

## **PRESS RELEASE**

### **NICKEL ASIA CORPORATION ANNOUNCES THE APPOINTMENT OF A NEW CHAIRMAN AND PRESIDENT, AND FINANCIAL AND OPERATING RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2018**

Taguig, August 7, 2018 - Nickel Asia Corporation (NAC) (PSE:NIKL), following a meeting of the Board of Directors today, announced the retirement of Mr. Manuel B. Zamora, Jr. as Chairman and his appointment as Chairman Emeritus. Mr. Zamora is the founder of NAC and its subsidiary companies. NAC's first operation, Rio Tuba Nickel Mining Corp., started operations in 1975. Since then, NAC has grown to four operating subsidiaries with investments in the country's only two nickel processing plants. In November 2017, Rio Tuba won Best Practices in Sustainable Mineral Development in the first ASEAN Mineral Awards, conferred during the sixth ASEAN Ministerial Meeting on Minerals in Myanmar.

During the same meeting of the Board of Directors, Mr. Gerard H. Brimo, was appointed as Chairman and CEO. He joined NAC as President and CEO in 2008 and is concurrently Chairman of the Chamber of Mines of the Philippines and a member of the Multi-Stakeholder group of the Extractive Industries Transparency Initiative (EITI). Mr. Martin Antonio G. Zamora, who joined NAC in 2007 as Vice President, appointed Senior Vice President in 2012 and Executive Vice President in 2017, was appointed as President of NAC and its subsidiaries.

NAC also announced its unaudited financial and operating results for the six months ended June 30, 2018 with an attributable net income (net of minority interests) of P1.57 billion, slightly higher compared to the P1.54 billion reported during the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P2.60 billion compared to P3.64 billion in the prior year.

Net foreign exchange gains due to a weaker Peso exchange rate combined with stronger earnings from the Company's processing plant affiliates, Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL), booked under the equity method, more than offset the drop in the Company's revenues. Lower revenues, from P7.82 billion to P7.38 billion during the periods under review, were due to weaker ore export prices brought about mainly by rising ore shipments from Indonesia.

On the Company's traditional exports of ore for the production of nickel pig iron and ferronickel for stainless steel, historically priced on the basis of negotiated dollar per wet metric ton (WMT), prices for this segment of the business have been under pressure due to increasing supply from Indonesia brought about by the partial lifting of its export ore ban in January 2017. As a result, the Company realized an average price of \$18.05 per WMT on 4.89 million WMT of ore export sales from its four operating mines compared to \$25.96 per WMT on 4.68 million WMT of ore sales realized during the same period last year. Ore export sales accounted for 55% of the Company's shipment volume in the first half of the year.

The other segment of the Company's business, which represents the remaining 45% of shipment volume, is the sale of ore to our two HPAL plant affiliates, wherein pricing is linked to quoted LME prices. In contrast to lower prices of ore exports, LME nickel price has been increasing due to lower inventories of refined metal in LME warehouses, in part the result of growing demand for nickel used in batteries for the electric vehicle market. The Company realized an average of \$6.27 per pound of payable nickel on 4.0 million WMT of limonite ore deliveries to the two HPAL plants during the first six

months of the year, much higher compared to the average price of \$4.38 per pound of payable nickel on 4.24 million WMT of limonite ore sold during the same period last year.

The rising LME nickel price, and to a greater extent stronger cobalt prices, resulted to the impressive performance of the CBNC and THPAL plants. Consequently, the Company recognized P526 million of earnings from its 10% share in the two plants during the first six months of the year compared to P55 million reported in 2017.

As a result of a weaker Peso which stood at a Peso / U.S. dollar rate of P53.34 as of June 30, 2018 compared to P49.93 as of December 31, 2017, the Company realized a net foreign exchange gain of P525 million during the first-half of 2018 compared to P167 million during the same period last year.

“The increasing ore supply from Indonesia and its negative effect on ore export prices remains our biggest challenge for the remainder of the year,” said Martin Antonio G. Zamora, President of the Company. “On the other hand, we expect to continue benefitting from a significant price improvement on ore deliveries to the two processing plants, which are linked to LME prices. This component of our business, changes to our ore export grade mix, and the stronger performance of the two processing plants, will be our key drivers for earnings growth this year,” Mr. Zamora said.

Total operating cash costs increased during the first six months of the year to P4.41 billion from P3.76 billion in 2017. On a per WMT of ore sold, total operating cash costs increased to P496 per WMT compared to P421 per WMT in 2017.

For any questions and/or clarifications, please contact:

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**NICKEL ASIA CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018**  
**(With Comparative Audited Figures as at December 31, 2017)**  
**(Amounts in Thousands)**

	June 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P10,198,838	P9,645,932
Trade and other receivables	1,669,848	905,125
Inventories	3,595,215	3,502,414
Available-for-sale (AFS) financial assets	4,694,673	5,925,682
Prepayments and other current assets	1,090,931	919,285
<b>Total Current Assets</b>	<b>21,249,505</b>	<b>20,898,438</b>
<b>Noncurrent Assets</b>		
Property and equipment	15,449,610	15,388,259
Investments in associates	3,802,146	2,952,132
Geothermal exploration and evaluation assets	1,789,098	1,784,183
AFS financial assets - net of current portion	725,607	732,738
Deferred income tax assets - net	169,503	333,094
Long-term stockpile inventory - net of current portion	-	167,559
Other noncurrent assets	3,621,913	3,480,696
<b>Total Noncurrent Assets</b>	<b>25,557,877</b>	<b>24,838,661</b>
<b>TOTAL ASSETS</b>	<b>P46,807,382</b>	<b>P45,737,099</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	P7,667,856	P7,569,941
Income tax payable	526,048	235,233
Other current liability	169,079	169,079
Current portion of:		
Long-term debts	1,606,443	1,635,178
Long-term payable	5,000	5,000
<b>Total Current Liabilities</b>	<b>9,974,426</b>	<b>9,614,431</b>
<b>Noncurrent Liabilities</b>		
Long-term debts - net of current portion	1,377,311	1,349,211
Deferred income tax liabilities - net	678,542	766,874
Provision for mine rehabilitation and decommissioning	393,325	388,787
Pension liability	353,430	320,781
Deferred income - net of current portion	56,564	58,659
Long-term payable - net of current portion	20,745	20,168
<b>Total Noncurrent Liabilities</b>	<b>2,879,917</b>	<b>2,904,480</b>
<b>Total Liabilities</b>	<b>12,854,343</b>	<b>12,518,911</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		
Capital stock	3,808,665	3,808,665
Additional paid-in capital	8,262,455	8,262,455
Other components of equity:		
Share in cumulative translation adjustment	855,810	564,152
Cost of share-based payment plan	139,531	137,635
Net valuation gains (losses) on AFS financial assets	(51,199)	163,935
Asset revaluation surplus	31,906	32,097
Retained earnings		
Unappropriated	16,048,978	15,392,459
Appropriated	1,095,583	1,095,583
	<b>30,191,729</b>	<b>29,456,981</b>
<b>Non-controlling Interests (NCI)</b>	<b>3,761,310</b>	<b>3,761,207</b>
<b>Total Equity</b>	<b>33,953,039</b>	<b>33,218,188</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P46,807,382</b>	<b>P45,737,099</b>

**NICKEL ASIA CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017**  
**(Amounts in Thousands, Except Earnings per Share)**

	2018	2017
	(Unaudited)	
<b>REVENUES</b>		
Sale of ore	₱6,937,638	₱7,399,724
Services and others	308,452	320,411
Sale of power	129,487	101,347
	<b>7,375,577</b>	<b>7,821,482</b>
<b>COSTS</b>		
Sale of ore	3,260,154	3,047,939
Services	185,665	176,830
Power generation	149,063	94,779
	<b>3,594,882</b>	<b>3,319,548</b>
<b>OPERATING EXPENSES</b>		
Shipping and loading costs	848,593	749,801
Excise taxes and royalties	644,452	501,814
General and administrative	493,965	375,160
Marketing	38,026	36,937
	<b>2,025,036</b>	<b>1,663,712</b>
<b>FINANCE INCOME</b>	<b>206,507</b>	<b>151,168</b>
<b>FINANCE EXPENSES</b>	<b>(84,184)</b>	<b>(127,004)</b>
<b>EQUITY IN NET INCOME OF ASSOCIATES</b>	<b>525,949</b>	<b>55,420</b>
<b>OTHER INCOME - Net</b>	<b>499,109</b>	<b>213,976</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>2,903,040</b>	<b>3,131,782</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	752,013	994,273
Deferred	67,245	(60,024)
	<b>819,258</b>	<b>934,249</b>
<b>NET INCOME</b>	<b>₱2,083,782</b>	<b>₱2,197,533</b>
Net income attributable to:		
Equity holders of the parent	₱1,568,679	₱1,535,149
NCI	515,103	662,384
	<b>₱2,083,782</b>	<b>₱2,197,533</b>
<b>Basic/Diluted EPS</b>	<b>₱0.21</b>	<b>₱0.20</b>