

## NICKEL ASIA CORPORATION ANNOUNCES 1<sup>ST</sup> HALF 2016 FINANCIAL AND OPERATING RESULTS

City of Taguig, August 10, 2016 – Nickel Asia Corporation (NAC; PSE:NIKL) today announced its financial and operating results for the six months ended June 30, 2016, with attributable net income (net of minority interest) at P24.4 million compared to P1.49 billion reported for the six months ended June 30, 2015. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P1.84 billion compared to P3.54 billion in the prior year.

The Company's weaker earnings was mainly affected by its share of the losses on its 22.5% equity interest in Taganito HPAL Nickel Corporation and its 10% equity interest in Coral Bay Nickel Corporation in the total amount of P485 million, accounted for under the equity method. The profitability of the two plants was affected by very low nickel prices realized during the period.

With respect to mining operations, the Company sold an aggregate 8.54 million wet metric tons (WMT) of nickel ore in the first half as against 9.68 million WMT in the same period last year. The drop in shipment volumes is the result of a delayed start of shipments from its Hinatuan and Cagdianao mines due to the prolonged rainy season and resulting sea swells in northeastern Mindanao, where the two mines are located, and a temporary reduction in the deliveries of limonite ore to the Taganito HPAL plant while it was undergoing remedial work.

Of the total volume of ore shipped, 2.76 million WMT was saprolite ore and 5.78 million WMT was limonite ore, which includes 3.40 million WMT delivered to both the Coral Bay and Taganito processing plants. This compares to 3.78 million WMT, 5.90 million WMT and 3.61 million WMT respectively, for the same period last year.

In terms of price, the Company realized an average of \$3.92 per pound of payable nickel on its shipments of ore to the two HPAL plants during the first six months of the year. This compares to an average price of \$6.22 per pound of payable nickel sold during the same period last year. With respect to export sales, the Company achieved an average price of \$18.21 per WMT as against \$23.20 per WMT in 2015. Nickel prices, like most other metals, have remained weak since the start of the year and hit price levels not seen in 13 years during the period under review.

As a result of lower volume of shipments and dismal prices during the first half, the Company's total revenues fell to P5.52 billion compared to P7.97 billion last year.

Total operating cash costs decreased by 7% year-on-year to P3.53 billion from P4.31 billion in 2015. On a per WMT of ore sold, total operating cash costs decreased to P413 per WMT compared to P445 per WMT in 2015. The realized Peso / U.S. dollar exchange rate for ore sales during the first half of the year was P46.75 compared to P44.58 during the same period last year.

“Our mining operations continue to show great resiliency and remained profitable despite record low nickel prices. Our first half performance was, however, affected by our investments in our downstream processing plants, which, as with most other processing plants world-wide, could not maintain profitable operations during this dismally low price environment”, says Mr. Gerard H. Brimo, Company President and CEO. “A rebalancing in the nickel market is now taking place as a result of supply cut backs and improving demand, and prices are starting to improve. We should therefore see a much better performance in the second half of the year”, Mr. Brimo added.

For any questions or clarifications, please contact;

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