

NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

Tokyo, November 7, 2016 – Nickel Asia Corporation (NAC; PSE:NIKL) today announced its financial and operating results for the nine months ended September 30, 2016 with attributable net income (net of minority interests) at P980 million compared to P2.49 billion reported for the nine months ended September 30, 2015. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P3.97 billion compared to P5.92 billion in the prior year.

The decline in earnings was primarily the result of lower ore prices and marginally lower volume of sales. Also contributing to the drop in earnings is the Company's share of the losses on its 22.5% equity interest in Taganito HPAL Nickel Corporation (THPAL) and a 10% equity interest in Coral Bay Nickel Corporation in the total amount of P561 million, accounted for under the equity method. The profitability of the two HPAL plants was affected by very low nickel prices realized during the period.

In a previous disclosure made on September 15, 2016, it will be recalled that the Company announced the sale of 12.5% shareholdings in THPAL, out of its 22.5% equity interest, to Sumitomo Metal Mining Co., Ltd. of Japan for a total consideration of \$42 million. The actual recognition of said sale will take effect in the fourth quarter of 2016, following the execution of a Deed of Sale on October 17, 2016.

With respect to mining operations, the Company sold an aggregate 15.2 million wet metric tons (WMT) of nickel ore in the first nine months as against 16.0 million WMT in the same period last year. The drop in shipment volumes was 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 in the second quarter, while the plant was undergoing remedial work over a one-month period.

Of the total volume of ore shipped, 5.67 million WMT was saprolite ore and 9.52 million WMT was limonite ore, which includes 5.44 million WMT delivered to both the Coral Bay and Taganito processing plants. This compares to 6.02 million WMT, 9.95 million WMT and 5.62 million WMT respectively, for the same period last year.

In terms of price, the Company realized an average of \$4.19 per pound of payable nickel on its shipments of ore to the two HPAL plants during the first nine months of the year, the pricing of which is linked to the LME. This compares to an average price of \$5.74 per pound of payable nickel sold during the same period last year. With respect to export sales, the Company achieved an average price of \$19.20 per WMT compared to \$22.70 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 \$13.97 per WMT, 18% lower than the prior year's \$17.10 per WMT.

Total operating cash costs decreased by 13% year-on-year to P6.07 billion from P7.01 billion in 2015. On a per WMT of ore sold, total operating cash costs decreased to P400 per WMT compared to P439 per WMT in 2015. The realized Peso / U.S. dollar exchange rate for ore sales during the first three quarters of the year was P46.88 compared to P45.14 during the same period last year.

“Our mining operations continued to be profitable despite very low LME nickel prices that during this nine month period averaged at a level not seen since about 13 years ago”, said Gerard H. Brimo, President and CEO of the Company. “Nickel prices have started to improve in the 3rd quarter of the year due to a global supply deficit resulting from a steady rise in nickel demand, particularly in China, and production cutbacks by a number of high cost producers”. “We look forward to a continuing improvement in prices”, Mr. Brimo added.

For any questions &/or clarifications, please contact:

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NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2016
(With Comparative Audited Figures as at December 31, 2015)
(Amounts in Thousands)

| | September 30, 2016 (Unaudited) | December 31, 2015 (Audited) |
|--|--------------------------------------|-----------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | ₱7,226,288 | ₱7,073,171 |
| Trade and other receivables | 1,907,454 | 962,151 |
| Inventories | 3,064,352 | 3,211,269 |
| Available-for-sale (AFS) financial assets | 5,927,823 | 5,013,919 |
| Prepayments and other current assets | 596,322 | 417,432 |
| Total Current Assets | 18,722,239 | 16,677,942 |
| Noncurrent Assets | | |
| Property and equipment | 9,290,734 | 9,074,089 |
| Geothermal exploration and evaluation assets | 6,387,531 | 6,114,914 |
| Investments in associates | 4,382,108 | 4,764,087 |
| AFS financial assets - net of current portion | 832,187 | 817,118 |
| Long-term stockpile inventory - net of current portion | 413,953 | 584,740 |
| Deferred income tax assets - net | 112,714 | 153,260 |
| Other noncurrent assets | 3,752,007 | 3,460,058 |
| Total Noncurrent Assets | 25,171,234 | 24,968,266 |
| TOTAL ASSETS | ₱43,893,473 | ₱41,646,208 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Trade and other payables | ₱6,913,646 | ₱7,125,713 |
| Short-term debt | 180,000 | 180,000 |
| Income tax payable | 522,118 | 113,939 |
| Current portion of long-term debt | 128,331 | 124,521 |
| Other current liability | 169,079 | 169,058 |
| Total Current Liabilities | 7,913,174 | 7,713,231 |
| Noncurrent Liabilities | | |
| Long-term debt - net of current portion | 4,500,315 | 3,357,733 |
| Provision for mine rehabilitation and decommissioning | 172,391 | 169,926 |
| Deferred income - net of current portion | 67,279 | 67,039 |
| Long-term payable | 28,545 | 27,641 |
| Deferred income tax liabilities - net | 651,927 | 647,371 |
| Pension liability | 257,113 | 250,079 |
| Total Noncurrent Liabilities | 5,677,570 | 4,519,789 |
| Total Liabilities | 13,590,744 | 12,233,020 |
| Equity Attributable to Equity Holders of the Parent | | |
| Capital stock | 3,805,670 | 3,805,670 |
| Additional paid-in capital | 8,284,767 | 8,284,767 |
| Other components of equity: | | |
| Share in cumulative translation adjustment | 568,016 | 406,609 |
| Cost of share-based payment plan | 123,364 | 104,824 |
| Net valuation gains (losses) on AFS financial assets | 11,418 | (134,467) |
| Asset revaluation surplus | 32,576 | 32,863 |
| Retained earnings | | |
| Unappropriated | 12,383,768 | 12,011,607 |
| Appropriated | 1,000,000 | 1,000,000 |
| | 26,209,579 | 25,511,873 |
| Non-controlling Interests (NCI) | 4,093,150 | 3,901,315 |
| Total Equity | 30,302,729 | 29,413,188 |
| TOTAL LIABILITIES AND EQUITY | ₱43,893,473 | ₱41,646,208 |

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(Amounts in Thousands, Except Earnings per Share)

| | 2016 | 2015 |
|--|--------------------|-------------|
| | (Unaudited) | |
| REVENUES | | |
| Sale of ore | ₱10,198,470 | ₱12,614,086 |
| Services and others | 400,692 | 492,591 |
| | 10,599,162 | 13,106,677 |
| COSTS AND EXPENSES | | |
| Cost of sales | 4,640,591 | 4,928,783 |
| Cost of services | 300,638 | 268,239 |
| Shipping and loading costs | 1,513,977 | 1,501,934 |
| General and administrative | 578,082 | 639,845 |
| Excise taxes and royalties | 777,828 | 942,878 |
| Marketing | 74,522 | 111,779 |
| | 7,885,638 | 8,393,458 |
| FINANCE INCOME | 172,271 | 192,746 |
| FINANCE EXPENSES | (217,333) | (112,046) |
| EQUITY IN NET LOSSES OF ASSOCIATES | (561,320) | (163,544) |
| OTHER INCOME - Net | 347,657 | 392,671 |
| INCOME BEFORE INCOME TAX | 2,454,799 | 5,023,046 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX | | |
| Current | 973,219 | 1,477,151 |
| Deferred | (4,884) | 70,280 |
| | 968,335 | 1,547,431 |
| NET INCOME | ₱1,486,464 | ₱3,475,615 |
| Net income attributable to: | | |
| Equity holders of the parent | ₱979,629 | ₱2,492,110 |
| NCI | 506,835 | 983,505 |
| | ₱1,486,464 | ₱3,475,615 |
| Earnings per share | | |
| Basic | ₱0.13 | ₱0.33 |
| Diluted | ₱0.13 | ₱0.33 |