

NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Tokyo, November 6, 2017 – Nickel Asia Corporation (NAC; PSE:NIKL) announced today its financial and operating results for the nine months ended September 30, 2017 with attributable net income (net of minority interests) at P2.62 billion compared to P980 million reported for the nine months ended September 30, 2016. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P5.95 billion compared to P3.97 billion in the prior year.

The combined effects of the Company focusing more on shipments of its higher-value saprolite ore, more particularly in the first quarter when ore prices were firmer, a stronger U.S. dollar and a turnaround in profits from the Company's equity share in its investment in both the Coral Bay and Taganito processing plants, resulted to a significant improvement in earnings during the first nine months. The Company's total share of earnings on its 10% stake in the two plants amounted to P21 million compared to a loss of P561 million during the same period last year. The turn-around was mainly driven by strong cobalt prices, a by-product of both plants.

With respect to mining operations, the Company sold an aggregate 14.24 million wet metric tons (WMT) of nickel ore in the first nine months as against 15.18 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.

Of the total volume of ore shipped, 7.31 million WMT was saprolite ore and 6.92 million WMT was limonite ore, which includes 6.27 million WMT delivered to both the Coral Bay and Taganito processing plants. This compares to 5.66 million WMT, 9.52 million WMT and 5.44 million WMT, respectively, for the same period last year.

In terms of price, the Company realized an average of \$4.49 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 \$4.19 per pound of payable nickel sold during the same period last year. With respect to export sales, the Company achieved an average price of \$24.35 per WMT compared to \$19.37 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 \$16.27 per WMT, 16% higher than the prior year's \$14.07 per WMT.

Total operating cash costs increased by 4% year-on-year to P6.19 billion from P5.97 billion in 2016. On a per WMT of ore sold, total operating cash costs increased to P435 per WMT compared to P393 per WMT in 2016. The realized Peso / U.S. dollar exchange rate for ore sales during the first three quarters of the year was P50.29 compared to P46.88 during the same period last year.

“Despite lower ore shipments, we managed to show respectable results driven by higher prices and the impressive turnaround in the financial results of the Coral Bay and Taganito processing plants,” says Mr. Gerard H. Brimo, Company President and CEO. “We are also pleased to advise that our Rio Tuba operation, which was earlier chosen by the Department of Environment and Natural Resources to represent the country in the First ASEAN Mineral Awards in the metallic mining category, has been nominated as one of three finalists to this prestigious award, the first of its kind. The final determination of the winner will be announced in Myanmar at the end of November this year. This is a testament to the world-class quality of our operations,” Mr. Brimo said.

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NICKEL ASIA CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2017

(With Comparative Audited Figures as at December 31, 2016)

(Amounts in Thousands)

	September 30, 2017	December 31, 2016
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱9,331,930	₱9,647,943
Trade and other receivables	1,377,359	1,145,271
Inventories	3,271,458	3,210,838
Available-for-sale (AFS) financial assets	5,976,798	5,572,285
Prepayments and other current assets	1,021,590	946,431
Total Current Assets	20,979,135	20,522,768
Noncurrent Assets		
Property and equipment	15,617,036	15,566,425
Investments in associates	2,853,997	2,582,087
Geothermal exploration and evaluation assets	1,838,794	1,775,799
AFS financial assets - net of current portion	739,799	746,793
Long-term stockpile inventory - net of current portion	250,424	367,244
Deferred income tax assets - net	184,900	370,052
Other noncurrent assets	3,521,077	3,420,348
Total Noncurrent Assets	25,006,027	24,828,748
TOTAL ASSETS	₱45,985,162	₱45,351,516
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱6,901,301	₱7,016,683
Income tax payable	627,375	426,802
Other current liability	197,079	169,079
Current portion of:		
Long-term debt	121,588	148,274
Long-term payable	5,000	5,000
Short-term debt	-	180,000
Total Current Liabilities	7,852,343	7,945,838
Noncurrent Liabilities		
Long-term debt - net of current portion	2,934,643	4,468,059
Deferred income tax liabilities - net	691,029	876,467
Provision for mine rehabilitation and decommissioning	449,652	442,484
Pension liability	343,088	332,320
Deferred income - net of current portion	59,706	62,849
Long-term payable	24,838	23,846
Total Noncurrent Liabilities	4,502,956	6,206,025
Total Liabilities	12,355,299	14,151,863
Equity Attributable to Equity Holders of the Parent		
Capital stock	3,808,665	3,808,665
Additional paid-in capital	8,300,002	8,300,002
Other components of equity:		
Share in cumulative translation adjustment	635,344	409,286
Cost of share-based payment plan	134,225	126,622
Net valuation gains on AFS financial assets	54,555	12,954
Asset revaluation surplus	32,193	32,480
Retained earnings		
Unappropriated	15,233,885	13,221,526
Appropriated	1,108,956	1,108,956
	29,307,825	27,020,491
Non-controlling Interests (NCI)	4,322,038	4,179,162
Total Equity	33,629,863	31,199,653
TOTAL LIABILITIES AND EQUITY	₱45,985,162	₱45,351,516

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Thousands, Except Earnings per Share)

	2017	2016
	(Unaudited)	
REVENUES		
Sale of ore	P12,002,998	P10,198,470
Services and others	478,507	387,903
Sale of power	161,755	12,789
	12,643,260	10,599,162
COSTS		
Sale of ore	4,660,329	4,640,591
Services	261,060	241,190
Power generation	147,315	59,448
	5,068,704	4,941,229
OPERATING EXPENSES		
Shipping and loading costs	1,267,399	1,513,977
General and administrative	553,475	578,094
Excise taxes and royalties	890,548	777,828
Marketing	78,333	74,522
	2,789,755	2,944,421
FINANCE INCOME	226,273	172,271
FINANCE EXPENSES	(184,395)	(201,817)
EQUITY IN NET INCOME (LOSSES) OF ASSOCIATES	20,735	(561,320)
OTHER INCOME - Net	307,634	332,153
INCOME BEFORE INCOME TAX	5,155,048	2,454,799
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	1,634,588	973,219
Deferred	(72,722)	(4,884)
	1,561,866	968,335
NET INCOME	P3,593,182	P1,486,464
Net income attributable to:		
Equity holders of the parent	P2,620,306	P979,629
NCI	972,876	506,835
	P3,593,182	P1,486,464
Basic/Diluted EPS	P0.34	P0.13