPORATION**

Artemio E. Valeroso
Assistant Vice President
Resident Mine Manager

**CAGDIANAO MINING
CORPORATION**

Fernando P. Cruz
Assistant Vice President
Finance

Christian Jae R. Gascon
Officer-in-Charge
Resident Mine Manager

**HINATUAN MINING
CORPORATION**

Fernando P. Cruz
Assistant Vice President
Finance

Francisco J. Arañes, Jr.
Assistant Vice President
Resident Mine Manager

**CORDILLERA EXPLORATION
CO., INC.**

Graciano P. Yumul, Jr.
Senior Vice President
Operations

**DINAPIGUE MINING
CORPORATION**

Fernando P. Cruz
Assistant Vice President
Finance

EMERGING POWER, INC.

Ronaldo D. Ibasco
President and
Chief Executive Officer⁴

Noel M. Gonzales⁵
Executive Vice President and
Chief Operating Officer

Ferdinand O. Sia⁶
Executive Vice President and
Chief Financial Officer

Jasmin Josefa P. Agbon
Senior Vice President
Finance

Reynold D. Mata II⁶
Assistant Vice President
Legal and
Business Development

April Ann B. Nerva
Assistant Vice President
Human Resources and
Corporate Services

¹ Until January 31, 2022

² Effective March 10, 2022

³ Until September 22, 2021

⁴ Effective March 14, 2022

⁵ Effective April 16, 2022

⁶ Effective March 14, 2022

⁷ Effective February 1, 2022



Rio Tuba River

Corporate Directory

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Taguig City, Philippines 1634
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MINE SITES

Rio Tuba Mine

Barangay Rio Tuba, Bataraza, Palawan

Taganito Mine

Barangay Taganito, Claver, Surigao del Norte

Cagdianao Mine

Barangay Valencia, Cagdianao, Dinagat Islands

Hinatuan Mine

Barangay Talavera, Tagana-an, Surigao del Norte

Dinapigue Mine

Dimaluade, Dinapigue, Isabela

Solar Power Plant

Mt. Sta. Rita, Subic Bay Freeport Zone

CORPORATE WEBSITE

<http://www.nickelasia.com>

INDEPENDENT PUBLIC ACCOUNTANT

Sycip, Gorres Velayo & Co.

BANKS

Banco de Oro
Bank of the Philippine Islands
DBS Private Bank
J.P. Morgan Private Bank
Maybank Philippines, Inc.
Metropolitan Bank & Trust Co.
Morgan Stanley Private Wealth Management
Rizal Commercial Banking Corporation
Security Bank Corporation
UBS Group AG
Union Bank of the Philippines
United Coconut Planters Bank

TRANSFER AGENT

Stock Transfer Service, Inc.

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Batino Law Offices
Sed Lex Professional Partnership Co.



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