

## **PRESS RELEASE**

### **Nickel Asia Reports 8.54 Million Wet Metric Tons of Ore Shipments In the 1H of 2016**

Taguig, July 15, 2016 - Nickel Asia Corporation (PSE:NIKL; NAC) today announced that its four operating mines sold an aggregate 8.54 million wet metric tons (WMT) of nickel ore shipments in the first six months ending June 30, 2016, compared to 9.68 million WMT achieved for the same period last year. The drop in sales volumes is the result of a delayed start of shipments from its Hinatuan and Cagdianao mines brought about by a 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. As a result of the decline in shipment volumes coupled with the continuing weakness in nickel ore prices, the Company's estimated value of shipments fell to P5.15 billion in the first half of the year from P7.48 billion in 2015.

The estimated realized nickel price on 5.14 million WMT of ore sales mainly to Japanese and Chinese customers in the first six months of the year averaged \$18.51 per WMT compared to an average of \$23.20 per WMT realized during the same period last year. It will be recalled that during the first half of last year nickel prices were still at fairly high levels and thereafter proceeded to drop in line with other commodities.

With respect to low-grade limonite ore sold to both the Coral Bay and Taganito processing plants, which are linked to LME prices, the Company realized an average of \$3.92 per pound of payable nickel on 3.40 million WMT sold during the first half of the year. This compares to an average price of \$6.22 per pound of payable nickel on 3.61 million WMT sold during the comparable period last year. The lower amount of ore sold to the processing plants during this first half was due to a reduction in ore deliveries to the Taganito HPAL plant while it was undergoing remedial work over a one month period. Work has been completed and the plant is currently in full production. To address the shortfall in shipments, the Company's Taganito mine has scheduled additional shipments of limonite ore to China for the year.

On a per mine basis, the Company's Taganito mine accounted for 41% of total shipments during this first half. The mine shipped a total of 800 thousand WMT of saprolite ore and 2.74 million WMT of limonite ore, including 1.75 million WMT to the Taganito HPAL plant. The comparable figures for last year were 1.10 million WMT, 2.60 million WMT and 2.06 million WMT, respectively.

The Rio Tuba mine accounted for 37% of total shipments, which consisted of 1.07 million WMT of saprolite ore and 2.09 million WMT of limonite ore, including 1.65 million WMT of ore delivered to the Coral Bay HPAL plant. For the comparable period last year, Rio Tuba sold 2.21 million WMT of saprolite ore and 1.55 million WMT of limonite ore, which were all delivered to the Coral Bay plant.

Shipments from the Hinatuan mine amounted to 1.0 million WMT compared to 1.21 million WMT in 2015, while the Cagdianao mine shipped 840 thousand WMT in 2016 versus 1.0 million WMT last year due to the aforementioned delay in the start of the shipment season.

“Record low nickel prices, which was exacerbated by a temporary drop in shipment volumes, resulted to lower revenues for the first half of the year, said Gerard H. Brimo, President and CEO of the Company. “However, tightness has now entered the nickel market as a result of supply cuts and an increase in stainless steel production, resulting in a drop in LME nickel inventories and improving nickel prices. This is timely as we enter our peak shipment season in the second half of the year,” Mr. Brimo added.

For any questions or clarifications, please contact;  
Emmanuel Samson  
CFO & SVP  
[manny.samson@nickelasia.com](mailto:manny.samson@nickelasia.com)