BUSINESS VALUATION

OF

PANGASINAN FERRO RESOURCES CORPORATION'S MINE TENEMENT OWNERSHIP ROYALTY FEES

With Offices at

83 Times Street, West Triangle
Quezon City, Metro Manila

June 30, 2026

PANGASINAN FERRO RESOURCES CORPORATION
83 Times Street, West Triangle
Quezon City, Metro Manila
Philippines

Attention : **MR. ALEXIS GUILLERMO RAMIREZ CRUZ-HERRERA**

Subject : **CAI File No. 07-2026-0584**
Mine Tenement Ownership Royalty Market Value Appraisal

- -

Dear Mr. Cruz-Herrera:

As requested, we examined and valued Pangasinan Ferro Resources Corporation's (PFRC or simply the "Company") Mine Tenement Ownership Royalty Fees (Asset Utilization Fees) on the 2,959.7515 hectares (29,597,515 square meters) area located offshore off the province of Pangasinan in accordance with AFTAA No. 09-1 and 2,029.7612 hectares (20,297,612 square meters) in the province of Ilocos Norte in accordance with AFTAA No. 012-1 for the purpose of expressing an opinion on their *market values*. The valuation is intended to be used for supporting potential tokenization of real-world assets and related capital market transactions.

The undersigned valuer relied on the Certifications of Preliminary Exploration and Preliminary Resource Estimates rendered by mineral processing engineer, Mr. Shi Zhifang of China and confirmed by the Hokkaido University, Laboratory of Resource Recycling Engineering.

Pangasinan Ferro Resources Corporation will contract out the commercialization of its magnetite mineral concession areas in the Philippine provinces of Pangasinan and Ilocos Norte to a third party for a consideration of ten percent (10%) Royalty Fees (Asset Utilization Fees) on this said offshore mining operations. The most proximate opportunity on the matter is with a Japanese company who can provide 50% of all the funding required for all offshore marine equipment and onshore equipment like magnetite iron upgrading plant and pelletized iron plant as the Japan Organization for Metals Energy and Security (JOGMEC) will provide the other 50%.

Gross sales over the twenty-five years ownership period of the magnetite mineral concession areas in the Philippine provinces of Pangasinan and Ilocos Norte is estimated at: Philippine Pesos: Eight Trillion Seven Hundred Forty Five Billion (₱8,745,000,000,000.00) Only.

From the above period total sales, the twenty-five years period ten percent (10%) Royalty Fees (Asset Utilization Fees) that is due to Pangasinan Ferro Resources Corporation is: Philippine Pesos: Eight Hundred Seventy Four Billion Five Hundred Million (₱874,500,000,000.00) Only.

From the derived indication of value, it is our opinion that the market value of the Royalty Fees (Asset Utilization Fees), at 10% of Gross Revenues, that is due to Pangasinan Ferro Resources Corporation as mine tenement owner of magnetite mineral assets on 2,959.7515 hectares (29,597,515 square meters) area located off the coast of the province of Pangasinan (AFTAA No. 09-1) and 2,029.7612 hectares (20,297,612 square meters) of the province of Ilocos Norte (AFTAA No. 012-1), as at June 30, 2026, that is the subject of this valuation, is:

PHILIPPINE PESOS: TWO HUNDRED SEVEN BILLION
FIVE HUNDRED NINETY SEVEN MILLION ONLY
(₱207,597,000,000.00)

Converting the above amount to United States of America Dollar, at a conversion rate of PHP 61.00 to USD1, the above value translates into:

US DOLLARS: THREE BILLION
FOUR HUNDRED THREE MILLION ONLY
(US$ 3,403,000,000.00)

The Narrative Report follows and presents the analysis of the data, along with other materials on which the above estimate of value was predicated.

The valuation was performed, and the written report was prepared in accordance with the International Valuation Standards (IVS), International Ethics Standards, International Mineral Property Valuation Standards Template (IMVAL 2021), Philippine Mineral Reporting Code ("2020 PMRC") and Philippine Securities and Exchange Commission Memorandum Circular 02 dated 2014 (SEC MC 02 s 2014, para III2iv).

This appraisal report is subject to the limiting conditions stated in the Narrative Report.

WE HEREBY CERTIFY that we have neither present nor contemplated interest on the properties or on the values reported.

A copy of this report and the working papers from which it was prepared will be kept in our files for five years.

Respectfully yours,

Cuervo Appraisal, Inc.
By:

LIBERTY SANTIAGO-ANO, MRICS, I.P.A.
Vice President and General Manager
Real Estate Appraiser
PRC Registration Number: 0000167
Valid until: 07/17/2029
IPREA Membership No. 849
PTR No. 3975856
05 January 2026
City of Pasig

JAVIER P. BONDOC, DPA(ABD), MPA, IPA
Director, Enterprise & Business Valuation
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February 18, 2026

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NARRATIVE REPORT
PANGASINAN FERRO RESOURCES CORPORATION
MINE TENEMENT OWNER ROYALTY
MARKET VALUE APPRAISAL

1.0 SCOPE OF WORK

1.1 The Appraiser

The appraiser is Cuervo Appraisers, Inc. (CAI). Cuervo Appraisers, Inc., with its Manila, Cebu, Iloilo and Davao offices, has been in the business of providing valuation solutions for companies across all industries for 46 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets, liabilities, enterprises, etc., both tangible and intangible, and is well qualified to undertake the work required.

1.2 Client

The commissioning entity/ client is Pangasinan Ferro Resources Corporation (PFRC or simply the “Company”).

The Company has its head office at #83 Times Street, West Triangle, Quezon City, Metro Manila Philippines.

1.3 Intended Users

The intended user of the appraisal is Pangasinan Ferro Resources Corporation.

1.4 Asset Valued

1.4.1 The Subject

The subject of this appraisal is the ten percent (10%) of Gross Revenues Royalty Fees (Asset Utilization Fees) that is due to the Company as mine tenements owner of real property mineral assets or mineral property (*International Mineral Property Valuation Standards Template*, 4th Ed., 2021, para. 1.3: p. 2.) identified as magnetite mineral assets on 2,959.7515 hectares (29,597,515 square meters) area located offshore off the province of Pangasinan (AFTAA No. 09-1) and 2,029.7612 hectares (20,297,612 square meters) off the province of Ilocos Norte (AFTAA No. 012-1).

1.4.2 Magnetite Iron Sand

Magnetite sand is sand composed of a high percentage of magnetite, which is ferromagnetic with chemical formula Fe3O4 (ferrous, ferric oxide) and one of the several iron oxides found in the world. It is a source of iron ore and is currently and widely regarded as an important source of iron. There is a high demand and use of magnetite sand in the steel manufacturing industry. It can be used to produce crude steel, billet and reinforcement bars, especially suitable for piping products, and can be used as well to make steel plates. Currently, over 620 million tons a year are being used to manufacture steel. Compared to traditional iron ore mining, magnetite sand is cost competitive, about 40% cheaper.

The mineral is often mined as an ore of iron, and lately, through the use of magnetic separator / processing plant and chemical intervention, magnetite iron sand became a primary source of raw material like iron ore for steel and cast iron manufacturer when they are developed in the form of Iron Lumps, Iron Balls, Iron Fines, and Iron Pellets. When formed as such, they are

technically called Direct Reduced Iron (DRI) that are used to feed electric blast furnaces in the iron and steel making process.

Currently, the demand for this DRI feed stock is very high. When properly processed, high value vanadium and titanium can also be effectively obtained from magnetite iron sand.

The Philippines is a country that is rich in mineral resources where it is touted to be fifth largest resources of mineral reserves, following the countries like United States, Australia, Brazil and Peru. However, these vast mineral reserves have not been effectively tapped due to socio-economic reasons, legal entanglement, environmental concerns, and lack of capital, and lack of governmental push to make it happen.

Per existing record of Mines and Geo-Sciences Bureau (or MGB) of the Department of Environmental and Natural Resources (DENR), the mineral reserve of the country stood at 6.67 Billion Metric Tons of Metallic Minerals and 78.74 Billion Metric Tons of Non-Metallic Minerals, excepting Magnetite Iron Sand that has heavy deposit concentration along the coasts in the Provinces of Pangasinan, La Union, Ilocos Sur, Ilocos Norte, and Cagayan.

1.4.3 Company Magnetite Iron Sand Offshore Mining

The Company intends to undertake its offshore magnetite iron sand mining operation in its concession areas in the Philippine provinces of Pangasinan and Ilocos Norte through a third party.

Pangasinan Ferro Resources Corporation's offshore mining of magnetite iron sand is thru dredging/siphoning activity. It initially involves the use of capesize vessel with built-in production lines magnetic separator on board. The magnetite iron sand concentrate is stockpiled onboard the vessels for shipment to prospective buyers. Thirty percent (30%) of such concentrate is to be pelletized onshore. Subsequently, however, all processing will be done onshore. For purposes of this appraisal, the waste or the non-magnetite materials (low magnetite content) will be returned to the sea floor. The dredging ships are, for purposes of this appraisal, at 2,500 tons/hr. capacity each. One each identical systems (siphon vessels, onshore upgrading plants and onshore pelletizing plants) shall be established in each of the above two Philippine provinces.

The operations will siphon and process using a capesize vessel raw sand and will produce iron concentrate. The average magnetic fraction (Mf) during the entire mine life is 19.79% (passing 2 stages of magnetic separation) will produce an average concentrate grade of <60% Fe. The magnetic separator efficiency is expected at 95%.

1.4.4 Property Rights Subject of the Appraisal

The property right that is the subject of this appraisal is the rights of the Company as tenement owner of the real property mineral assets (mineral property) identified as magnetite mineral assets on the 2,959.7515 hectares (29,597,515 square meters) area located offshore off the province of Pangasinan (AFTAA No. 09-1) and 2,029.7612 hectares (20,297,612 square meters) off the province of Ilocos Norte (AFTAA No. 012-1).

1.5 Purpose and Use of the Appraisal

The purpose of this appraisal is to determine the market value of the ten percent (10%) Royalty Fees (Asset Utilization Fees) on the offshore mining operations that is due to Pangasinan Ferro Resources Corporation as mine tenements owner. This appraisal is intended to be used for supporting potential tokenization of real-world assets and related capital market transactions for such mine tenement ownership Royalty Fees (Asset Utilization Fees) of ten percent (10%) of Gross Revenues or for any other legal business purpose.

1.6 Standard of Value

The standard of value for this valuation is Market Value.

The International Valuation Standards 2025 (IVS 2025) defines Market Value as: "*... the estimated amount for which an asset and/or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*" (*IVS 102 Bases of Value: Appendix,* para A10.01, p. 24.)

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market would undoubtedly be affected should the sale be on terms whether favourable or unfavourable.

It is further assumed that title/s to the property is good, marketable, free from liens and encumbrances, and in fee simple.

1.7 Date of Value

The date of value of this appraisal is as at June 30, 2026. The undersigned licensed appraiser cannot inspect the subject properties in view of the circumstances of the said properties. The undersigned appraiser relied on the Certifications of Preliminary Exploration and Preliminary Resource Estimates rendered by mineral processing engineer, Mr. Shi Zhifang of China (Annex C) and concurred by the Hokkaido University, Laboratory of Resource Recycling Engineering.

1.8 Appraisal Currency

The appraisal is in Philippine Pesos, but converted to US Dollars as well.

1.9 Premises of the Appraisal

The undersigned strives to clearly and accurately disclose the premises of the appraisal that directly affect an appraisal analysis, opinion, and/or conclusion. To assist the reader in interpreting this report, such premises are set forth as follows:

> The appraisal was performed, and the written report was prepared in accordance with the International Valuation Standards (IVS), International Ethics Standards, International Mineral Property Valuation Standards Template (IMVAL 2021), Philippine Mineral Reporting Code ("2020 PMRC") and Philippine Securities and Exchange Commission Memorandum Circular 02 dated 2014 (SEC MC 02 s 2014, para III2iv).

Appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent services related to an appraisal assignment (e.g., testimony, updates, conferences, reprint or copy services) is contemplated, special arrangements acceptable to the undersigned must be made in advance. We reserve the right to make adjustments to the analyses, opinions and conclusions set forth in the report as we may deem necessary by consideration of additional or more reliable data that may become available.

Sketches, photographs, or other graphic aids included in appraisal reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.

It is assumed that: no opinion is intended in matters that require legal or other professional advice which has been or will be obtained from professional sources; the appraisal report will not be used for guidance in legal or professional matters exclusive of the appraisal and appraisal discipline; and, the properties will not be operated in violation of any applicable government regulation, code, ordinance or statute.

Information furnished by others is presumed to be reliable, and where so specified in the report, has been verified. All facts and data set forth in the report are true and accurate to the best of the undersigned's knowledge and belief. No single item of information was completely relied upon to the exclusion of other information.

It should be specifically noted that the appraisal assumes that the properties are competently managed and maintained by financially sound owners over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's or owner's effectiveness, nor are we responsible for future management or ownership actions upon which actual results will depend.

The date of the appraisal to which the value estimate conclusions apply is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the Philippine Peso as at that date.

Neither the report nor any portions thereof, especially any conclusions as to value, the identity of the valuer shall be disseminated to the public through public relations media, news media, sales media or any other public means of communications without the prior written consent and approval of the undersigned.

Unless otherwise noted, the valuer assumes that there will be no changes in tax regulations.

No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal assumes market conditions observed as of the current date of our market research stated in the letter of transmittal. These market conditions are believed to be correct; however, the valuer assumes no liability should market conditions materially change because of unusual or unforeseen circumstances.

The report and the final estimate of value and the prospective financial analyses included therein are intended solely for the information of the person or persons to whom they are addressed, solely for the purposes stated and should not be relied upon for any other purpose.

2.0 THE PHILIPPINE ECONOMY

We entered 2020 with the prospects of becoming an upper middle-income country two years ahead of our 2022 target. However, COVID-19 disrupted our growth momentum and development trajectory. The COVID-19 pandemic has hit the country hard. Following 21 years of uninterrupted growth, the GDP contracted in 2020 to -9.6 percent, which is at the low end of the DBCC estimate of -8.5 to -9.5 percent for the said year. The sharp contraction of the economy for that year was not in any way a reflection of the country's economic fundamentals which remained strong. This is mainly due to the strict lockdowns implemented purposely to save lives and to boost the country's healthcare capacity.

The Philippine economy expanded by 5.6 percent in 2021, surpassing the government's 5.0-5.5 percent target and recovering from a 9.6 percent contraction in 2020, as activity and demand rebounded from the COVID-19 hit. This continued on to a hefty 7.6% GDP Growth in 2022. The strong rebound from the COVID-19 pandemic during this year helped to drive the pace of growth of the Philippines economy to the fastest rate since 1976. This Philippine GDP growth rate was comparable to some of the world's fastest growing large emerging markets in 2022.

The Philippine economy closed 2025 with 4.4 percent growth weighed down by a flood control corruption controversy and unfavorable weather conditions. The developments of last year are expected to be felt into 2026, although with diminishing effect. Speaking at a press briefing shortly after the signing of the 2026 national budget, Department of Economy, Planning and Development (DEPDev) Secretary Arsenio Balisacan said the budget could support GDP growth of 5% to 6% this year (2026). He said growth is projected at 5.5% to 6% in 2027, with the government aiming for 6% to 7% growth in 2028. These keep us in the position of, still, being one of the best-performing economies in Asia.

The IMF sees that the Philippine economy will have the strongest growth relative to ASEAN-4 and Vietnam, supported by an acceleration in public investment and improved external demand for the Philippines' exports, after the country has withstood a confluence of shocks through its appropriate policy response and recent implementation of key structural reforms to stimulate exports, spur foreign investment and raise growth potential. The Department of Finance cites strong macroeconomic fundamentals and judicious fiscal and tax reforms as reasons for the country's strong performance.

Over the next decade the Philippine economy is forecast to continue to grow rapidly, with total GDP increasing to USD 810 billion in 2030. A key growth driver will be rapid growth in private consumption spending, buoyed by strong growth in urban household incomes.

By 2033, the Philippines is forecast to become on the Asia-Pacific region's one trillion-dollar economies, joining mainland China, Japan, India, South Korea, Australia, Taiwan and Indonesia in this grouping of the largest economies in APAC.

3.0 HIGHEST AND BEST USE

> "*Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset.*" (*IVS 102 Bases of Value*, para. A90.01: p.28.) "*The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value."* (*Id*., para. A90.03: p. 29.)
>
> "*The determination of the highest and best use involves consideration of the following:*
>
> *(a) To establish whether a use is physically possible, regard will be had to what would be considered reasonable by participants.*
>
> *(b) To reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, eg, town planning/zoning designations, need to be taken into account as well as the likelihood that these restrictions will change.*
>
> *(c) The requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical participant, after taking into account the costs of conversion to that use, over and above the return on the existing use*." (*Id*., para. A90.06.)

Physically Possible

Any potential use must be physically possible given the characteristics of the subject property.

Legally Allowable

Only those uses that are or may be allowed can be considered as a potential Highest and Best Use (HABU). This may exclude uses that are not allowed and cannot be expected to be allowed by forbidden uses by government regulations, or uses prohibited by deed restrictions or covenants.

Demand in the Marketplace

The use must have sufficient demand in the marketplace to have value. A use with no demand has no market value, and therefore cannot be considered a highest and best use.

Maximum Market Value

Finally, the use must yield the maximum market value for the property in the marketplace. A property may pass all three previous tests. However, only one can be the highest and best use. The use that would yield the maximum value in the marketplace would be the highest and best use.

"*The highest and best use for an asset may be its current or existing use when it is being used optimally*." (*Id*., para. A90.04.)

The highest and best use (HABU) of subject properties are their developments into expanded production stages.

4.0 VALUATION

4.1 The Three Approaches to Value

There are three (3) generally accepted approaches to value. The three approaches to value are: (1) Market Approach, (2) Cost Approach and (3) Income Approach. (*Id*., *IVS 103 Valuation Approaches*, para. 10.01: p. 31.) Each of these valuation approaches includes different detailed methods of application. (*Id*., para. 10.03.)

Valuers are not required to use more than one method for the valuation of an asset, particularly when the valuer has a high degree of confidence in the accuracy and reliability of a single method, given the facts and circumstances of the valuation engagement. (*Id*., para. 10.05.). However, the IMVAL template, VALMIN Code and JORC require the use of, at least, two valuation approaches. They allow the employment of a single valuation approach if the valuer can disclose the reason for his inability to be able to use, at least, two valuation approaches.

4.1.1 Market Approach

Market Approach is defined by the International Valuation Standards as:

> *"The market approach provides an indication of value by comparing the asset and/or liability with identical or comparable (that is similar) asset and/or liability for which price information is available."* (*Id.*, para. 30.01, p. 34.)

The market approach assumes that value can be estimated from analysing recent sales of comparable assets or liabilities.

Under this approach the first step is to consider the prices for transactions of identical or similar assets or liabilities that have occurred recently in the market. "*If few recent transactions have occurred, the valuer may consider the prices of identical or similar assets that are listed or offered for sale, provided the relevance of this information is clearly established, critically analysed and documented. This is sometimes referred to as the comparable listings method...*" (*Id*., para. A10.03, p. 36.) "*When comparable market information does not relate to the exact or substantially the same asset, the valuer must perform a comparative analysis of qualitative and quantitative similarities and differences between comparable assets and the subject asset. It will often be necessary to make adjustments based on this comparative analysis. Those adjustments must be reasonable and the valuer must document the reasons for the adjustments and how they were quantified*." (*Id*., para. 20.05, p. 34.)

This approach was not considered in this valuation as no appropriate comparables have been identified.

4.1.2 Cost Approach

Cost Approach or asset-based approach is defined by the International Valuation Standards as follows:

> *"The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for all relevant forms of obsolescence."* (IVS 2025. *IVS 103 Valuation Approaches*, para. 40.02, p. 35.)

> *"Often the asset being valued will be less attractive than the alternative that could be purchased or constructed because of age or obsolescence. Where this is the case, adjustments may need to be made to the cost of the alternative asset depending on the required basis of value." (*IVS 2013*, "IVS Framework",* paras. 62-63.*)*

The Cost Approach is limited in capturing market realities and alternative uses of the property.

This approach was not also considered in this appraisal as we found no appropriate cost factors to the subject properties.

4.1.3 Income Approach

The Income Approach is defined by the International Valuation Standards as follows:

> *"The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset."* (The International Valuation Standards 2025. *IVS 103 Valuation Approaches*, para. 30.01, p. 34.)

> *"A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment." "Generally, investors can only expect to be compensated for systematic risk (also known as "market risk" or "undiversifiable risk").* (*Id.,* paras. 30.04-30.05, pp. 34-35.)

> *"Although there are many ways to implement the income approach, methods under the income approach are effectively based on discounting future amounts of cash flow to present value."* (IVS 2022. *IVS 105 Valuation Approaches and Methods,* para. 50.1.)

This is the approach relied upon in this valuation (See Annex D).

Pangasinan Ferro Resources Corporation will contract out the commercialization of its magnetite mineral concession areas in the Philippine provinces of Pangasinan and Ilocos Norte to a third party for a consideration of ten percent (10%) of Gross Revenues Royalty Fees (Asset Utilization Fees) on this said offshore mining operations. The most proximate opportunity on the matter is with a Japanese company who can provide 50% of all funding required for all offshore marine equipment and onshore equipment like magnetite iron upgrading plant and pelletized iron plant as the Japan Organization for Metals Energy and Security (JOGMEC) will provide the other 50%.

4.1.3.1 Gross Sales

Gross sales over the twenty-five years ownership period of the magnetite mineral concession areas in the Philippine provinces of Pangasinan and Ilocos Norte is estimated at: Philippine Pesos: Eight Trillion Seven Hundred Forty Five Billion (₱8,745,000,000,000.00) Only.

4.1.3.2 Value of Mine Tenements Owner's Royalty

From the above period total sales, the twenty-five years period ten percent (10%) of Gross Revenues Royalty Fees (Asset Utilization Fees) that is due to Pangasinan Ferro Resources Corporation is: Philippine Pesos: Eight Hundred Seventy Four Billion Five Hundred Million (₱874,500,000,000.00) Only.

4.1.3.3 Present Value of Royalty Fee Due to PFRC

The present value, of the above nominal ten percent (10%) of Gross Revenues Royalty Fees (Asset Utilization Fees) that is due to

Pangasinan Ferro Resources Corporation as mine tenement owner of magnetite mineral assets on 2,959.7515 hectares (29,597,515 square meters) area located offshore off the province of Pangasinan (AFTAA No. 09-1) and 2,029.7612 hectares (20,297,612 square meters) province of Ilocos Norte (AFTAA No. 012-1), as at June 30, 2026, is: Philippine Pesos: Two Hundred Seven Billion Five Hundred Ninety Seven Million Only (₱207,597,000,000.00).

Converting the above Royalty Fees (Asset Utilization Fees) present value to United States of America Dollar, at a conversion rate of PHP61.00 to USD1, translates into: Us Dollars: Three Billion Four Hundred Three Million Only (US$ 3,403,000,000.00).

4.1.3.4 Terminal Value

No terminal value was ascribed to the subject of this appraisal for conservatism as it is deemed that the concession shall revert back to the Republic of the Philippines after the first AFTAA of tweny five (25) years.

4.1.3.5 Discount Rate Used

In the appraisal of PFRC's mineral Royalty Fees (Asset Utilization Fees), we used 14% as the discount rate. This is 1.5% above the high side for Philippine Stock Exchange (PSE) listed companies.

5.0 OPINION OF VALUE

From the above indication of value, it is our opinion that the market value of the Royalty Fees (Asset Utilization Fees), at 10% of Gross Revenues, that is due to Pangasinan Ferro Resources Corporation as mine tenement owner of magnetite mineral assets on 2,959.7515 hectares (29,597,515 square meters) area located offshore off the province of Pangasinan (AFTAA No. 09-1) and 2,029.7612 hectares (20,297,612 square meters) province of Ilocos Norte (AFTAA No. 012-1), as at June 30, 2026, that is the subject of this appraisal, is:

PHILIPPINE PESOS: TWO HUNDRED SEVEN BILLION
FIVE HUNDRED NINETY SEVEN MILLION ONLY
(₱207,597,000,000.00)

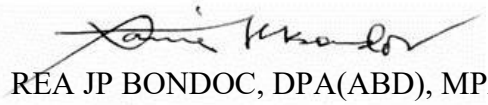
Converting the above amount to United States of America Dollar at a conversion rate of PHP61.00 to USD1, the above value translates into:

US DOLLARS: THREE BILLION
FOUR HUNDRED THREE MILLION ONLY
(US$ 3,403,000,000.00)

6.0 APPRAISAL RECORD

A copy of this report and the working papers from which it was prepared will be kept in our files for five years.

Prepared by:



REA JP BONDOC, DPA(ABD), MPA, MIPREA
Director, Enterprise & Business Valuation
RICS Membership No. 0981388
PRC REA Lic. No. 0000283
PTR No. 8568700D, Quezon City
February 18, 2026

ANNEXES:

Annex A	-	Appraiser's Certifications
Annex B	-	Appraiser's Qualifications
Annex C	-	Certifications of Preliminary Exploration and Preliminary Resource Estimates rendered by Mineral Processing Engineer, Mr. Shi Zhifang of China
Annex D	-	Market Value Indication of Royalty Fees (Asset Utilization Fees) Due to Pangasinan Ferro Resources Corporation as Mine Tenement Owner Using the Income Approach
Annex E	-	Appraisal Assumptions

ANNEXES

ANNEX A

APPRAISER’S CERTIFICATIONS

APPRAISER'S CERTIFICATIONS

I, the undersigned, do hereby certify that to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the properties that are the subject of this report, and have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in or the use of this report.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the International Valuation Standards (IVS), International Ethics Standards, International Mineral Property Valuation Standards Template (IMVAL 2021), Philippine Mineral Reporting Code ("2020 PMRC") and Philippine Securities and Exchange Commission Memorandum Circular 02 dated 2014 (SEC MC 02 s 2014, para III2iv).



JP Bondoc, DPA (ABD), MPA, IPA
Registered Real Estate Appraiser (REA)
PRC REA License No: 283

ANNEX B

APPRAISER’S QUALIFICATIONS

JP BONDOC, DPA(ABD), MPA, RVC, IPA
Director, Enterprise and Business Valuation, Cuervo Appraisers, Inc.
VP for Standards, IPREA
Member, Royal Institution of Chartered Surveyors (Membership No: 0981388)
Licensed Real Estate Appraiser (PRC Reg. No: 283)

Mr. JP Bondoc is Director, Enterprise and Business Valuation of Cuervo Appraisers, Inc. He is the Vice President for Standards of the 1961-established Institute of Philippine Real Estate Appraisers (IPREA) - the sole professional valuers' organization (PVO) representing the Philippines in the International Valuation Standards Council (IVSC) and a member of the ASEAN Valuers Association (AVA). He is a topnotcher (No. 1) of the Real Estate Appraiser (REA) licensure examination. He has been Director and ExCom Chairman of a number of companies. Mr. JP Bondoc handled the equity holdings of AFPRSBS in at least 19 companies, served as Corplan & Research head, and was Corporate Controller. He established an Investment House for the said entity.

He has personally undertaken valuations of all five (5) property types. Mr. Bondoc was a founding member of the International Valuation Standards Council (IVSC) Advisory Forum (IVSC-AF), has been a member of the International Valuation Standards Board's Liabilities Project and has been a speaker before the ASEAN Valuers Association (AVA) on Business Valuation.

He Graduated from the Philippine Military Academy (PMA). He holds a degree of Master in Public Administration (MPA) from the University of the Philippines and has taken Master of Arts in Economic Research at the University of Asia and the Pacific (UA&P) and Doctor of Public Administration (DPA) at the University of the Philippines (UP).

Liberty Santiago-Año
Vice President, General Manager and Director

An alumna of the Mapua Institute of Technology where she did a degree of Bachelor of Science in Civil Engineering, Libay has risen from the ranks at Cuervo Appraisers, Inc. which she joined in 1988 as Project Coordinator. She learned the ropes of appraisal report generation from inspection to transcription, data gathering, drafting of plans, report preparation, and proofreading.

Her patience and gracious nature earned the respect not only of her superiors but also of her peers, as well as our clients who seek her out. Her positive disposition is always a welcome respite to their appraisal concerns. More importantly, her qualification as a Real Estate Appraiser paved the way for management to entrust her with the overall review, approval and signing of appraisal reports.

Libay is a lecturer in seminars of government institutions, such as the Department of Public Works & Highways (DPWH). As an offshoot of the company's formal training courses, Libay co-authored the company's book, The Appraisers' Advance Course (AAC) – A Manual of Instructions for Professionals, which is continuously updated and used for the training of succeeding batches of new appraisers at CAI.

These traits and qualifications, coupled with her resolute and determined stance, were dominant factors in her steady climb up the ladder, becoming the Technical Support Group Manager and then Project Management Department Manager. In a few months Libay led the introduction and implementation of the appraisal techniques, service standards and quality control measures of the International Valuation Standards Council (www.ivsc.org). On May 1, 2008 she was promoted to head CAI's Technical & Production Division and on November 1, 2009 she was appointed General Manager.

Libay joined the Board of Directors on November 11, 2010 and was elected Vice President during the Board Meeting of April 23, 2013. She continues to hold both positions.

Memberships and Qualifications

- Licensed Real Estate Appraiser, Professional Regulation Commission (PRC)
- Member, Royal Institution of Chartered Surveyors (RICS)
- Member, Institute of Philippine Real Estate Appraisers (IPREA)

ANNEX C

CERTIFICATIONS OF PRELIMINARY EXPLORATION AND PRELIMINARY RESOURCE ESTIMATES RENDERED BY MINERAL PROCESSING ENGINEER SHI ZHIFANG AND CONFIRMATION BY THE HOKKAIDO UNIVERSITY, LABORATORY OF RESOURCE RECYCLING ENGINEERING

Shi Zhifang (施志芳)

地址：中国甘肃省兰州市中高区 301 号燕南路 1428 号
Address: Yannan Road 1428, No. 301 Chunggaun Dist, Lanzhou City, Gansu Province, China

- 上海冶金学院选矿工程学士（原上海交通大学）
  Bachelor of Mineral Processing Engineering, Shanghai College of Metallurgy (Former of Shanghai Jiatong University)

- 中共中央党校工商管理学院经济学硕士
  Master of Economics, College of Business Administration, Party School of CCP Central Committee, PRC

日期(Date): _____

初步勘探和初步资源估算的证明

CERTIFICATION OF PRELIMINARY EXPLORATION & PRELIMINARY RESOURCE ESTIMATES

敬启者:
To whom this may concern:

I. 兹证明，我已亲自监督了位于 ***Lingayen, Binmaley*** of ***Pangasinan*** 镇的海上磁铁矿开采项目的初步勘探工作，根据第 ***09-I*** 号 AFTAA，由中国大陆的一位高技能技术专家通过高精度磁铁矿定位仪测量，为 ***PANGASINAN FERRO RESOURCES CORPORATION***, 提供总面积为 ***2,959.7515*** 公顷的初步勘探服务。

This is to certify that I have personally supervised the Preliminary Exploration of Offshore Magnetite Iron Mining Project in the towns of ***Lingayen, Binmaley*** of ***Pangasinan*** Province, under AFTAA NO. ***09-I*** for ***PANGASINAN FERRO RESOURCES CORPORATION*** with a total area of ***2,959.7515*** hectares through the use of High Precision Magnetite Placer Survey and implemented by highly skilled technical expert from Mainland China.

在签字人对上述高技术性海上初步勘探工程的监督下，还观察到以下显著的技术信息：

Under the undersigned's supervision for the above highly technical offshore preliminary exploration works the following notable technical information were also observed:

a. 由于海上磁砂矿床的强磁性，该系统显示出铁砂矿石的平均探测深度在距地壳九十（90）米至一百二十（120）米之间（海水之后）。

Due to strong magnetic properties of the offshore magnetic sand deposits the system shows an average detection depth of iron sand ore between Ninety (90) meters depth down to One Hundred Twenty (120) meters depth from the sea crust (after the sea water).

b. 在整个 ***2,959.7515*** 公顷的海上采矿权范围内，高价值磁异常的分布范围相对较广，在整个采矿权区域显示出均匀的磁铁矿矿床。

The distribution range of high value magnetic anomalies within the entire ***2,959.7515*** hectares of the offshore mining properties is relatively wide range and showing homogenous magnetite iron deposits on the entire mining claim area.

II. 由于所探测到的平均深度为 120 米的磁铁矿-铁砂矿床具有上述同质特征，我们的初步资源量估算是根据既定的国际标准进行技术计算的，并规定了如下的安全裕度：

Due to the aforestated homogenous character of the detected magnetite iron sand ore deposit down to an average depth of 120 meters, our Preliminary Resource Estimate is hereto technically computed in accordance to the established international standard with provisions for margin of safety as follows:

a.) 根据 2,959.7515 公顷磁铁矿深度为 90 米（保守）的磁铁矿砂矿床的同质特征测量的矿产资源量。

Measured Mineral Resource based on homogenous character of magnetite iron sand deposit within the 2,959.7515 hectares at a magnetite iron depth of 90 meters (conservative).

b.) 2,959.7515 x 10,000 每米/公顷=29,597,515 平方米

29,597,515 x 90 米 磁铁矿检测=2,663,776,350 立方米

2,959.7515 x 10,000 per meters per hectares = 29,597,515 square meter
29,597,515 x 90 meters magnetite iron detection = 2,663,776,350 cubic meters

c.) 采用保守的 8%可回收和可升级磁铁矿后的初步资源估算（初步分离、洗涤和干燥过程后的国际标准净回收率在 8%至 12%之间。

The Preliminary Resource Estimate after applying a Conservative 8% net Recoverable and upgradeable Magnetite Iron (The international standard net recovery after preliminary separation, washing and drying process is between 8% to 12%.

2,663,776,350 立方米 x 8% = *213,102,108* 立方米 可升级磁铁矿

2,663,776,350 cubic meters x 8% = 213,102,108 cubic meters of upgradable magnetite iron

经过磁性分离和干燥的纯铁的比重为 3.773，代表磁性精矿。这是根据 2014 年 12 月 3 日编号为 MRS. 2014-28 的实验室，根据从卡加延贡扎加的 JDVC 海上矿场采集的提交样本，所述实验室测试作为附件 1，根据历史参考。

The Specific Gravity of Pure Iron as Magnetically separated and dried is 3.773 representing Magnetic Concentrate. This is per lab No. MRS. 2014-28 dated 3 December 2014 as per Submitted Sample taken from JDVC Offshore Mine site in Gonzaga, Cagayan, said Laboratory Test is hereto attached as EXHIBIT 1, as per historical reference.

213,102,108 立方米 x 3.773 = *804,034,253* 吨

因此，该特定海上矿区的磁铁矿纯铁资源量初步估算为= *804,034,253* 吨。

213,102,108 cubic meters x 3.773 = 804,034,253 TONS

Therefore, the Preliminary Resource Estimate of Magnetite Iron Pure is 804,034,253 TONS for this specific offshore mining tenement area.

Shi Zhifang (施志芳)

Date: _____

EXHIBIT 1

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
North Avenue, Diliman, Quezon City, Philippines
Tel. No. (+63 2) 920-9120 / 920-9130 / 928-8937 Fax No. (+63 2) 920-1635 Email: central@mgb.gov.ph

RESULTS OF METALLURGICAL TEST/S
(NOT VALID FOR PROMOTION PURPOSES)

3 December 2014

Lab. No. MRS-2014-28

One (1) magnetite sand sample for Specific Gravity and Magnetic Separation tests.

Submitted by : **JDVC RESOURCES CORPORATION c/o JOSEPH BARCE**
No. 33 Times St. West Triangle, Quezon City

Results : (AS RECEIVED BASIS)

Test Conducted

A. Magnetic Separation

Percent magnetic, %	26.66
Percent non-magnetic, %	73.34
Total	100.00

B. Specific Gravity of magnetic concentrate 3.773

Charge : ₱ 750.00

O.R. #: 3941658
Date : 1 December 2014

Noted:

BY AUTHORITY OF THE DIRECTOR OF MINES AND GEOSCIENCES BUREAU:

JUANCHO PABLO S. CALVEZ
CHIEF, METALLURGICAL TECHNOLOGY DIVISION

BY:

REY V. PERUCHO
CHIEF, METALLURGICAL RESEARCH SECTION

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE"

Shi Zhifang (施志芳)

地址：中国甘肃省兰州市中高区 301 号燕南路 1428 号
Address: Yannan Road 1428, No. 301 Chunggaun Dist, Lanzhou City, Gansu Province, China

- 上海冶金学院选矿工程学士（原上海交通大学）
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- 中共中央党校工商管理学院经济学硕士
  Master of Economics, College of Business Administration, Party School of CCP Central Committee, PRC

日期(Date): _____

初步勘探和初步资源估算的证明

CERTIFICATION OF PRELIMINARY EXPLORATION & PRELIMINARY RESOURCE ESTIMATES

敬启者:

To whom this may concern:

I. 兹证明，我已亲自监督了位于 ***Bangul, Burgos, Pagudpud*** of ***Ilocos Norte*** 镇的海上磁铁矿开采项目的初步勘探工作，根据第 ***012-I*** 号 AFTAA，由中国大陆的一位高技能技术专家通过高精度磁铁矿定位仪测量，为 ***PANGASINAN FERRO RESOURCES CORPORATION***, 提供总面积为 ***2,029.7612*** 公顷的初步勘探服务。

This is to certify that I have personally supervised the Preliminary Exploration of Offshore Magnetite Iron Mining Project in the towns of ***Bangul, Burgos, Pagudpud*** of ***Ilocos Norte*** Province, under AFTAA NO. ***012-I*** for ***PANGASINAN FERRO RESOURCES CORPORATION*** with a total area of ***2,029.7612*** hectares through the use of High Precision Magnetite Placer Survey and implemented by highly skilled technical expert from Mainland China.

在签字人对上述高技术性海上初步勘探工程的监督下，还观察到以下显著的技术信息：

Under the undersigned's supervision for the above highly technical offshore preliminary exploration works the following notable technical information were also observed:

a. 由于海上磁砂矿床的强磁性，该系统显示出铁砂矿石的平均探测深度在距地壳九十（90）米至一百二十（120）米之间（海水之后）。

Due to strong magnetic properties of the offshore magnetic sand deposits the system shows an average detection depth of iron sand ore between Ninety (90) meters depth down to One Hundred Twenty (120) meters depth from the sea crust (after the sea water).

b. 在整个 ***2,029.7612*** 公顷的海上采矿权范围内，高价值磁异常的分布范围相对较广，在整个采矿权区域显示出均匀的磁铁矿矿床。

The distribution range of high value magnetic anomalies within the entire ***2,029.7612*** hectares of the offshore mining properties is relatively wide range and showing homogenous magnetite iron deposits on the entire mining claim area.

II. 由于所探测到的平均深度为 120 米的磁铁矿-铁砂矿床具有上述同质特征，我们的初步资源量估算是根据既定的国际标准进行技术计算的，并规定了如下的安全裕度：

Due to the aforestated homogenous character of the detected magnetite iron sand ore deposit down to an average depth of 120 meters, our Preliminary Resource Estimate is hereto technically computed in accordance to the established international standard with provisions for margin of safety as follows:

a.) 根据 2,029.7612 公顷磁铁矿深度为 90 米（保守）的磁铁矿砂矿床的同质特征测量的矿产资源量。

Measured Mineral Resource based on homogenous character of magnetite iron sand deposit within the 2,029.7612 hectares at a magnetite iron depth of 90 meters (conservative).

b.) 2,029.7612 x 10,000 每米/公顷=20,297,612 平方米

20,297,612 x 90 米 磁铁矿检测=1,826,785,080 立方米

2,029.7612 x 10,000 per meters per hectares = 20,297,612 square meter
20,297,612 x 90 meters magnetite iron detection = 1,826,785,080 cubic meters

c.) 采用保守的 8%可回收和可升级磁铁矿后的初步资源估算（初步分离、洗涤和干燥过程后的国际标准净回收率在 8%至 12%之间。

The Preliminary Resource Estimate after applying a Conservative 8% net Recoverable and upgradeable Magnetite Iron (The international standard net recovery after preliminary separation, washing and drying process is between 8% to 12%.

1,830,654,720 立方米 x 8% = *146,142,806* 立方米 可升级磁铁矿

1,826,785,080 cubic meters x 8% = 146,142,806 cubic meters of upgradable magnetite iron

经过磁性分离和干燥的纯铁的比重为 3.773，代表磁性精矿。这是根据 2014 年 12 月 3 日编号为 MRS. 2014-28 的实验室，根据从卡加延贡扎加的 JDVC 海上矿场采集的提交样本，所述实验室测试作为附件 1，根据历史参考。

The Specific Gravity of Pure Iron as Magnetically separated and dried is 3.773 representing Magnetic Concentrate. This is per lab No. MRS. 2014-28 dated 3 December 2014 as per Submitted Sample taken from JDVC Offshore Mine site in Gonzaga, Cagayan, said Laboratory Test is hereto attached as EXHIBIT 1, as per historical reference.

146,142,806 立方米 x 3.773 = *551,396,808* 吨

因此，该特定海上矿区的磁铁矿纯铁资源量初步估算为= *551,396,808* 吨。

146,142,806 cubic meters x 3.773 = 551,396,808 TONS

Therefore, the Preliminary Resource Estimate of Magnetite Iron Pure is 551,396,808 TONS for this specific offshore mining tenement area.

Shi Zhifang (施志芳)

Date: _____

EXHIBIT 1

Republic of the Philippines
Department of Environment and Natural Resources
MINES AND GEOSCIENCES BUREAU
North Avenue, Diliman, Quezon City, Philippines
Tel. No. (+63 2) 920-9120 / 920-9130 / 928-8937 Fax No. (+63 2) 920-1635 Email: central@mgb.gov.ph

RESULTS OF METALLURGICAL TEST/S
(NOT VALID FOR PROMOTION PURPOSES)

3 December 2014

Lab. No. MRS-2014-28

One (1) magnetite sand sample for Specific Gravity and Magnetic Separation tests.

Submitted by : **JDVC RESOURCES CORPORATION c/o JOSEPH BARCE**
No. 33 Times St. West Triangle, Quezon City

Results : (AS RECEIVED BASIS)

Test Conducted

A. Magnetic Separation

Percent magnetic, %	26.66
Percent non-magnetic, %	73.34
Total	100.00

B. Specific Gravity of magnetic concentrate 3.773

Charge : ₱ 750.00

O.R. #: 3941658
Date : 1 December 2014

Noted:

BY AUTHORITY OF THE DIRECTOR OF MINES AND GEOSCIENCES BUREAU:

JUANCHO PABLO S. CALVEZ
CHIEF, METALLURGICAL TECHNOLOGY DIVISION

BY:

REY V. PERUCHO
CHIEF, METALLURGICAL RESEARCH SECTION

"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE"

Shi Zhifang (施志芳)

Education/ Professional Qualifications:	Bachelor of Mineral Processing Engineering, Shanghai College of Metallurgy (Former of Shanghai Jiatong University) Master of Economics, College of Business Administration, Party School of CCP Central Committee, PRC

Relevant Mining/Processing Experiences:

Year	Type of Minerals	Detailed Job Description	Geographical Location	Method of Extractions	Onshore/ Offshore	Relevancy
1982 - 1998	Iron Ore	Started as a Supervisor and was gradually promoted to the position of General Manager at Lanzhou Steel Plant. He was responsible for overseeing the overall management of steel production and daily operation of the steel plant.	Lanzhou, China	-	-	Steel plant is the major user of iron metal. As steel is an alloy that consists mostly of iron and has a slight portion of carbon content, steel production incurs melting of iron and reprocessing to reduce the carbon to the correct amount. Knowledge on the specifications and requirements of iron ore is accumulated from his experience in the steel plant operation and steel production.
1998 – 2003	Iron Ore	Mr. Shi started his own business Gansu Zhiwei Materials Co., Ltd., which engaged in trading of refined iron ores	Gansu Province, China	-	-	While trading iron ores, Mr. Shi acquired deeper understanding to all kinds of iron ores, especially the iron sand ores. Mr. Shi's contacts ensure a ready sales channel for the iron ore products.
2003 - 2009	Iron Ore	Mr. Shi built his own iron ores processing plant to process & upgrade low grade iron sand (10% Fe) to sellable grade of (>60% Fe).	Qinghe County, Altay Sub-region, Xinjiang Uygur Autonomous Region	Open-pit mining	Onshore	Through his experience in running his own processing plant & his know-how in upgrading iron ore content, Mr. Shi could help to optimize the value of iron sand extracted from the Philippines. Iron sand was extracted by open-pit mining method. Open-pit mining refers to a method of extracting rock or minerals from the earth by their removal from an open pit, which was very similar to the extraction method in the mining of iron sand by Altamina. As mentioned in our reply to your comment numbered 2, in view of (i) the nature of "easy-to-extract" mining method for the extraction of iron sand by Altmaina; (ii) similarity in the onshore and offshore extraction performed by Altamina; and (iii) no

						differentiation in the mining of iron sand among different geological locations, the management considers Mr. Shi possess sufficient relevant industry experience.
2009 – 2010	Iron Ore	Project leader at Altamina Exploration & Resources Inc. leading the geological prospecting & core drilling for iron sand ores	Philippines	-	-	With his experience in iron ore processing & trading, Mr. Shi led the prospecting team to investigate the iron sand resources at the Philippines & found the iron sand is of sellable quality in China market.
2010 - now	Iron Ore	General Manager at Altamina Exploration & Resources Inc. in charge of the project operation	Philippines	Excavation & Dredging (to be commenced)	Onshore & Offshore	With over 8 years of experience running his own iron ore extraction & processing plant, Mr. Shi has the management skill, technical know-how & sales channels to make Altamina's operation efficient, successful & profitable.

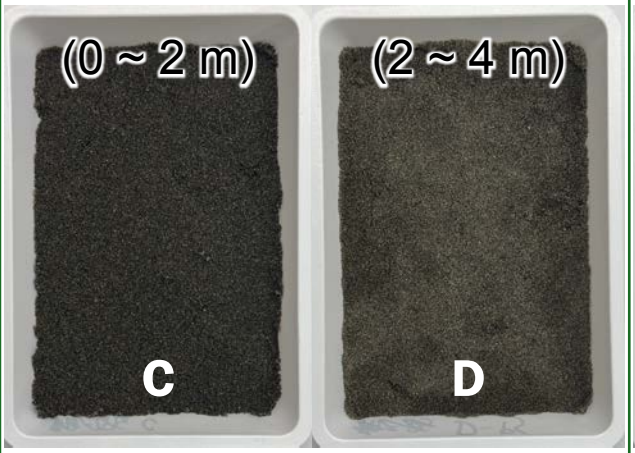
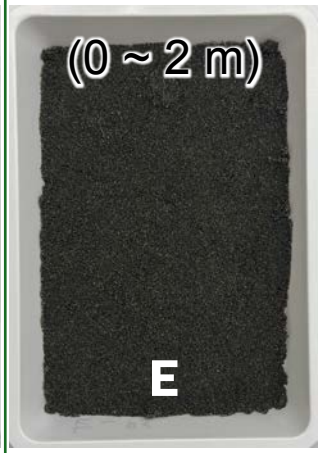
HOKKAIDO UNIVERSITY

Philippine Beach Sand: Preliminary Characterization and Magnetic Separation

北海道大学　資源再生工学研究室

–伊藤、パク、坂西、杉浦、Dayle–

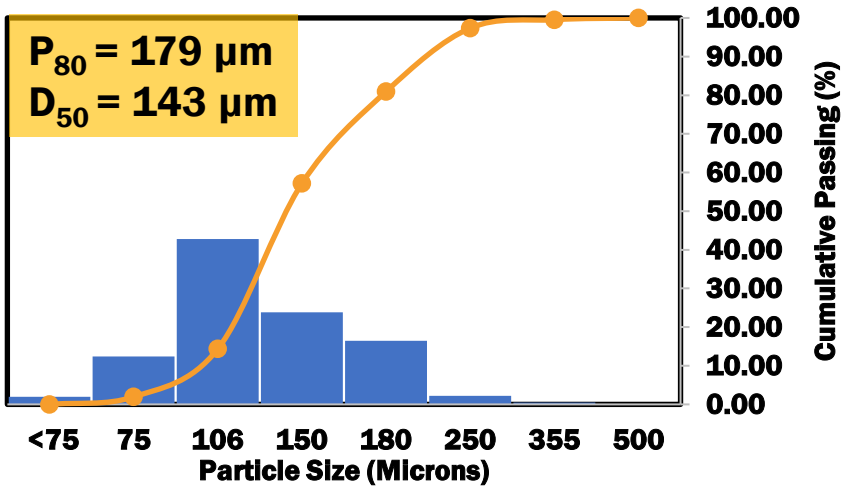
Beach Sand Samples Characterization

LABRADOR	SAN FABIAN	LINGAYEN
(0 ~ 2 m) (2 ~ 4 m)		 (2 ~ 3 m)

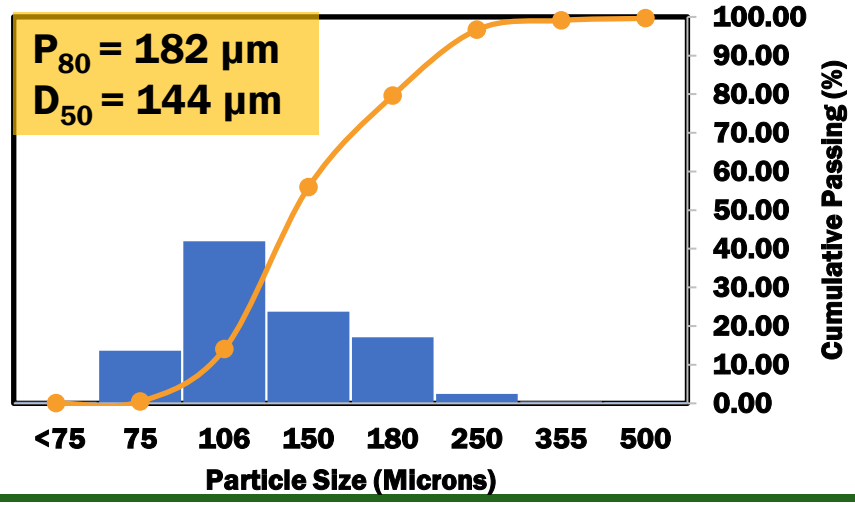
Particle Size Analysis、XRF Analysis、XRD Analysis

LABRADOR (A–B)
Particle Size Distribution & Elemental Composition

(0–2m)



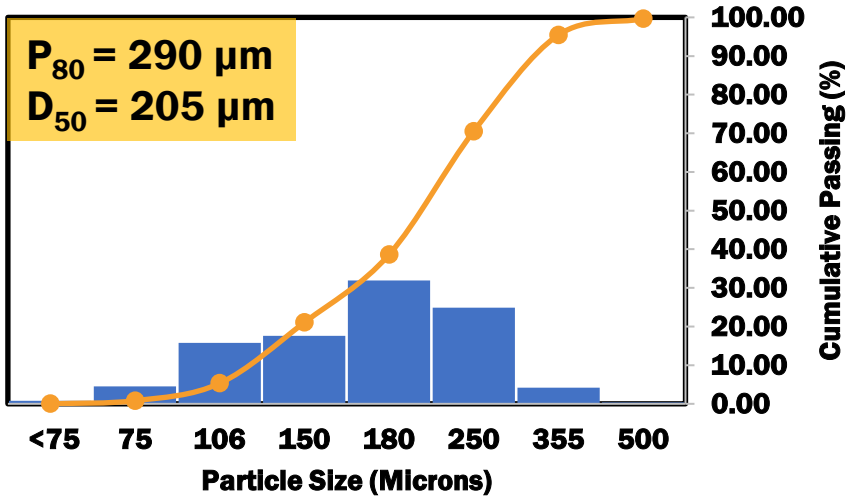
(2–4m)



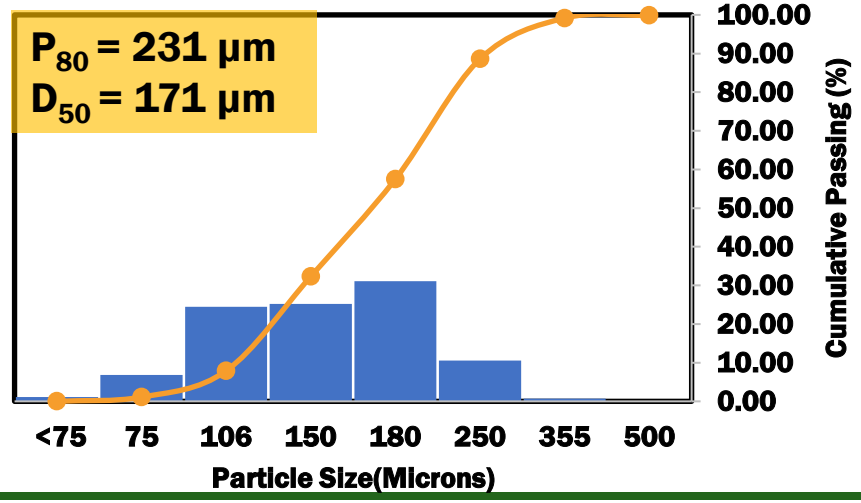
SAN FABIAN (C–D)

Particle Size Distribution & Elemental Composition

(0–2m)

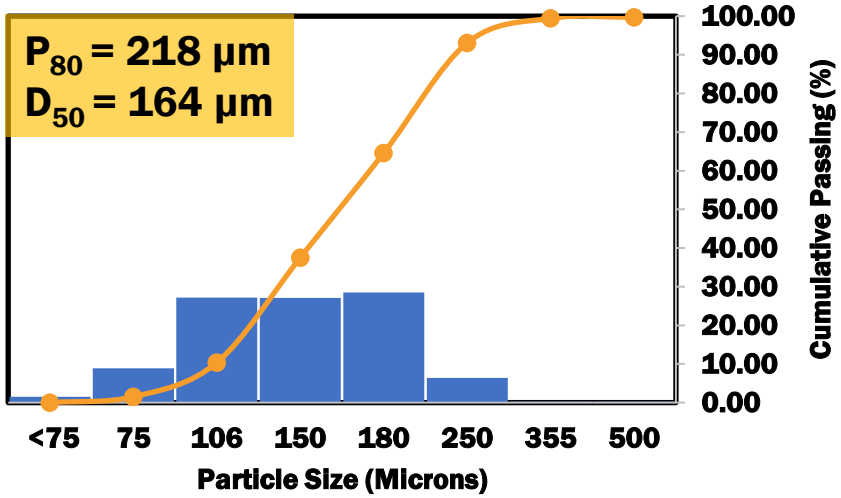


(2–4m)

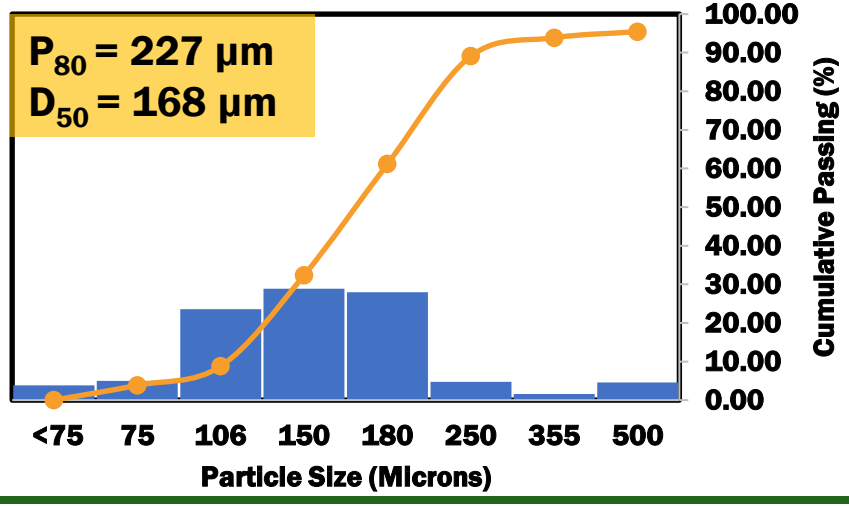


LINGAYEN (E–F)
Particle Size Distribution & Elemental Composition

(0–2m)



(2–3m)



Magnetic Separation: Methodology

Sample (A~F)

MAGNETIC SEPARATION (1.7T)

Not Attached → Non-mag

Attached

MAGNETIC SEPARATION (0.9T)

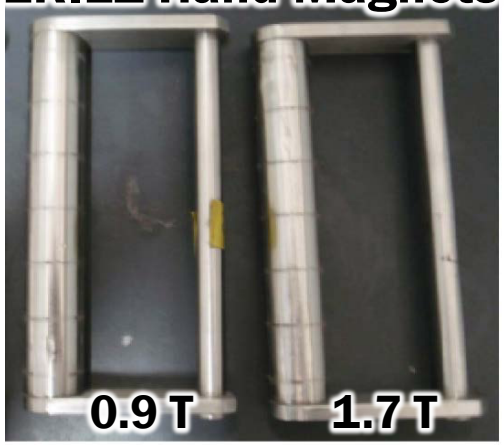
Not Attached → 1.7 T Mag

Attached

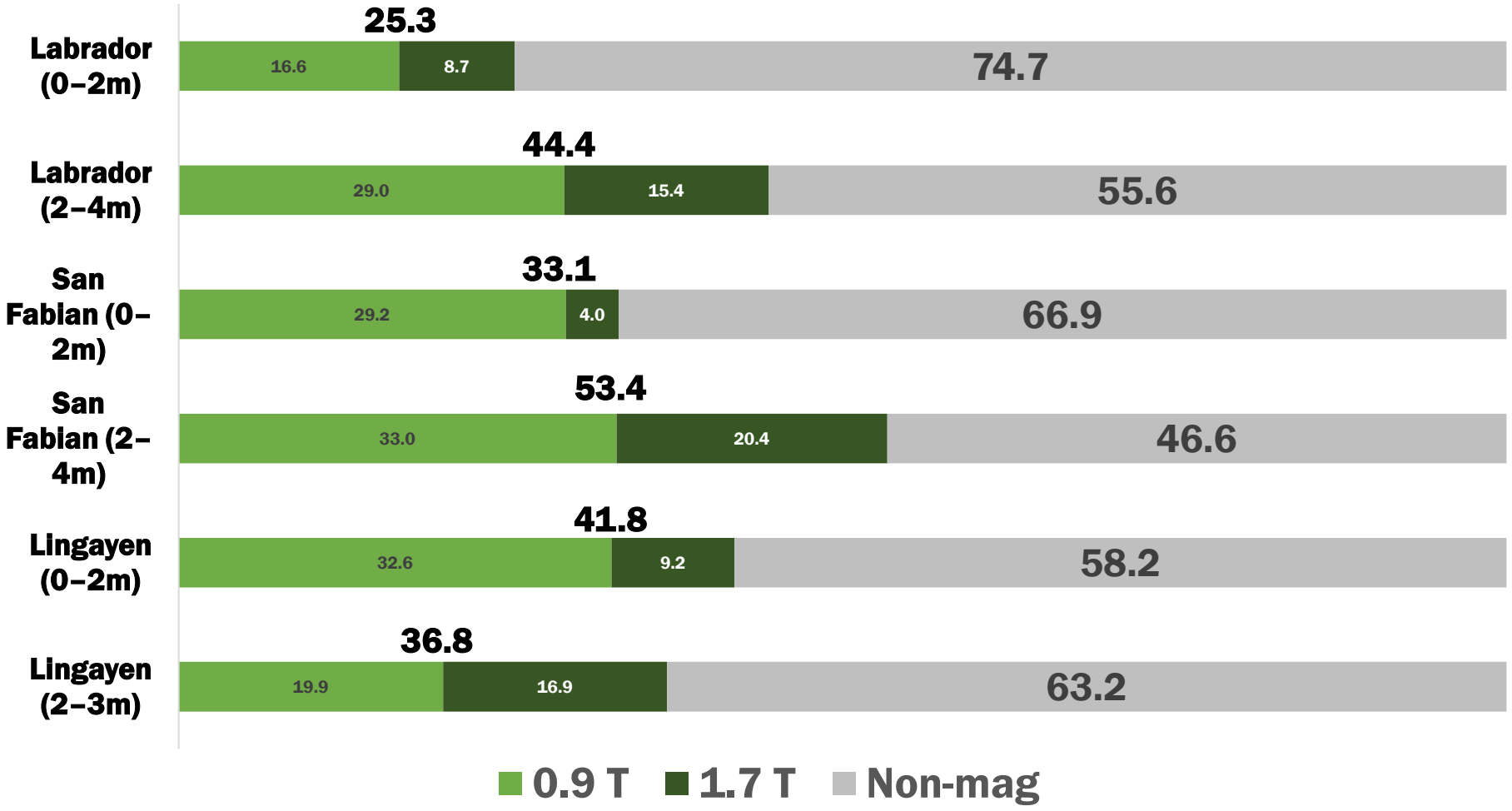
0.9 T Mag

Weighing → XRF Analysis

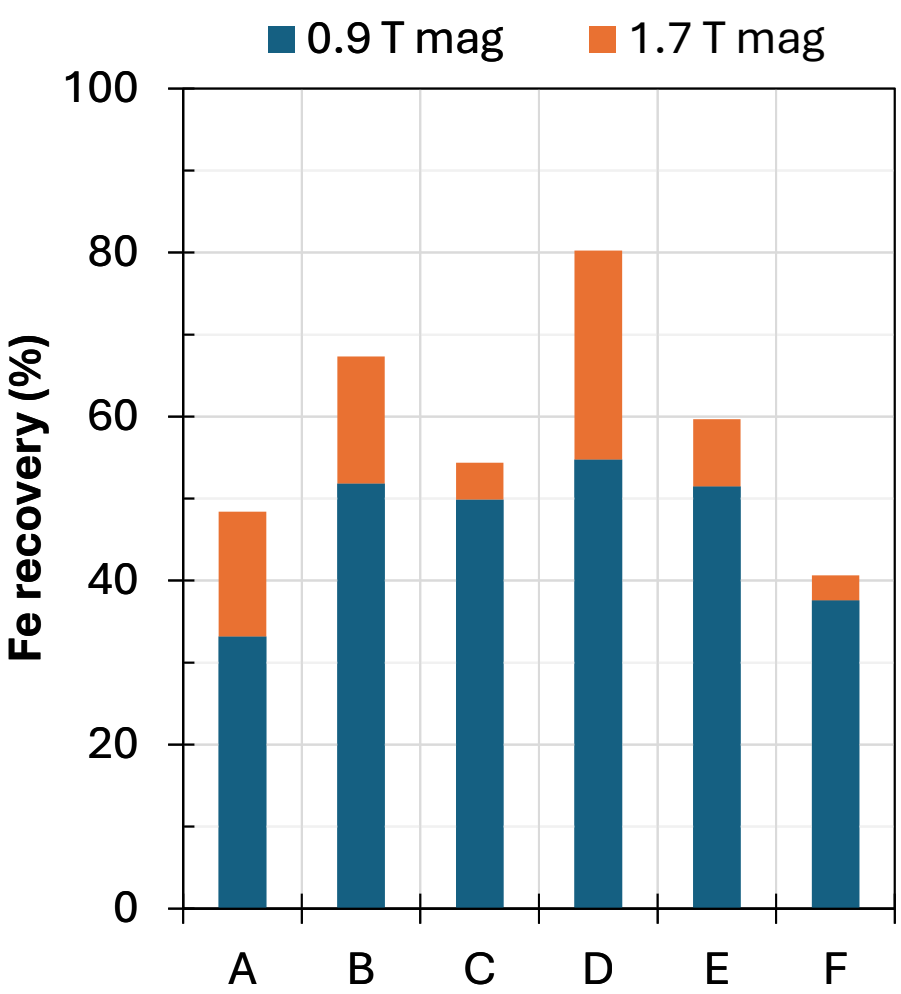
ERIEZ Hand Magnets

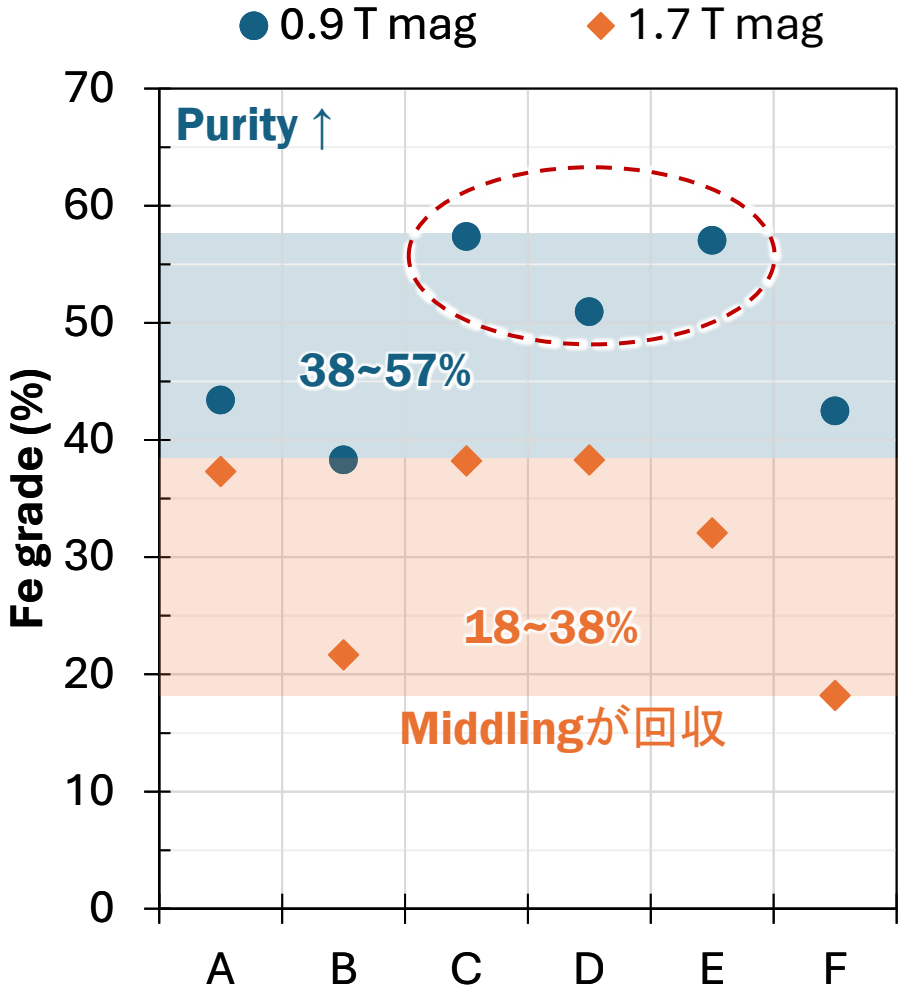


Magnetic Separation: Results

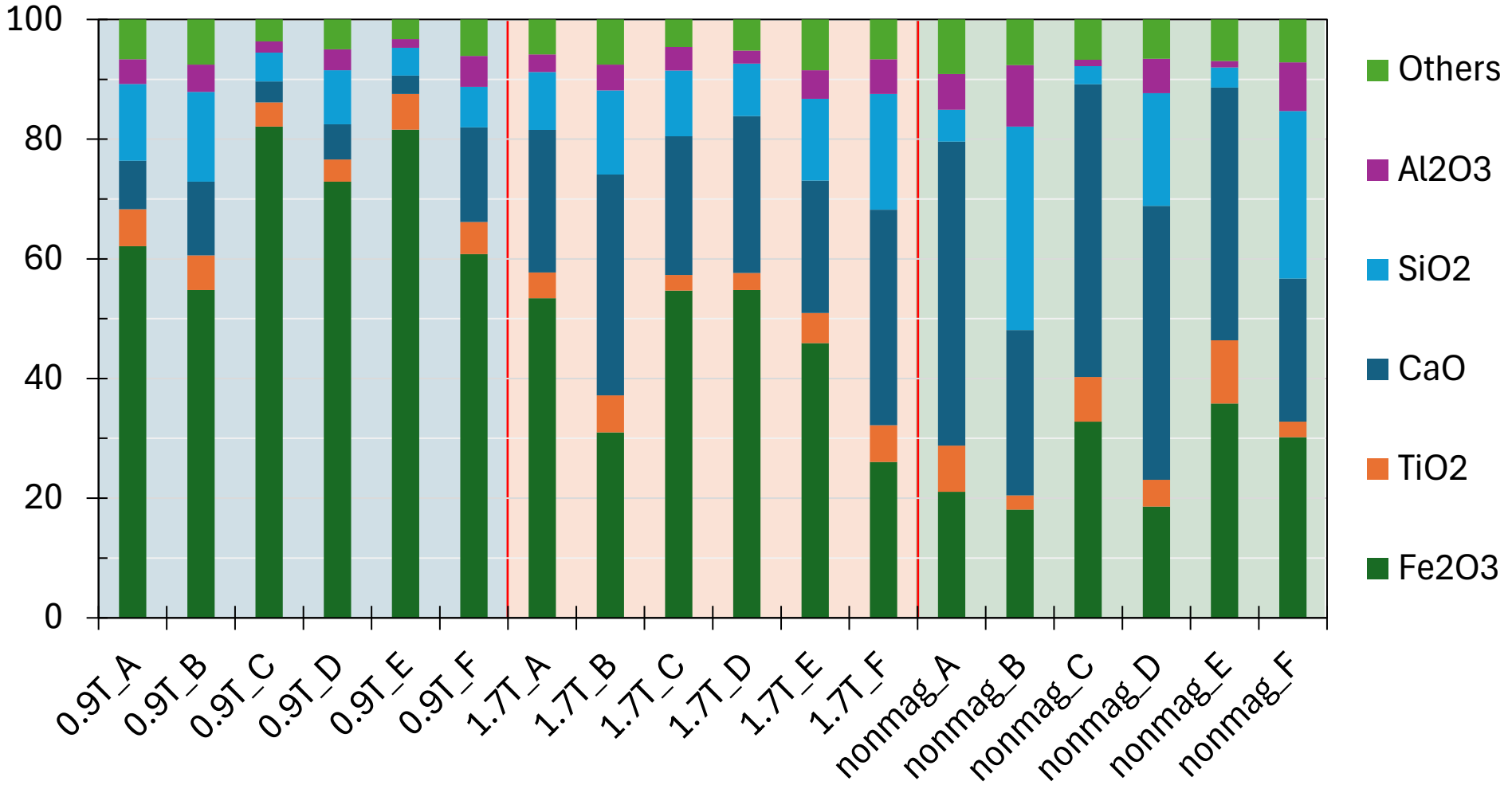


Magnetic Separation: Results



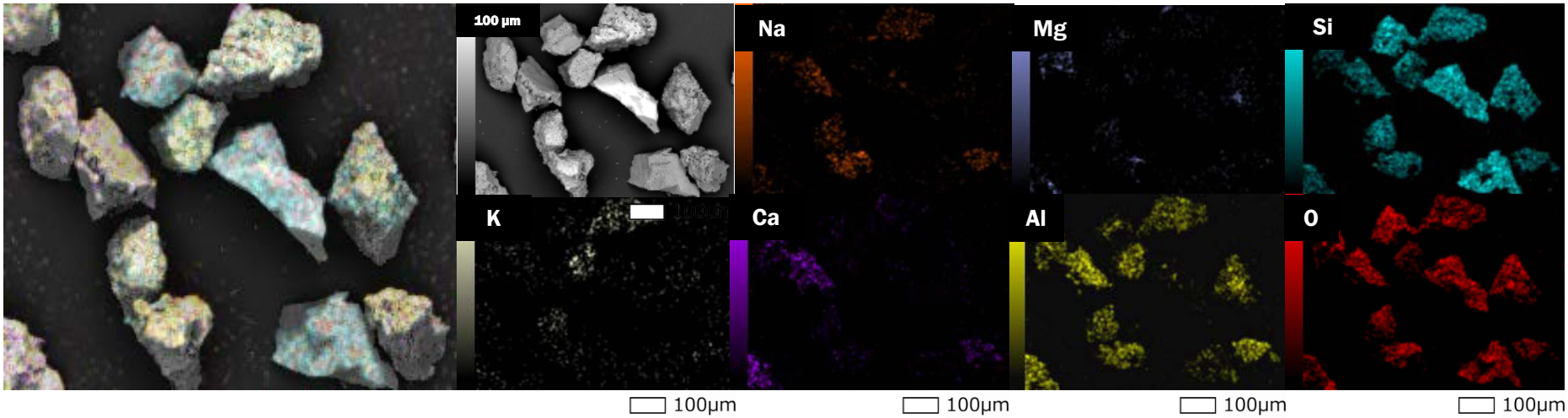


Magnetic Separation: Results



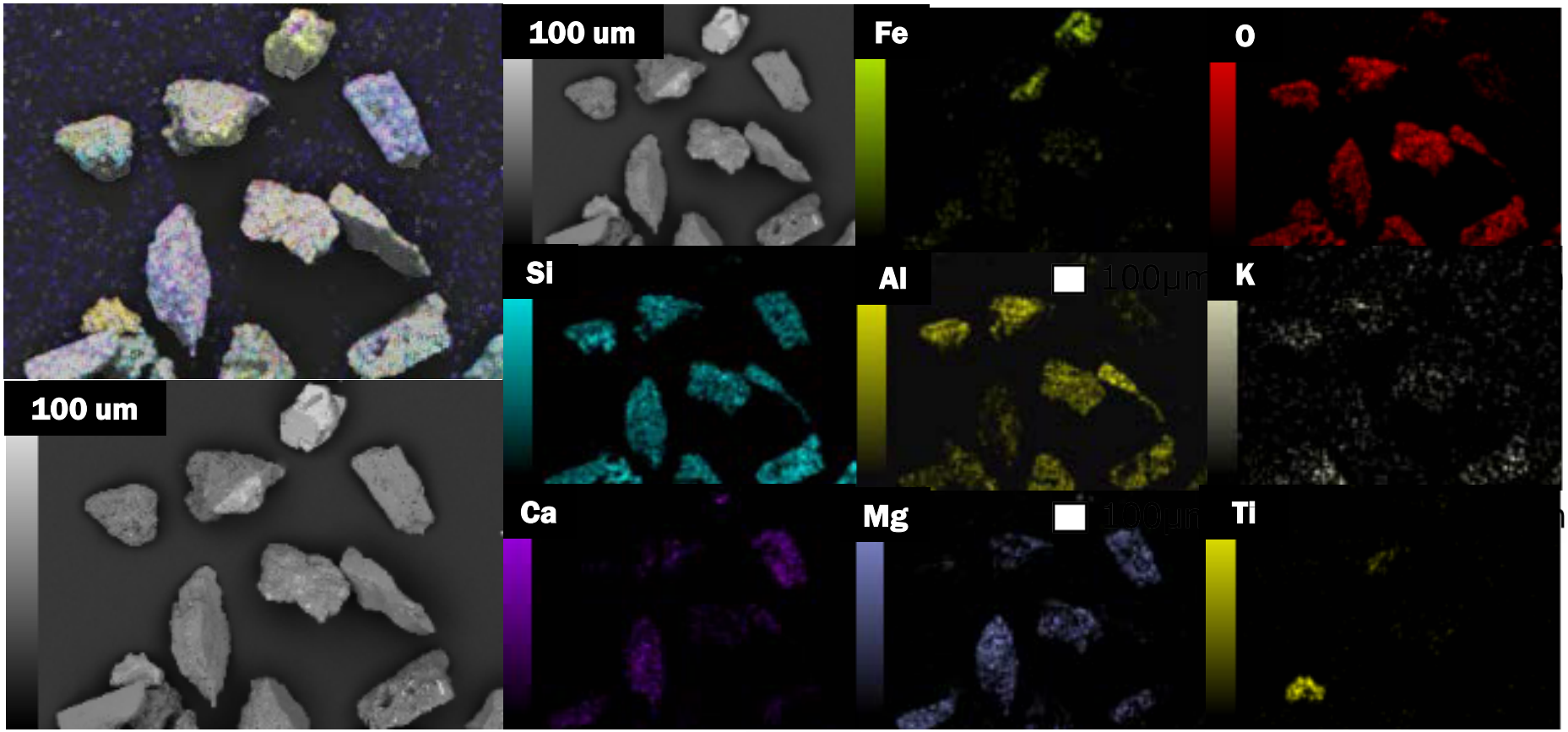
LABRADOR (B)
SEM-EDS Analysis

Non-magnetic



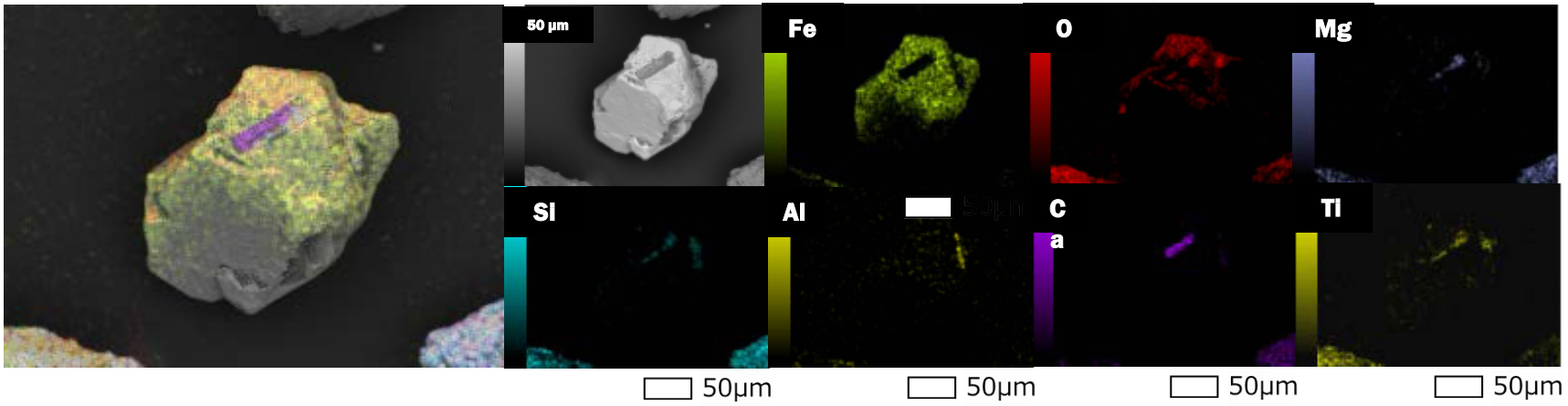
LABRADOR (B)
SEM-EDS Analysis

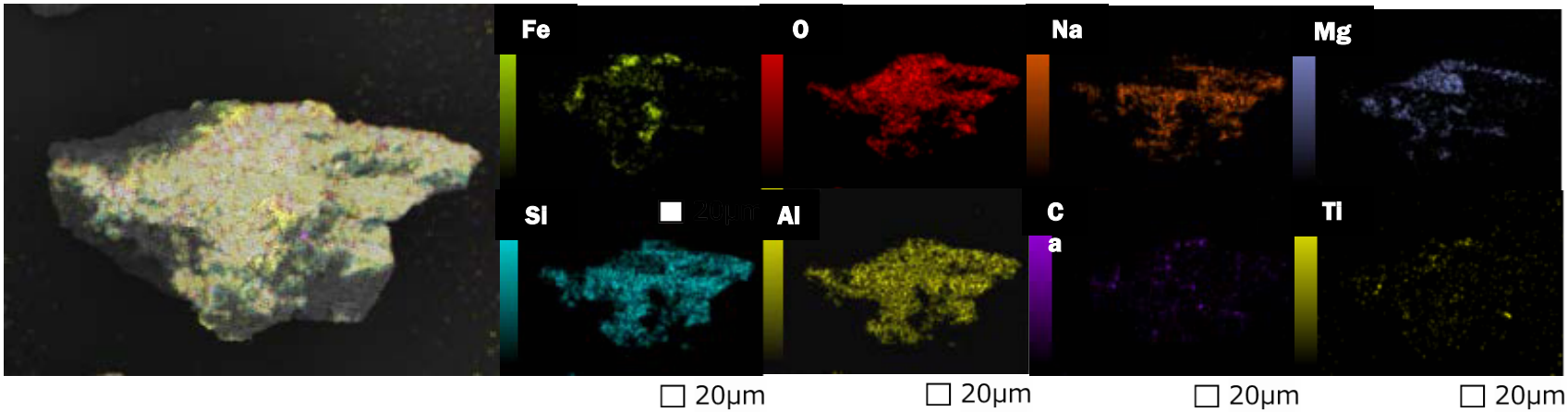
0.9T Magnetic



LABRADOR (B)
SEM-EDS Analysis

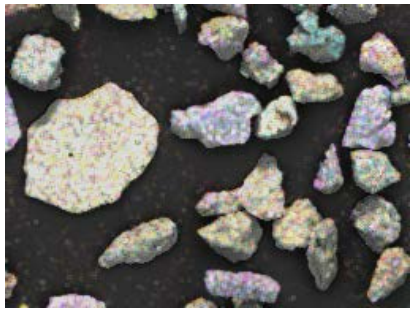
0.9T Magnetic

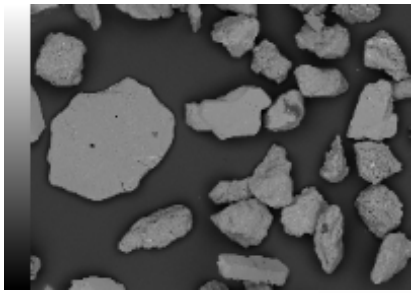




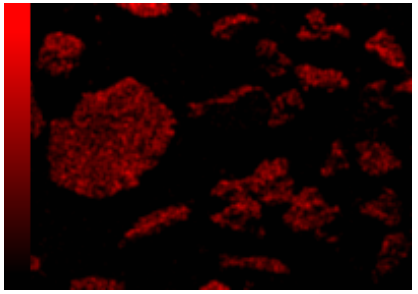
LABRADOR (B)
SEM-EDS Analysis

1.7T
Magnetic



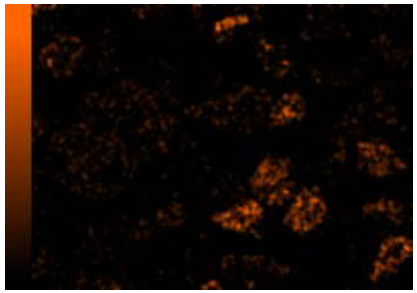


O-K

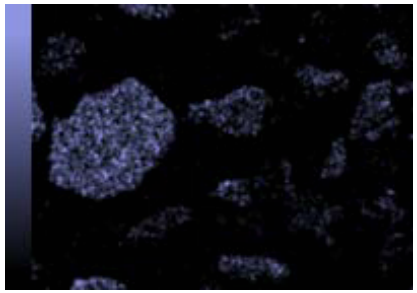


200μm

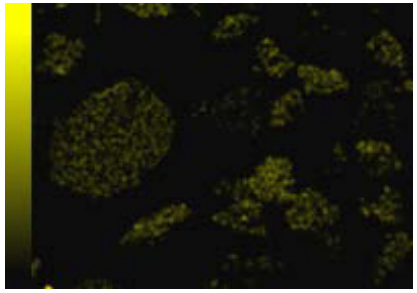
Na-K



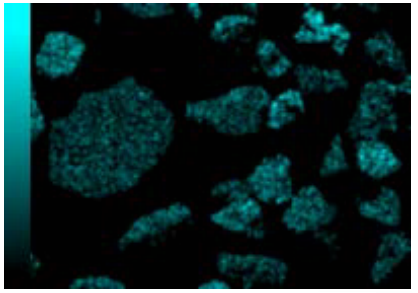
Mg-K



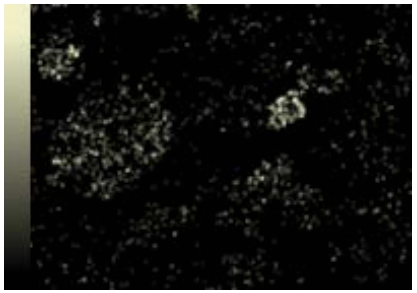
Al-K



Si-K

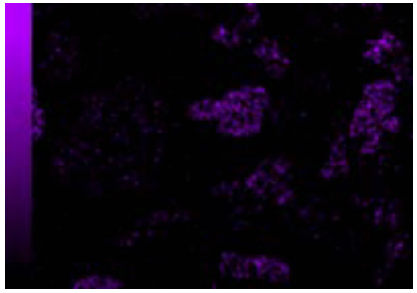


K-K



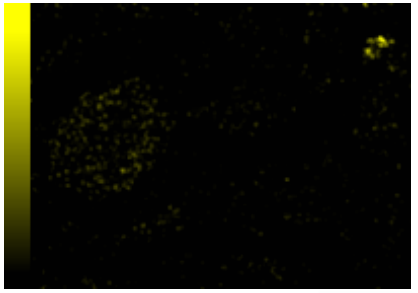
200μm

Ca-K



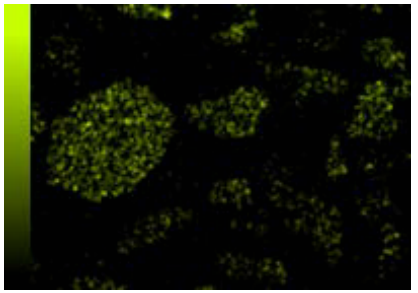
200μm

Ti-K



200μm

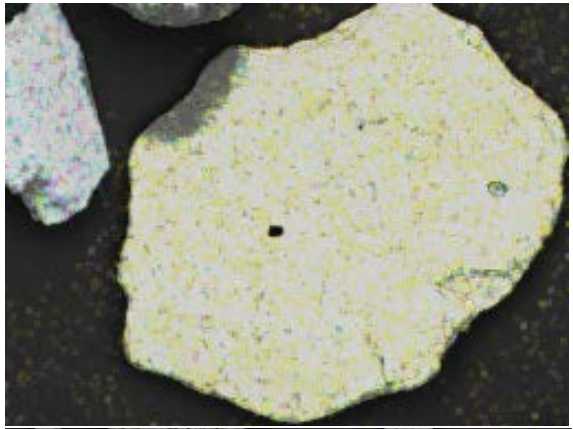
Fe-K

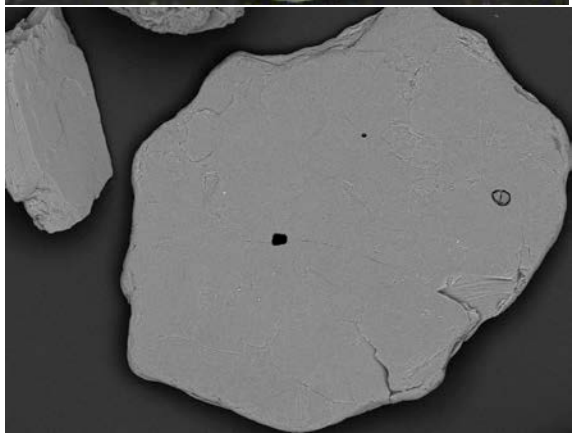


200μm

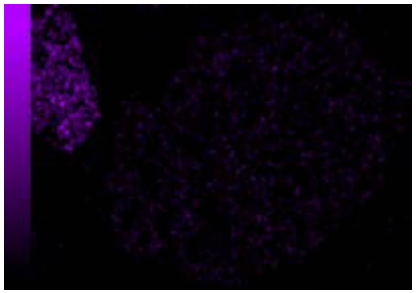
LABRADOR (B)
SEM-EDS Analysis

1.7T Magnetic



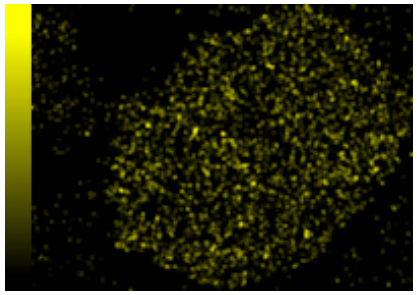


Ca-K



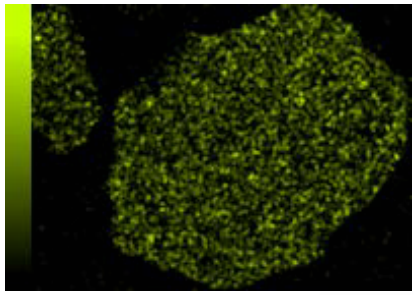
100μm

Ti-K



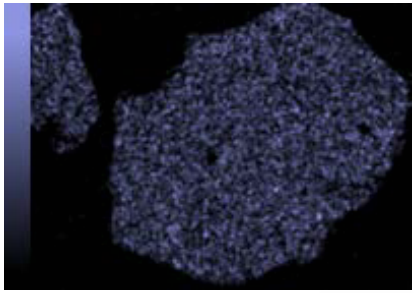
100μm

Fe-K

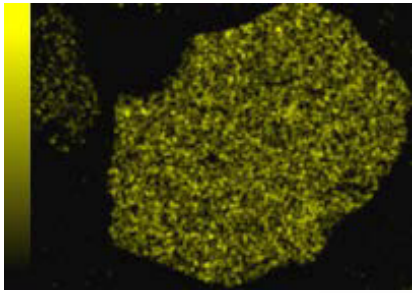


100μm

Mg-K

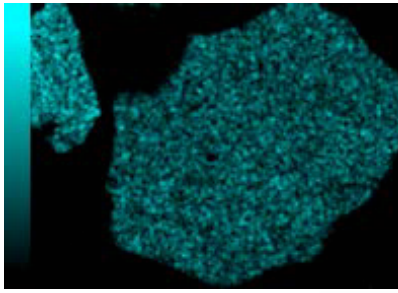


Al-K



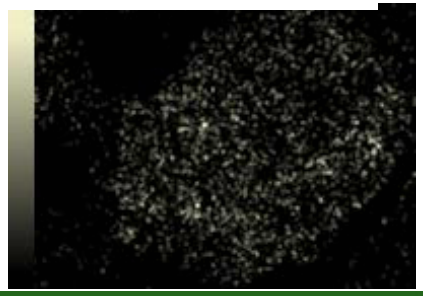
100μm

Si-K



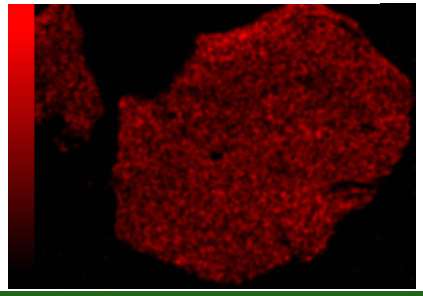
100μm

K-K



100μm

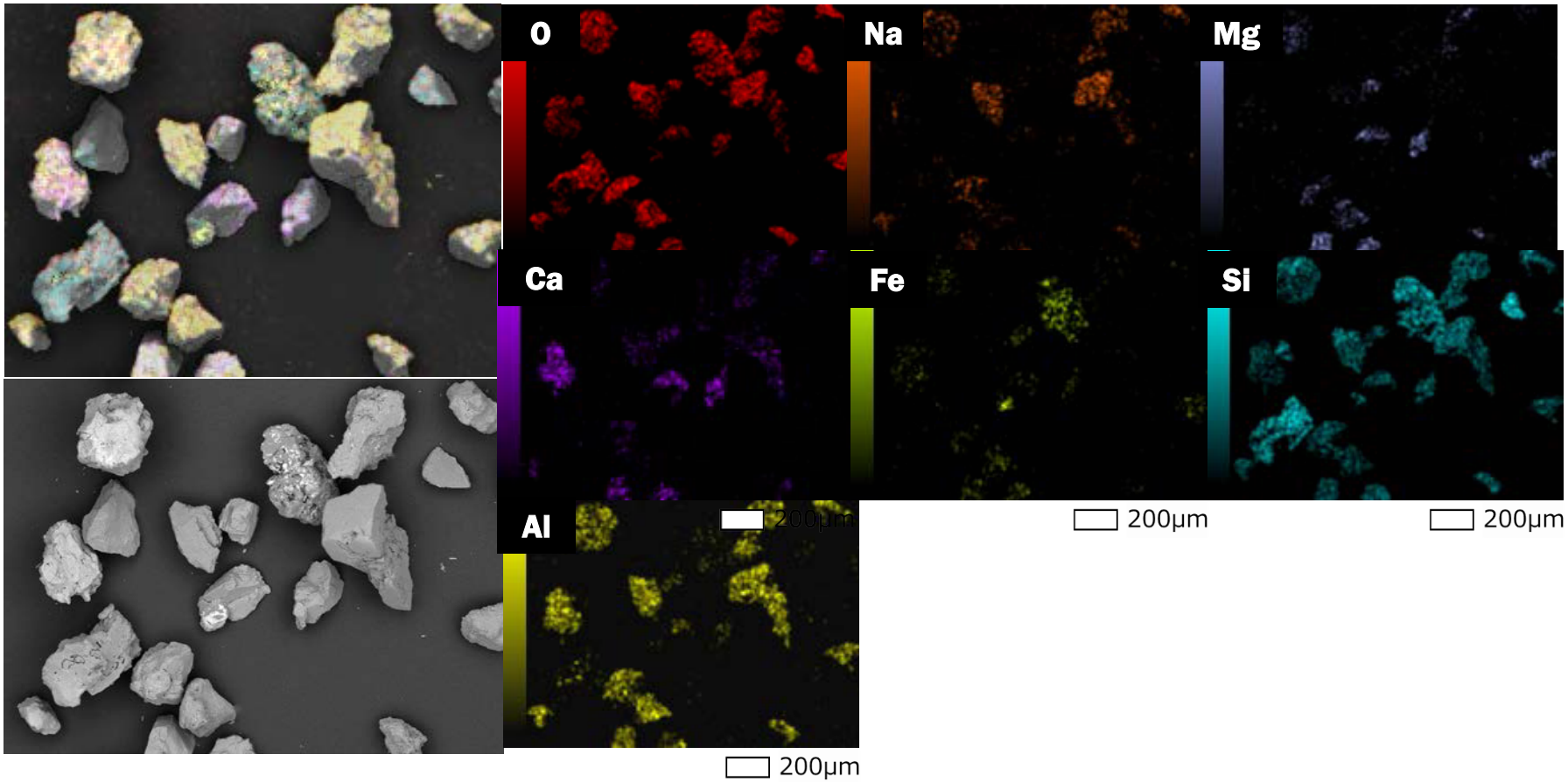
O-K



100μm

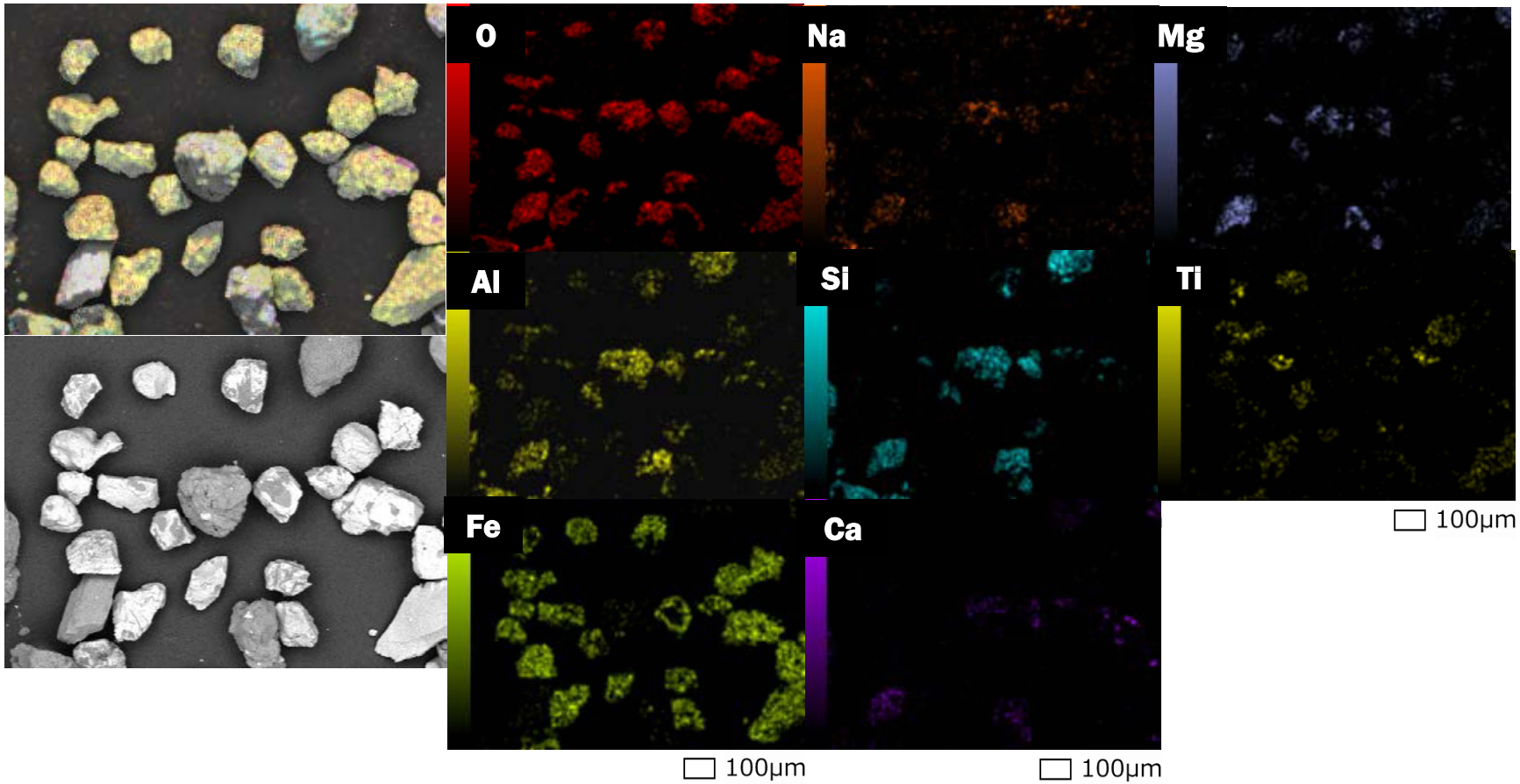
San Fabian (C)
SEM-EDS Analysis

Non-magnetic



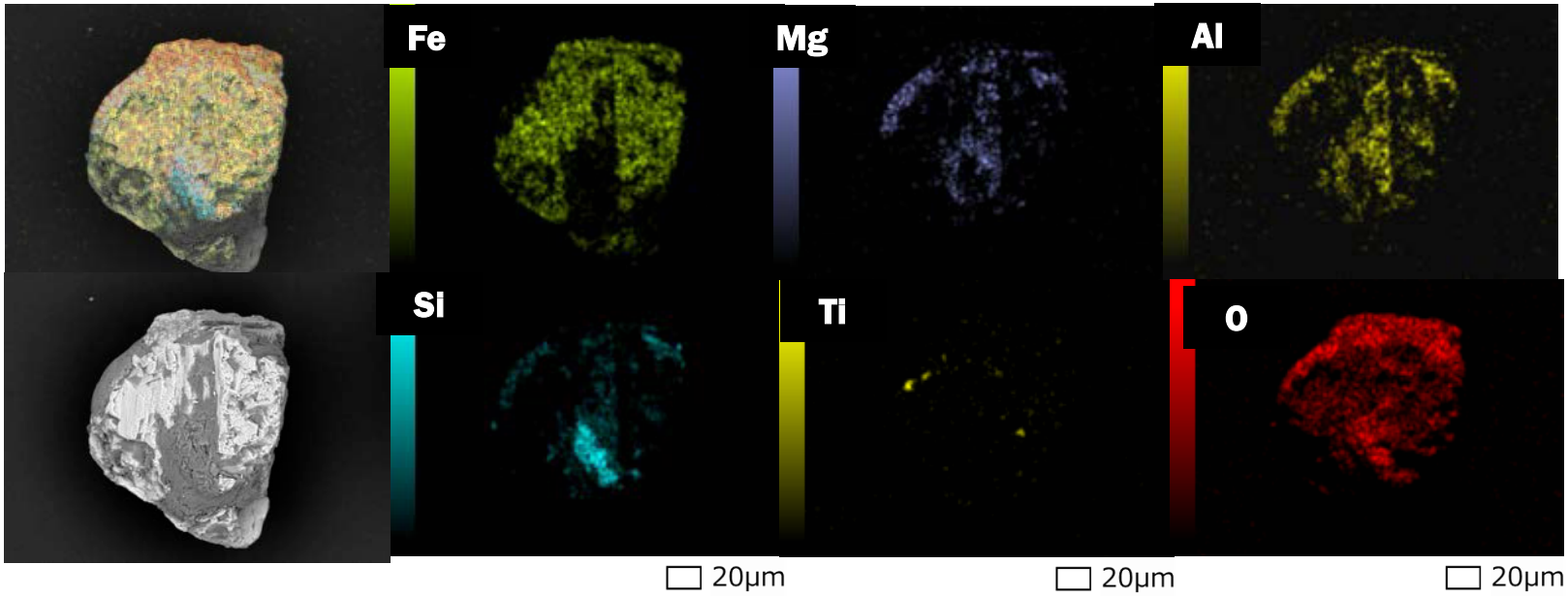
San Fabian (C)
SEM-EDS Analysis

0.9T Magnetic



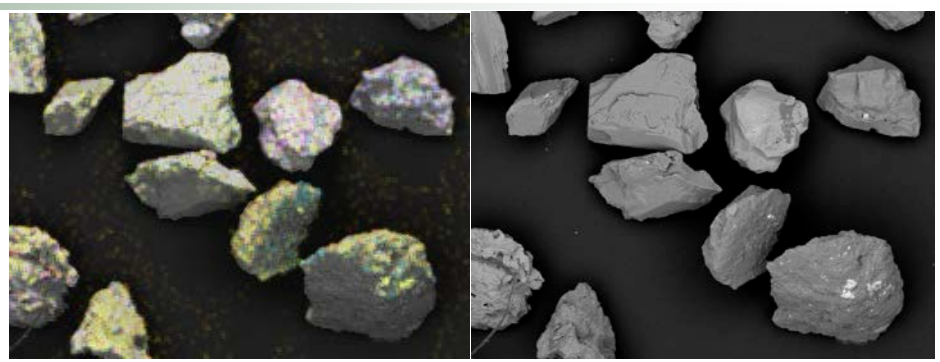
San Fabian (C)
SEM-EDS Analysis

0.9T Magnetic

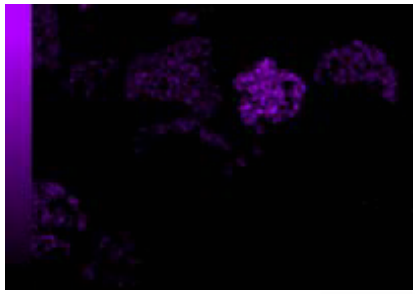


San Fabian (C)
SEM-EDS Analysis

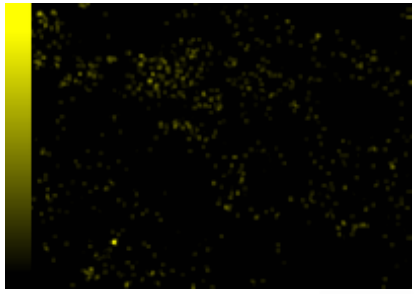
1.7T Magnetic



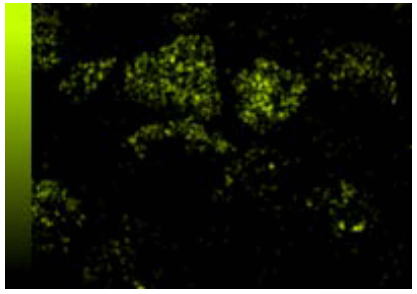
Ca-K



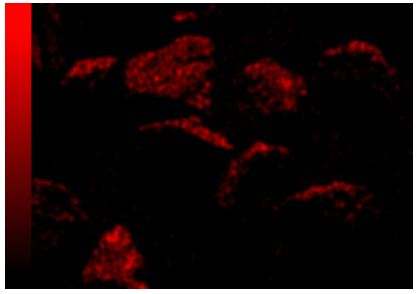
Ti-K



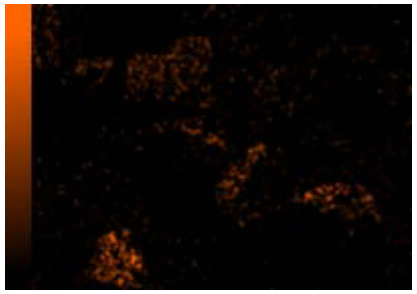
Fe-K



O-K

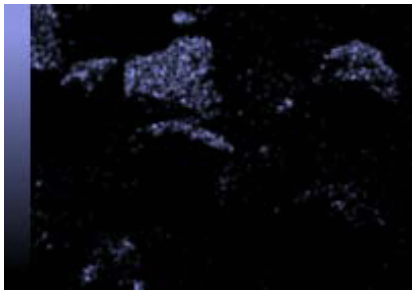


Na-K



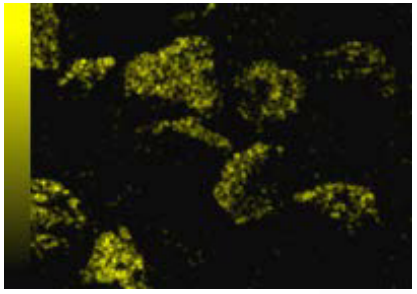
200μm

Mg-K



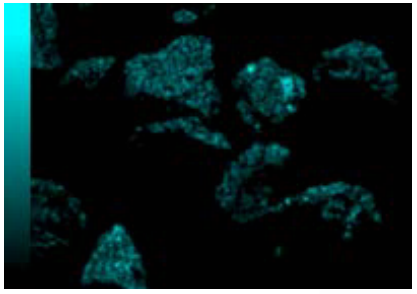
200μm

Al-K



200μm

Si-K



μm

200μm

200μm

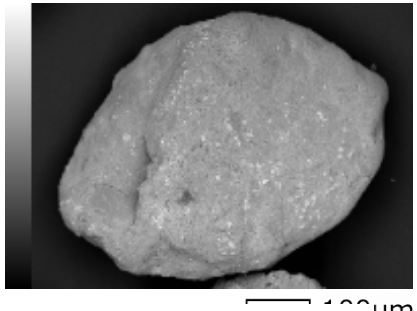
200μm

200μm

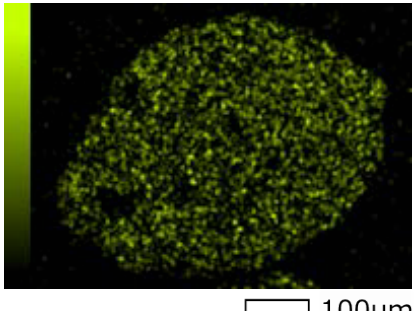
San Fabian (C)
SEM-EDS Analysis

1.7T Magnetic



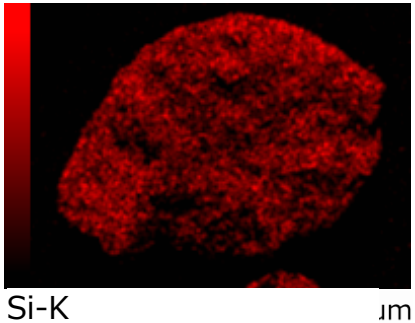


Fe-K

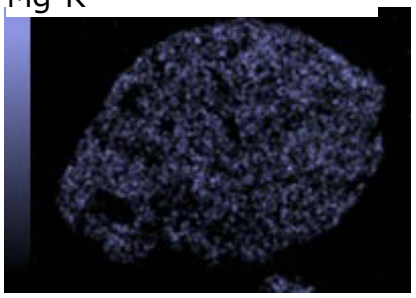


100μm

O-K

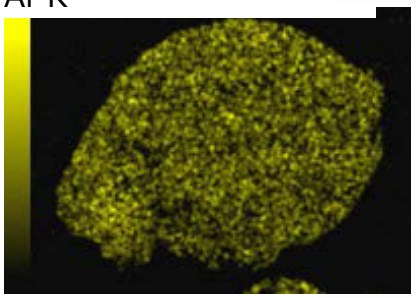


Mg-K



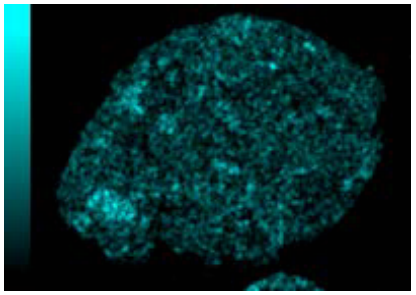
100μm

Al-K

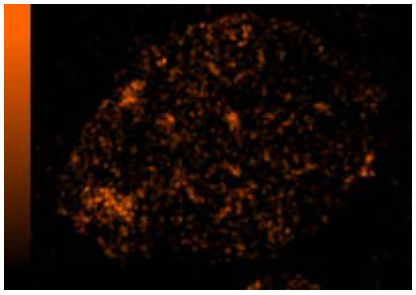


100μm

Si-K

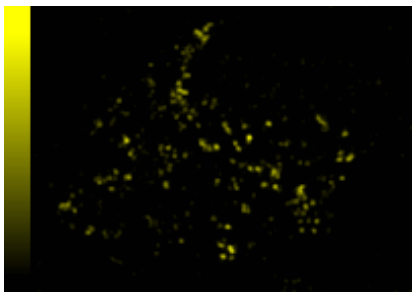


Na-K



100μm

Ti-K



100μm

Discussion

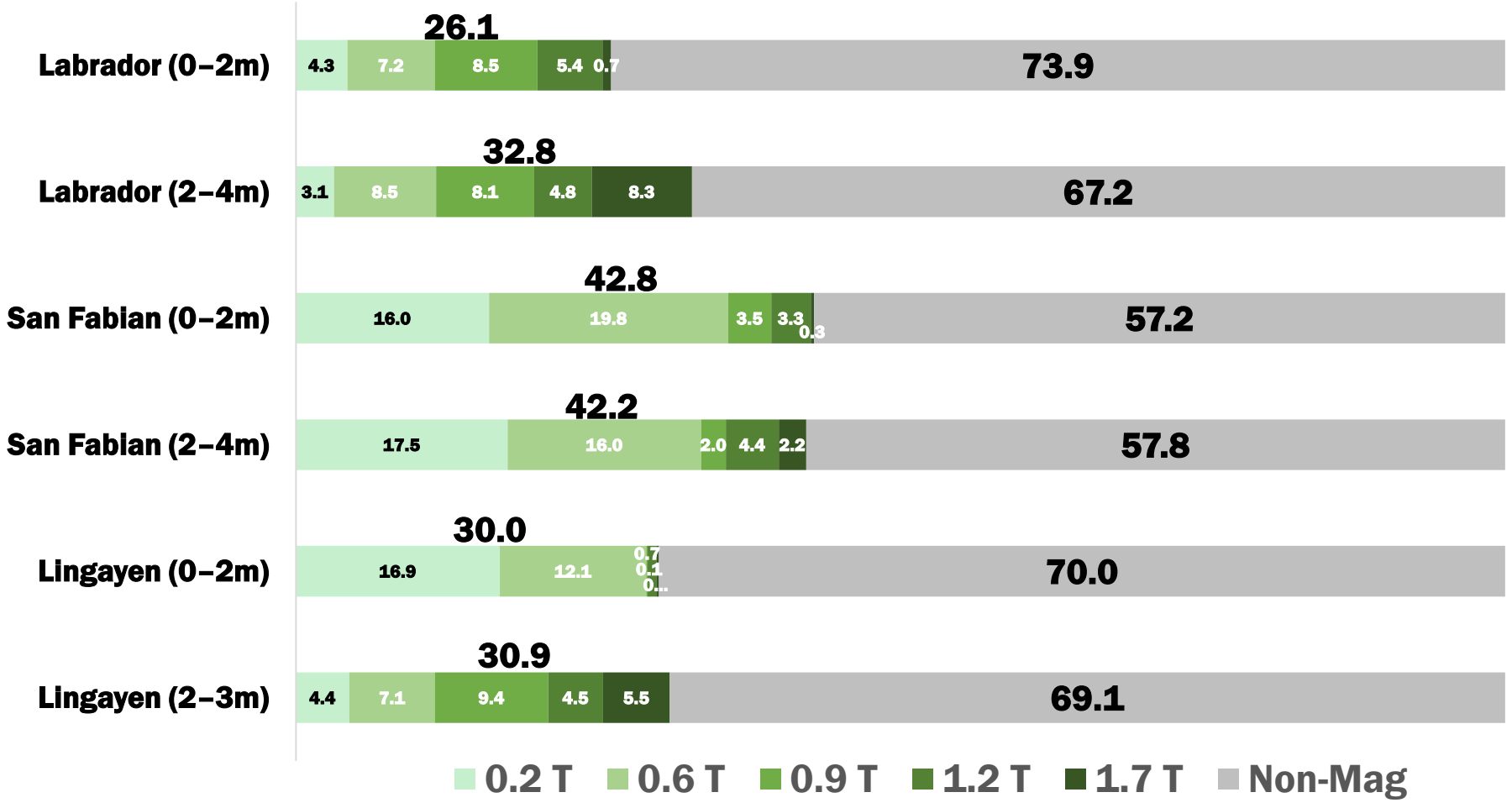
- Characterization showed that all six beach sand samples were Fe-rich, but their particle size and elemental composition varied with beach location and sampling depth.
- Magnetic separation confirmed that the 0.9 T stage was the main Fe concentration step, while the 1.7 T stage provided additional recovery of weaker magnetic or composite Fe-bearing particles.
- The lower Fe grade of the 1.7 T magnetic fraction and the low Fe purity indicate that Fe was not fully liberated in the raw samples.
- SEM-EDS further showed that the magnetic products were heterogeneous, containing both relatively liberated Fe-rich grains and Fe associated with Al–Si–Mg–Ti-bearing composite particles.

Future Action

- Sequential Mag Sep [0.2T, 0.6T, 0.9T, 1.2T, 1.7T] (Weight ratio)
- 2 samples for XRF analysis
- SEM, XRF (particle size)

- -3 possible types of Fe-bearing minerals
    1. Fe-O (concentrated Fe)
    2. Fe-O (middlings, interlocked with Al-Si-Mg-Ti)
    3. Fe-Si (Fe dispersed in single mineral with Al-Si-Mg-Ti)

Sequential Magnetic Separation- Weight Distribution (%)



ANNEX D

MARKET VALUE INDICATION OF ROYALTY DUE TO PANGASINAN FERRO RESOURCES CORPORATION AS MINE TENEMENT OWNER USING THE INCOME APPROACH

PANGASINAN FERRO RESOURCES CORPORATION
FORECAST REVENUES AND ROYALTY VALUE
YEARS ENDING DECEMBER 31
ROYALTY VALUE AS AT JUNE 30, 2026
(in '000 PHP)

Exchange Rate (USD to PHP)	61.00				
		1	2	3	4
REVENUE (PHP)					
Pangasinan					
Magnetite Iron Sand (58%)		-	-	143,299,879	143,299,879
Iron Blast Furnace Pellet (65%)		-	-	114,511,957	114,511,957
Marine Sand/ Reclamation Sand		-	-	-	-
Revenues - Pangasinan		**-**	**-**	**257,811,835**	**257,811,835**
Ilocos Norte					
Magnetite Iron Sand (58%)		-	-	98,369,538	98,369,538
Iron Blast Furnace Pellet (65%)		-	-	78,607,800	78,607,800
Marine Sand/ Reclamation Sand		-	-	-	-
Revenues - Ilocos Norte		**-**	**-**	**176,977,338**	**176,977,338**
Gross Revenues	8,745,412,000	**-**	**-**	**434,789,173**	**434,789,173**
ROYALTY DUE TO TENEMENT OWNER	874,541,200				
Due to Tenement Owner (PHP)	10%	-	-	43,478,917	43,478,917
MARKET VALUE OF ROYALTY					
Discount Factor (@ 14%)	14%	0.8772	0.7695	0.6750	0.5921
Present Value of Royalty to Tenement Owner (PHP)		-	-	29,347,031	25,743,009
Market Value of Royalty to Tenement Owner (in '000 PHP)		**207,596,615**			
Market Value of Royalty to Tenement Owner (in PHP)		**207,596,615,246**			
rounded to		**207,596,615,000**			

5	6	7	8	9	10	11	12	13
134,343,636	134,343,636	126,880,101	126,880,101	126,880,101	111,953,030	111,953,030	111,953,030	111,953,030
108,754,372	108,754,372	108,754,372	108,754,372	105,555,714	105,555,714	105,555,714	105,555,714	105,555,714
-	-	-	-	-	-	-	-	-
243,098,008	**243,098,008**	**235,634,473**	**235,634,473**	**232,435,815**	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**
92,221,441	92,221,441	87,098,028	87,098,028	87,098,028	76,851,201	76,851,201	76,851,201	76,851,201
74,655,453	74,655,453	74,655,453	74,655,453	72,459,704	72,459,704	72,459,704	72,459,704	72,459,704
-	-	-	-	-	-	-	-	-
166,876,894	**166,876,894**	**161,753,481**	**161,753,481**	**159,557,732**	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**
409,974,903	**409,974,903**	**397,387,954**	**397,387,954**	**391,993,547**	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**
40,997,490	40,997,490	39,738,795	39,738,795	39,199,355	36,681,965	36,681,965	36,681,965	36,681,965
0.5194	0.4556	0.3996	0.3506	0.3075	0.2697	0.2366	0.2076	0.1821
21,292,812	18,677,905	15,881,106	13,930,795	12,054,113	9,894,733	8,679,590	7,613,676	6,678,663

14	15	16	17	18	19	20	21	22
111,953,030	111,953,030	111,953,030	111,953,030	111,953,030	111,953,030	111,953,030	111,953,030	111,953,030
105,555,714	105,555,714	105,555,714	105,555,714	105,555,714	105,555,714	105,555,714	105,555,714	105,555,714
-	-	-	-	-	-	-	-	-
217,508,744	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**	**217,508,744**
76,851,201	76,851,201	76,851,201	76,851,201	76,851,201	76,851,201	76,851,201	76,851,201	76,851,201
72,459,704	72,459,704	72,459,704	72,459,704	72,459,704	72,459,704	72,459,704	72,459,704	72,459,704
-	-	-	-	-	-	-	-	-
149,310,905	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**	**149,310,905**
366,819,650	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**	**366,819,650**
36,681,965	36,681,965	36,681,965	36,681,965	36,681,965	36,681,965	36,681,965	36,681,965	36,681,965
0.1597	0.1401	0.1229	0.1078	0.0946	0.0829	0.0728	0.0638	0.0560
5,858,476	5,139,014	4,507,907	3,954,305	3,468,688	3,042,709	2,669,043	2,341,266	2,053,742

23	24	25
111,953,030	111,953,030	111,953,030
105,555,714	105,555,714	105,555,714
-	-	-
217,508,744	**217,508,744**	**217,508,744**
76,851,201	76,851,201	76,851,201
72,459,704	72,459,704	72,459,704
-	-	-
149,310,905	**149,310,905**	**149,310,905**
366,819,650	**366,819,650**	**366,819,650**
36,681,965	36,681,965	36,681,965
0.0491	0.0431	0.0378
1,801,528	1,580,288	1,386,217

PANGASINAN FERRO RESOURCES CORPORATION
FORECAST REVENUES AND ROYALTY VALUE
YEARS ENDING DECEMBER 31
ROYALTY VALUE AS AT JUNE 30, 2026
(in '000 USD)

		1	2	3	4	5
REVENUES (USD)						
Pangasinan						
Magnetite Iron Sand (58%)		-	-	2,349,178	2,349,178	2,202,355
Iron Blast Furnace Pellet (65%)		-	-	1,877,245	1,877,245	1,782,859
Marine Sand/ Reclamation Sand		-	-	-	-	-
Revenues - Pangasinan		**-**	**-**	**4,226,424**	**4,226,424**	**3,985,213**
Ilocos Norte						
Magnetite Iron Sand (58%)		-	-	1,612,615	1,612,615	1,511,827
Iron Blast Furnace Pellet (65%)		-	-	1,288,652	1,288,652	1,223,860
Marine Sand/ Reclamation Sand		-	-	-	-	-
Revenues - Ilocos Norte		**-**	**-**	**2,901,268**	**2,901,268**	**2,735,687**
Gross Revenues		**-**	**-**	**7,127,691**	**7,127,691**	**6,720,900**
ROYALTY TO MINE TENEMENT OWNER (USD)	10%	-	-	712,769	712,769	672,090
Discount Factor (@ 14%)	14%	0.8772	0.7695	0.6750	0.5921	0.5194
		-	-	481,099	422,017	349,062
PV of Royalty to Mine Tenement Owner (in '000 USD)		**3,403,223**				
PV of Royalty to Mine Tenement Owner (USD)		3,403,223,201				
rounded to		3,403,220,000				

6	7	8	9	10	11	12	13	14	15
2,202,355	2,080,002	2,080,002	2,080,002	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296
1,782,859	1,782,859	1,782,859	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422
-	-	-	-	-	-	-	-	-	-
3,985,213	**3,862,860**	**3,862,860**	**3,810,423**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**
1,511,827	1,427,837	1,427,837	1,427,837	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856
1,223,860	1,223,860	1,223,860	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864
-	-	-	-	-	-	-	-	-	-
2,735,687	**2,651,696**	**2,651,696**	**2,615,701**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**
6,720,900	**6,514,557**	**6,514,557**	**6,426,124**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**
672,090	651,456	651,456	642,612	601,344	601,344	601,344	601,344	601,344	601,344
0.4556	0.3996	0.3506	0.3075	0.2697	0.2366	0.2076	0.1821	0.1597	0.1401
306,195	260,346	228,374	197,608	162,209	142,288	124,814	109,486	96,041	84,246

16	17	18	19	20	21	22	23	24	25
1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296	1,835,296
1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422	1,730,422
-	-	-	-	-	-	-	-	-	-
3,565,717	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**	**3,565,717**
1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856	1,259,856
1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864	1,187,864
-	-	-	-	-	-	-	-	-	-
2,447,720	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**	**2,447,720**
6,013,437	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**	**6,013,437**
601,344	601,344	601,344	601,344	601,344	601,344	601,344	601,344	601,344	601,344
0.1229	0.1078	0.0946	0.0829	0.0728	0.0638	0.0560	0.0491	0.0431	0.0378
73,900	64,825	56,864	49,880	43,755	38,381	33,668	29,533	25,906	22,725

ANNEX E

APPRAISAL ASSUMPTIONS

PANGASINAN FERRO RESOURCES CORPORATION
ASSUMPTIONS - PANGASINAN
YEARS ENDING DECEMBER 31

MINE TENEMENT OWNER ROYALTY RATE	10%							
Exchange Rate (USD to PHP)	61.00							
Discount Rate	14%							
PRODUCTION VOLUMES ('000 tons/yr)		1	2	3	4	5	6	7
Extraction (@(26% mf))		-	-	436,975	436,975	436,975	436,975	436,975
Upgradable Magnetite Iron	8%	-	-	34,958	34,958	34,958	34,958	34,958
Reserves Balance	804,034	-	-	769,076	734,118	699,160	664,202	629,244
Magnetically Separated Iron (mf 58%)	70%	-	-	24,471	24,471	24,471	24,471	24,471
Iron Blast Furnace Pellet (mf 65%)(30%)	30%	-	-	10,487	10,487	10,487	10,487	10,487
Total Processed and Pelletized		-	-	34,958	34,958	34,958	34,958	34,958
Marine Sand/ Reclamation Sand	-	-	-	-	-	-	-	-

8	9	10	11	12	13	14	15	16	17	18	19	20	21
436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975	436,975
34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958
594,286	559,328	524,370	489,412	454,454	419,496	384,538	349,580	314,622	279,664	244,706	209,748	174,790	139,832
24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471	24,471
10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487	10,487
34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958	34,958
-	-	-	-	-	-	-	-	-	-	-	-	-	-

22	23	24	25
436,975	436,975	436,975	436,975
34,958	34,958	34,958	34,958
104,874	69,916	34,958	0
24,471	24,471	24,471	24,471
10,487	10,487	10,487	10,487
34,958	34,958	34,958	34,958
-	-	-	-

PANGASINAN FERRO RESOURCES CORPORATION
ASSUMPTIONS - ILOCOS
YEARS ENDING DECEMBER 31

MINE TENEMENT OWNER ROYALTY RATE	10%							
Exchange Rate (USD to PHP)	61.00							
Discount Rate	14%							
PRODUCTION VOLUMES ('000 tons/yr)		1	2	3	4	5	6	7
Extraction (@(26% mf))		-	-	299,966	299,966	299,966	299,966	299,966
Upgradable Magnetite Iron	8%	-	-	23,997	23,997	23,997	23,997	23,997
Reserves Balance	551,937	-	-	527,940	503,942	479,945	455,948	431,951
Magnetically Separated Iron (mf 58%)	70%	-	-	16,798	16,798	16,798	16,798	16,798
Iron Blast Furnace Pellet (mf 65%)(30%)	30%	-	-	7,199	7,199	7,199	7,199	7,199
Total Processed and Pelletized		-	-	23,997	23,997	23,997	23,997	23,997
Marine Sand/ Reclamation Sand	-	-	-	-	-	-	-	-

8	9	10	11	12	13	14	15	16	17	18	19	20	21
299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966	299,966
23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997
407,953	383,956	359,959	335,962	311,964	287,967	263,970	239,973	215,975	191,978	167,981	143,984	119,986	95,989
16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798	16,798
7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199	7,199
23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997	23,997
-	-	-	-	-	-	-	-	-	-	-	-	-	-

22	23	24	25
299,966	299,966	299,966	299,966
23,997	23,997	23,997	23,997
71,992	47,995	23,997	0
16,798	16,798	16,798	16,798
7,199	7,199	7,199	7,199
23,997	23,997	23,997	23,997
-	-	-	-

PANGASINAN FERRO RESOURCES CORPORATION
FACTS

	Unit	Composition	Pangasinan	Ilocos	Total
AFTAA No.			09-1	012-1	
Area	has		2,959.7515	2,029.7612	4,990
	sqm	10,000	29,597,515	20,297,612	49,895,127
Detection Depth	m	90-120	90	90	
Deposit	cu.m.		2,663,776,350	1,826,785,080	4,490,561,430
Recoverale and Upgradeable Magnetite Iron	%	8%-12%	8%	8%	
	cu.m.		213,102,108	146,142,806	359,244,914
Magnetite Iron Sand (58%)	tons	3.773	804,034,253	551,396,809	1,355,431,062
	tons	70%	562,823,977	385,977,766	948,801,743
Pelletized Iron	tons	30%	241,210,276	165,419,043	406,629,319
Marine Sand	%	88%-92%	92%	92%	
	cu.m.		2,450,674,242	1,680,642,274	4,131,316,516

PANGASINAN FERRO RESOURCES CORPORATION
ASSUMPTIONS
YEARS ENDING DECEMBER 31

PRICES (USD)		1	2	3	4	5	6	7	8
Magnetite Iron Sand (58%)	70%	96.00	96.00	96.00	96.00	90.00	90.00	85.00	85.00
Magnetically Separated Iron (mf 62%) (WB Forecast)	-	100.00	100.00	100.00	100.00	100.00	87.20	87.20	87.20
Magnetically Separated Iron (mf 63%)	-	110.00	110.00	110.00	110.00	110.00	95.92	95.92	95.92
Iron Blast Furnace Pellet (65%)	30%	179.00	179.00	179.00	179.00	170.00	170.00	170.00	170.00
Marine Sand/ Reclamation Sand		10.00	10.00	10.00	10.00	10.00	12.00	12.00	12.00

9	10	11	12	13	14	15	16	17	18	19	20	21	22
85.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
87.20	87.20	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
95.92	95.92	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00
165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00
12.00	12.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

23	24	25
75.00	75.00	75.00
80.00	80.00	80.00
88.00	88.00	88.00
165.00	165.00	165.00
15.00	15.00	15.00