

NIKL Reports 3 Million Wet Metric Tons of Ore Shipments In the First Quarter 2018

Taguig, April 17, 2018 – Nickel Asia Corporation (PSE:NIKL; NAC) today announced that it sold an aggregate 3.09 million wet metric tons (WMT) of nickel ore in the first three months ending March 31, 2018, slightly higher compared to 3.05 million WMT of ore shipments achieved for the same period last year. However, weaker ore export prices due to the effect of increasing ore exports from Indonesia coupled with shipments of more lower-grade ore, resulted to a drop in the Company's estimated value of shipments to P1.85 billion this year from P2.21 billion in 2017. It will be recalled that Indonesia relaxed its ore export ban in January 2017 thereby putting downward pressure on ore export prices.

The Company's Rio Tuba mine exported 822 thousand WMT of saprolite ore and delivered 984 thousand WMT of limonite ore to the Coral Bay processing plant. This compares to sales of 908 thousand WMT of saprolite ore and 950 thousand WMT of limonite ore during the same period last year.

The Company's Taganito mine shipped 110 thousand WMT of saprolite ore and sold 1.18 million WMT of limonite ore, of which 1.02 million WMT were deliveries to the Taganito processing plant. This compares to sales of 156 thousand WMT of saprolite ore and 1.04 million WMT of limonite ore deliveries to the Taganito plant for the comparable period last year.

Typically, the Company experiences low shipment volumes during the first quarter of the year since operations at the Taganaan and Cagdianao mines, both located in northeastern Mindanao, do not commence until the second quarter, the onset of the dry season.

The estimated realized nickel price on 1.09 million WMT of ore exports in the first quarter of this year, which is historically priced on a negotiated dollar per WMT basis, averaged \$17.07 per WMT compared to \$31.67 per WMT on 1.06 million WMT sold during the same period last year. Apart from weaker ore prices, the average ore-grade of shipments this year was lower as compared to last year due to a change in the mix of ore, thereby contributing to the drop in the average realized price. To recall, the Company had focused more on the shipment of higher-grade ore last year to take advantage of elevated prices at that time.

On the other hand, prices for our limonite ore deliveries to the Taganito and Coral Bay processing plants, which are linked to LME prices, have done much better. The Company realized an average of \$6.02 per pound of payable nickel on 2.0 million WMT sold over the three-month period ended March 2018. This compares to an average price of \$4.66 per pound of payable nickel on similar volume sold during the same period last year.

“Two distinct markets are increasingly diverging in the nickel sector. The first is our traditional exports of ore for the production of ferronickel and nickel pig

iron for stainless steel, which is showing price weakness due to increased supply from Indonesia. The second is our supply of ore to our two processing plant affiliates based on quoted LME prices which, on the other hand, has significantly improved from the comparable period last year. The price improvement reflects among others, the growth in batteries for the electric vehicle (EV) market, of which nickel is an important ingredient”, said Gerard H. Brimo, President and CEO of the Company. “We are fortunate that this component of our business, as well as the two processing plant where we are invested in, are benefiting from rising LME nickel prices driven by the bullish outlook on nickel used for the EV market”, Mr. Brimo added.