

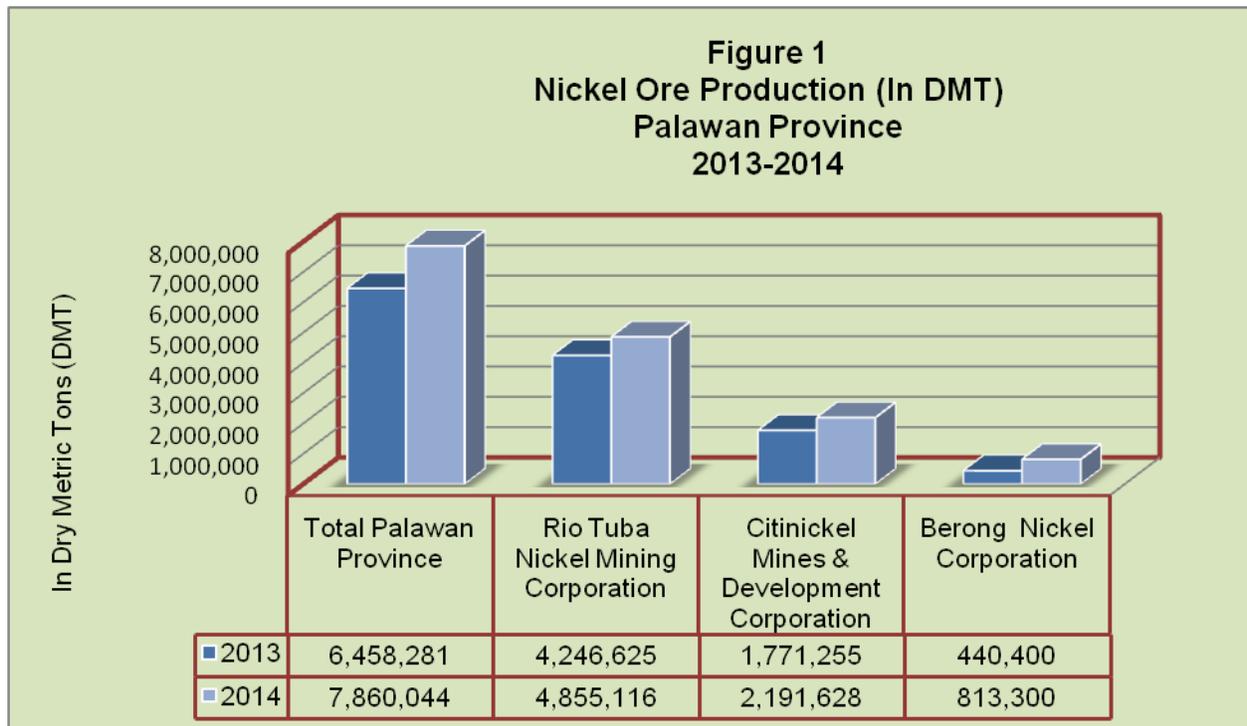
# PALAWAN NICKEL PRODUCTION GROWS IN 2014

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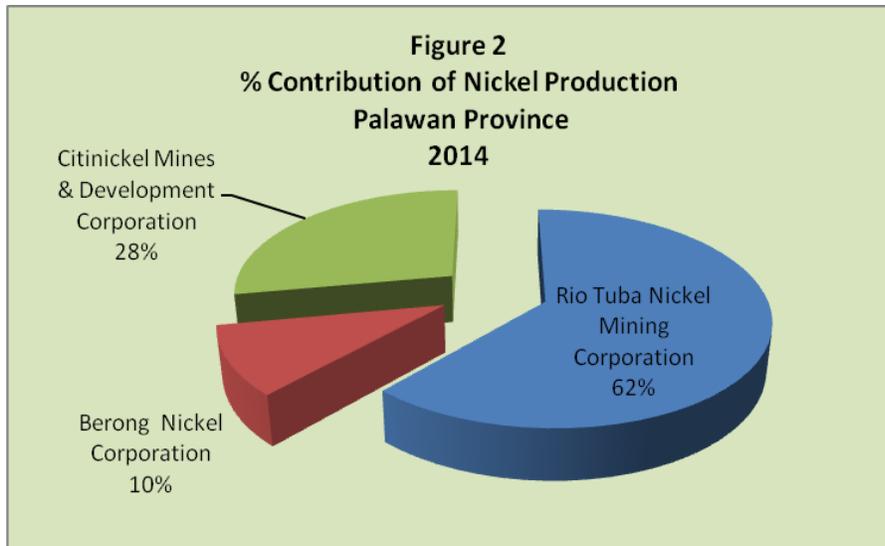
The Palawan Province of the MIMAROPA Region boasts the second largest nickel mine output in the Philippines in terms of nickel production in 2014 next to CARAGA Region known to be the nickel capital of the country.

Palawan plays host to three large scale nickel mines, one Hydrometallurgical Processing Plant (HPP) and Lime Milk Plant namely, Rio Tuba Nickel Mining Corporation (RTNMC), Citinickel Mines and Development Corporation (CMDC), Berong Nickel Corporation (BNC), and Coral Bay Nickel Corporation (CBNC), respectively.

Nickel ore production (direct shipping grade) in the province grew by **22%** or **1.40 million dry metric tons (DMT)** in 2014 equivalent to **7.86 million DMT** from 2013's **6.46 million (DMT)**. The growth can be attributed to the increased mine production of the three nickel mines as shown in Figure 1. In terms of percentage contribution to the total production in 2014, RTNMC located in Rio Tuba, Bataraza, Palawan accounted for **62%** or **4.85 million DMT** including the limonite ore delivered to Coral Bay Nickel Corporation for processing. CMDC, which operates in Narra and Sofronio Española, Palawan, followed with **28%** or **2.19 million DMT** even after a 6-month suspension imposed against its Pulot Project in Sofronio Española. BNC in Quezon, Palawan, meanwhile, contributed **10%** or **0.81 million DMT** (refer to Figure 2).



Source: MGB-MIMAROPA



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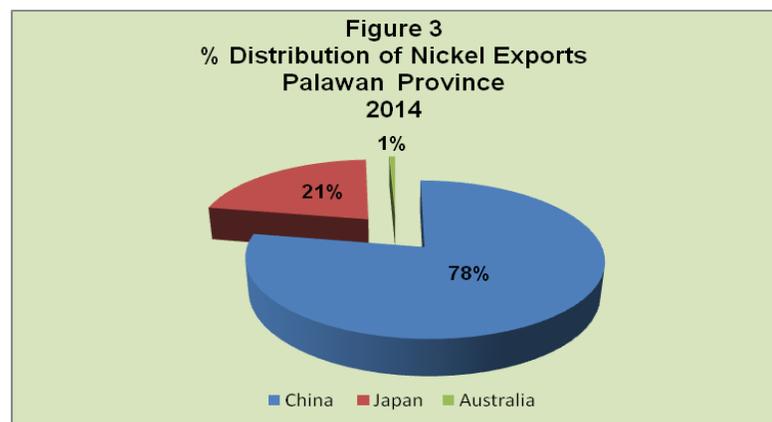
The Province, likewise, produced mixed sulfides (MS) of nickel and cobalt through CBNC's Hydrometallurgical Processing Plant. The company reported a total of **41,661 DMT** of MS with an estimated value of **PhP11.23 billion** during the year in review.

Preliminary data of nickel exports for direct shipping ore in 2014 showed that **78%** or **3.57 million DMT** of the Province's total exports of **4.59 million DMT** with estimated value of **PhP10.8 billion** went to China, **21%** or almost **1.0 million DMT** was shipped to Japan, while the remaining **1%** or **0.03 million DMT** was transported to Australia (refer to Figure 3).

The estimated excise tax paid in 2014 amounted to **PhP245 million** which include the local sales of low grade nickel ore feed to CBNC.

In terms of employment, the four companies employed a total of **4,615** workers as of December 2014. CBNC reported a manpower of **2,442** or the highest, followed by CMDC with **956**. RTNMC and BNC, on the other hand, generated a total employment of **702** and **515**, respectively.

The figures only reflect actual employment within mine operations and will be significantly higher if the number of indirect jobs generated in the downstream sector is included.



Source: MGB-MIMAROPA

Given these outcomes, the Palawan province will continue to be a major player in the minerals industry, particularly in nickel production with the upbeat performances of the three nickel mines and HPAL in the region.