

NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Tokyo, November 9, 2018 – Nickel Asia Corporation (NAC; PSE:NIKL) announced today its financial and operating results for the nine months ended September 30, 2018 with attributable net income (net of minority interests) at P3.54 billion, 35% higher as compared to P2.62 billion reported for the nine months ended September 30, 2017. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P6.11 billion compared to P5.95 billion in the prior year.

The combined effects of the Company focusing more on shipments of its higher-value saprolite ore, a stronger U.S. dollar and the increase in the Company's share of profits from its investment in both the Coral Bay and Taganito processing plants, resulted to a significant improvement in earnings during the period. The Company's total share of profits on its 10% stake in the two processing plants amounted to P617 million, sharply higher compared to the P21 million reported during the same period last year. The improved results of the two plants were mainly driven by strong cobalt prices, a by-product of both plants, and the recovery in the LME nickel price.

The realized Peso / U.S. dollar exchange rate for ore sales during the first three quarters of the year was P52.87 compared to P50.28 during the same period last year.

With respect to mining operations, the Company sold an aggregate 15.55 million wet metric tons (WMT) of nickel ore in the first nine months as against 14.24 million WMT in the same period last year.

Of the total volume of ore shipped, 8.55 million WMT was saprolite ore and 7.0 million WMT was limonite ore, which included 5.78 million WMT delivered to both the Coral Bay and Taganito processing plants. This compares to 7.31 million WMT, 6.92 million WMT and 6.27 million WMT, respectively, for the same period last year.

In terms of price, the Company realized an average of \$6.21 per pound of payable nickel on its shipments of ore to the two HPAL plants for the period, the pricing of which is linked to the LME. This compares to an average price of \$4.49 per pound of payable nickel sold during the same period last year. With respect to export sales, the Company achieved an average price of \$20.17 per WMT compared to \$24.28 realized last year. On a combined basis, the average price received for sales of both saprolite and limonite ore in this first nine months was \$16.47 per WMT, 1.5% higher than the prior year's \$16.23 per WMT.

"We are delighted at the company's strong results for the first nine months of the year, despite the challenging nickel ore market", said Martin G. Zamora, President of the Company. "Our ability to optimize ore export grades and the improved results of our investments in the two processing plants highlighted the period", Mr. Zamora added.

Total operating cash costs increased by 32% year-on-year to P8.15 billion from P6.19 billion in 2017. On a per WMT of ore sold, total operating cash costs increased to P524 per WMT compared to P435 per WMT in 2017.

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

	September 30, 2018	December 31, 2017
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱11,085,122	₱9,645,932
Trade and other receivables	1,704,345	905,125
Inventories	3,710,013	3,502,414
Available-for-sale (AFS) financial assets	4,262,687	5,925,682
Prepayments and other current assets	1,029,992	919,285
Total Current Assets	21,792,159	20,898,438
Noncurrent Assets		
Property and equipment	15,284,673	15,388,259
Investments in associates	3,958,557	2,952,132
Geothermal exploration and evaluation assets	1,791,273	1,784,183
AFS financial assets - net of current portion	725,607	732,738
Deferred income tax assets - net	159,820	333,094
Long-term stockpile inventory - net of current portion	-	167,559
Other noncurrent assets	3,627,009	3,480,696
Total Noncurrent Assets	25,546,939	24,838,661
TOTAL ASSETS	₱47,339,098	₱45,737,099
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱7,495,584	₱7,569,941
Current portion of:		
Long-term debts	1,590,843	1,635,178
Long-term payable	5,000	5,000
Income tax payable	1,022,121	235,233
Other current liability	169,079	169,079
Total Current Liabilities	10,282,627	9,614,431
Noncurrent Liabilities		
Long-term debts - net of current portion	1,391,679	1,349,211
Deferred income tax liabilities - net	658,610	766,874
Provision for mine rehabilitation and decommissioning	395,595	388,787
Pension liability	344,471	320,781
Deferred income - net of current portion	55,517	58,659
Long-term payable - net of current portion	21,033	20,168
Total Noncurrent Liabilities	2,866,905	2,904,480
Total Liabilities	13,149,532	12,518,911
Equity Attributable to Equity Holders of the Parent		
Capital stock	3,808,665	3,808,665
Stock dividends distributable	3,041,172	-
Additional paid-in capital	8,262,455	8,262,455
Other components of equity:		
Share in cumulative translation adjustment	914,879	564,152
Cost of share-based payment plan	141,403	137,635
Net valuation gains (losses) on AFS financial assets	(44,490)	163,935
Asset revaluation surplus	31,810	32,097
Retained earnings		
Unappropriated	13,693,409	15,392,459
Appropriated	95,583	1,095,583
	29,944,886	29,456,981
Non-controlling Interests (NCI)	4,244,680	3,761,207
Total Equity	34,189,566	33,218,188
TOTAL LIABILITIES AND EQUITY	₱47,339,098	₱45,737,099

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

	2018	2017
	(Unaudited)	
REVENUES		
Sale of ore	P13,901,073	P12,002,998
Services and others	479,666	478,507
Sale of power	199,607	161,755
	14,580,346	12,643,260
COSTS		
Sale of ore	5,285,885	4,660,329
Services	277,074	261,060
Power generation	257,383	147,315
	5,820,342	5,068,704
OPERATING EXPENSES		
Shipping and loading costs	1,602,364	1,267,399
Excise taxes and royalties	1,444,382	890,548
General and administrative	741,151	553,475
Marketing	120,985	78,333
	3,908,882	2,789,755
FINANCE INCOME	280,009	226,273
FINANCE EXPENSES	(133,692)	(184,395)
EQUITY IN NET INCOME OF ASSOCIATES	616,728	20,735
OTHER INCOME - Net	712,809	307,634
INCOME BEFORE INCOME TAX	6,326,976	5,155,048
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	1,743,857	1,634,588
Deferred	49,581	(72,722)
	1,793,438	1,561,866
NET INCOME	P4,533,538	P3,593,182
Net income attributable to:		
Equity holders of the parent	P3,535,065	P2,620,306
NCI	998,473	972,876
	P4,533,538	P3,593,182
Basic/Diluted EPS	P0.46	P0.34