

## NICKEL ASIA FY2015 SHIPMENT VOLUME INCREASED BY 10%

The total volume of nickel ore shipped and delivered from the Company's four operating mines reached 19.7 million wet metric tons (WMT) in 2015, an increase of 10% compared to the 17.9 million WMT shipped in 2014.

The direct exports of ore mainly contributed to the Company's higher shipments, increasing to 11.88 million WMT in 2015 from 10.47 WMT in 2014. Ore deliveries to the two HPAL plants likewise rose, in particular to the Taganito HPAL facility, which just completed its first full year of operations at full capacity. The said plant was operating at an average 80% capacity in 2014. Total ore deliveries to the two HPAL plants reached 7.80 million WMT in 2015 compared to 7.41 million WMT in 2014.

On a per mine basis, the Taganito operation, now the Company's largest, accounted for 39% of total shipments. The mine shipped a total of 2.50 million WMT of saprolite ore and 5.24 million WMT of limonite ore, including 4.43 million WMT of limonite to the Taganito plant. The Rio Tuba mine accounted for 33% of total shipments. The mine shipped 3.18 million WMT of saprolite ore and 3.37 million WMT of limonite ore to the adjacent Coral Bay plant. The Company's Hinatuan mine achieved total shipments of 2.56 million WMT of limonite ore and 650 thousand WMT of saprolite ore, while the Cagdianao mine shipped a total of 1.44 million WMT of limonite ore and 729 thousand WMT of saprolite ore.

The record volume of ore shipments achieved in 2015 was not sufficient to offset the fall in nickel prices, resulting to a decrease in the estimated value of shipments, from P23.7 billion in 2014 to P14.4 billion in 2015.

The estimated realized nickel price on 11.9 million WMT of direct exports of ore in 2015 averaged \$22.66 per WMT, much lower than the average of \$45.10 per WMT realized in 2014. It will be recalled that there was a surge in ore prices in 2014 due to the expectation of supply tightness resulting from the effects of the Indonesian export ore ban, which did not occur.

With respect to low-grade limonite ore sold to both the Coral Bay and Taganito plants, which continues to be linked to LME prices, the Company realized an average of \$5.36 per pound of payable nickel in 2015. This compares to an average price of \$7.69 per pound of payable nickel sold in the prior year.

"The year 2015 marked the 7<sup>th</sup> consecutive year of increasing production and shipment volumes. Unfortunately, the slowdown in China's economic growth coupled with a strong US dollar clobbered metal prices across the board, and in the case of nickel, resulted to a steep reversal of the strong prices we experienced in 2014", said Gerard H. Brimo, President and CEO of the Company. "In spite of the current low prices, our operations continue to remain profitable. Our position as a low-cost producer in our mining operations will help the Company ride-out the challenges in the current down cycle", says Mr. Brimo.