

PRESS RELEASE

NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS AS NET INCOME INCREASES 20% FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Taguig, November 6, 2020 - Nickel Asia Corporation (NAC) (PSE:NIKL) today announced its unaudited financial and operating results for the nine months ended September 30, 2020 with an attributable net income (net of minority interests) of P2.30 billion, 20% higher compared to the P1.92 billion achieved in the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P5.93 billion compared to P4.79 billion in the prior year.

The jump in earnings during the first nine-months of the year was due primarily to much improved ore export prices, particularly during the third quarter, on the back of a recovery in the Chinese stainless steel market. As a result of higher ore prices, total revenues of the Company increased by 11% to P15.11 billion from P13.66 billion during the same period last year.

The Company realized an average of \$5.99 per pound of payable nickel on its limonite ore shipments to the two HPAL plants, the pricing of which are linked to the LME. This compares to an average price of \$6.06 per pound of payable nickel sold in 2019. Ore shipments to the HPAL plants accounted for 46% of the Company's total shipments during the first nine-months.

As LME prices remained flat during the period, the Company benefitted mainly from the surge in ore export prices. The remaining 54% of the Company's total shipments are ore exports to China and Japan. The average realized export price during the first nine-month period was \$30.06 per WMT, 38% higher compared to \$21.81 per WMT in 2019. On a combined basis, the average price received for sales of both ore exports and ore deliveries to the two plants in 2020 was \$19.76 per WMT compared to \$16.03 per WMT in 2019.

In terms of shipment volumes, the Company sold an aggregate 14.03 million wet metric tons (WMT) of nickel ore as against 15.29 million WMT in the previous year. Limonite ore deliveries to the two processing plants were higher at 6.52 million WMT compared to 6.34 million WMT last year. On the other hand, ore export shipments declined, lower by 16% to 7.50 million WMT from 8.95 million WMT last year. The strict quarantine measures implemented during the months of April and parts of May, affected ore shipments at three of the Company's four operating mines, namely the Taganito, Cagdianao and Hinatuan mines.

Total operating cash costs decreased by 9% year-on-year to P7.74 billion from P8.48 billion in 2019. On a per WMT sold basis, total operating cash costs was slightly lower at P552 per WMT compared to P554 per WMT in 2019.

"A strong rise in ore prices during the third quarter was more than enough to offset the drop in shipment volumes during the first nine-months," said Martin Antonio G. Zamora, President and CEO of the Company. "We remain cautiously optimistic our shipment volumes for the year will come close to the levels we had in 2019. Weather conditions in the southern part of the country, where three of our mines are located, has been favorable, allowing for an extended shipment season", Mr. Zamora added.

For any questions and/or clarifications, please contact:

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NICKEL ASIA CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2020

(With Comparative Audited Figures as at December 31, 2019)

(Amounts in Thousands)

	September 30, 2020	December 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱11,223,023	₱11,943,128
Trade and other receivables	2,047,091	1,065,657
Inventories	3,085,692	3,995,411
Financial assets at:		
Fair value through other comprehensive income (FVOCI)	2,499,077	2,730,168
Fair value through profit or loss (FVTPL)	991,829	1,651,283
Amortized cost	190,000	244,217
Prepayments and other current assets	576,485	393,393
Total Current Assets	20,613,197	22,023,257
Noncurrent Assets		
Property and equipment	16,434,048	16,028,192
Investments in associates	3,044,035	3,259,735
Geothermal exploration and evaluation assets	1,827,926	1,811,711
Financial assets at - net of current portion:		
FVTPL	949,236	851,266
Amortized cost	110,000	210,000
Deferred income tax assets - net	318,671	498,264
Long-term stockpile inventory - net of current portion	10,311	105,601
Other noncurrent assets	3,595,351	3,473,927
Total Noncurrent Assets	26,289,578	26,238,696
TOTAL ASSETS	₱46,902,775	₱48,261,953
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱7,886,747	₱7,530,858
Short-term debts	1,489,869	1,492,404
Income tax payable	1,007,068	557,388
Other current liability	261,691	221,079
Current portion of:		
Long-term debt	84,866	88,611
Lease liabilities	28,142	25,141
Long-term payable	5,000	5,000
Total Current Liabilities	10,763,383	9,920,481
Noncurrent Liabilities		
Long-term debt - net of current portion	933,059	930,418
Lease liabilities - net of current portion	579,916	581,537
Provision for mine rehabilitation and decommissioning	503,970	493,731
Deferred income tax liabilities	463,239	748,766
Pension liability	444,121	393,180
Deferred income - net of current portion	47,136	50,279
Long-term payable - net of current portion	12,895	12,300
Total Noncurrent Liabilities	2,984,336	3,210,211
Total Liabilities	13,747,719	13,130,692

(Forward)

	September 30, 2020	December 31, 2019
	(Unaudited)	(Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock	₱6,849,836	₱6,849,836
Additional paid-in capital	8,271,900	8,262,455
Other components of equity:		
Share in cumulative translation adjustment	428,530	612,635
Cost of share-based payment plan	422,461	370,522
Net valuation gains on financial assets at FVOCI	51,477	32,243
Asset revaluation surplus	31,044	31,331
Retained earnings:		
Unappropriated	11,923,825	13,713,383
Appropriated	1,585,576	1,585,576
Treasury stock	(134,014)	(87,950)
	29,430,635	31,370,031
Non-controlling Interests (NCI)	3,724,421	3,761,230
Total Equity	33,155,056	35,131,261
TOTAL LIABILITIES AND EQUITY	₱46,902,775	₱48,261,953

See accompanying Notes to Unaudited Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Amounts in Thousands, Except Earnings per Share)

	2020	2019
	(Unaudited)	
REVENUES		
Revenue from contracts with customers		
Sale of ore and limestone	₱14,007,790	₱12,833,898
Services and others	888,671	497,299
Power	117,501	254,262
Capital recovery fee	100,754	78,364
	15,114,716	13,663,823
COSTS		
Cost of sales	5,859,623	5,643,137
Services	250,362	250,419
Power generation	229,629	264,579
	6,339,614	6,158,135
OPERATING EXPENSES		
Excise taxes and royalties	1,562,742	1,375,579
Shipping and loading costs	1,551,165	1,463,650
General and administrative	731,035	784,601
Marketing	173,218	134,344
	4,018,160	3,758,174
FINANCE INCOME	200,803	309,912
FINANCE EXPENSES	(217,058)	(254,359)
EQUITY IN NET LOSSES OF ASSOCIATES	(11,139)	(85,069)
OTHER INCOME (CHARGES) - Net	(176,057)	95,114
INCOME BEFORE INCOME TAX	4,553,491	3,813,112
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	1,504,755	1,228,400
Deferred	(83,111)	(63,712)
	1,421,644	1,164,688
NET INCOME	₱3,131,847	₱2,648,424
Net income attributable to:		
Equity holders of the parent	₱2,299,580	₱1,923,668
NCI	832,267	724,756
	₱3,131,847	₱2,648,424
Basic/Diluted Earnings Per Share	₱0.17	₱0.14

See accompanying Notes to Unaudited Consolidated Financial Statements.