

Nickel Asia Reports 19.3 Million Wet Metric Tons of Ore Shipments In 2016

Taguig, January 12, 2017 - Nickel Asia Corporation (PSE:NIKL; NAC) today announced that its four operating mines sold an aggregate 19.3 million wet metric tons (WMT) of nickel ore shipments in 2016, marginally lower compared to the 19.7 million WMT of shipments achieved in 2015. Lower shipment volumes coupled with the overall weakness in nickel ore prices led to a drop in the Company's estimated value of shipments from P14.4 billion in 2015 to P13.3 billion in 2016.

The estimated realized nickel price on 11.7 million WMT of ore sales to mainly Japanese and Chinese customers in 2016 averaged \$20.82 per WMT compared to an average of \$22.64 per WMT realized in 2015.

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 \$4.39 per pound of payable nickel on 7.6 million WMT sold in 2016. This compares to an average price of \$5.36 per pound of payable nickel on 7.8 million WMT sold in 2015. The lower volumes compared to the prior year was due to remedial work conducted over a one month period at the Taganito HPAL plant, which reduced ore delivery from the Company's Taganito mine. The work was completed in May 2016 and the plant has since resumed operations at full capacity.

On a per mine basis, the Company's Taganito operation accounted for 42% of total shipments. The mine shipped a total of 2.3 million WMT of saprolite ore and 5.7 million WMT of limonite ore, including 4.1 million WMT to the Taganito HPAL plant. The comparable figures for last year were 2.5 million WMT, 5.2 million WMT and 4.4 million WMT, respectively.

The Rio Tuba mine accounted for 32% of total shipments, which consists of 2.3 million WMT of saprolite ore and 3.9 million WMT of limonite ore, including 3.5 million WMT delivered to the Coral Bay HPAL plant. For the comparable period last year, Rio Tuba sold 3.2 million WMT of saprolite ore, and 3.4 million WMT of limonite ore to the Coral Bay plant. The drop in ore shipments was mainly due to a change in the ore grade mix brought about by the impact of lower ore prices.

The unfavorable weather conditions and the effects of sea swells during the first half of the year resulted to delays in the start of shipments from the Company's Hinatuan and Cagdianao mines, thereby translating to slightly lower shipment volumes in 2016. Shipments from the Hinatuan mine during this period amounted 3.0 million WMT compared to 3.2 million WMT in 2015, while the Cagdianao mine shipped 2.1 million WMT in 2016 versus 2.2 million WMT last year.

“The year 2016 was challenging as we saw nickel prices hit a 13-year low early in the first half, a continuation of the downtrend that we experienced in 2015”, said Gerard H. Brimo, President and CEO of the Company. “However, prices in the second half have improved in line with improving fundamentals for nickel due to declining inventories coupled with some production cut-backs and closures, and a strong recovery in the Chinese stainless steel market. All these suggests higher nickel prices this year”, Mr. Brimo added.