

## **PRESS RELEASE**

### **NICKEL ASIA CORPORATION ANNOUNCES FINANCIAL AND OPERATING RESULTS WITH EARNINGS TURNAROUND FOR THE THREE MONTHS ENDED MARCH 31, 2017**

Taguig, May 5, 2017 - Nickel Asia Corporation (NAC) (PSE:NIKL) today announced its unaudited financial and operating results for the three months ended March 31, 2017 with an attributable net income (net of minority interests) of P377.5 million as compared to a net loss of P300.8 million reported during the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P1.34 billion compared to P507.0 million in the prior year.

The combined effects of shipments of higher-value saprolite ore from its Rio Tuba and Taganito mines this quarter coupled with higher prices, a stronger U.S. dollar and much lower losses from the Company's equity share in its investment in both the Coral Bay and Taganito processing plants, resulted to a significant turnaround in earnings during the first quarter. The Company's net share of the losses on its 10% stake in each of the two plants amounted to just P10 million compared to a loss of P226 million during the same period last year. The improved performance was mainly driven by lower operating costs coupled with higher cobalt prices, a bi-product of both plants.

The Company's Rio Tuba and Taganito mines sold an aggregate 3.05 million wet metric tons (WMT) of nickel ore during the first quarter of the year, compared to 3.49 million WMT achieved the previous year. The Rio Tuba mine exported 908 thousand WMT of saprolite ore and delivered 950 thousand WMT of limonite ore to the Coral Bay processing plant. This compares to sales of 594 thousand WMT of saprolite ore and 1.37 million WMT of limonite ore during the same period last year, the latter consisting of 933 thousand WMT of ore delivered to the Coral Bay plant and 435 thousand WMT of ore exports to China.

The Taganito mine exported 156 thousand WMT of saprolite ore and delivered 1.04 million WMT of limonite ore to the Taganito processing plant. This compares to sales of 151 thousand WMT of saprolite ore and 1.38 million WMT of limonite ore for the comparable period last year, of which 1.11 million was ore delivered to the Taganito plant and 268 thousand WMT was ore exports to China.

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.

In terms of price, the Company realized an average of \$4.66 per pound of payable nickel on its shipments of ore to the two HPAL plants during the first three months of the year, the pricing of which is linked to the LME. This compares to an average price of \$3.85 per pound of payable nickel sold during the same period last year. With respect to export sales, the Company achieved an average price of \$31.34 per WMT, almost double the average selling price of \$15.78 realized during the same period last year. On a combined basis, the average price received for sales of both saprolite and limonite ore in 2017 was \$14.31 per WMT, 58% higher than the prior year's \$9.03 per WMT.

“We are very pleased with our first quarter results despite the business challenges and tough market conditions we continue to face”, said Gerard Brimo, President and CEO of the Company. “We will definitely build on this momentum as we now approach our peak shipment season which starts in the second quarter of the year,” Mr. Brimo added.

Total operating cash costs during the first three months of the year amounted to P1.30 billion, which is similar to the amount reported during the same period last year. On a per WMT of ore sold, total operating cash costs increased to P426 per WMT compared to P374 per WMT in 2016. The realized Peso / U.S. dollar exchange rate during the first quarter of the year was P50.05 compared to P47.12 during the same period last year.

For any questions and/or clarifications, please contact:

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# NICKEL ASIA CORPORATION AND SUBSIDIARIES

## INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2017

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

(Amounts in Thousands)

	March 31, 2017	December 31, 2016
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱9,400,208	₱9,647,943
Trade and other receivables	1,191,655	1,145,271
Inventories	3,548,381	3,210,838
Available-for-sale (AFS) financial assets	5,738,508	5,572,285
Prepayments and other current assets	1,060,722	946,431
<b>Total Current Assets</b>	<b>20,939,474</b>	<b>20,522,768</b>
<b>Noncurrent Assets</b>		
Property and equipment	15,575,764	15,566,425
Investments in associates	2,765,748	2,582,087
Geothermal exploration and evaluation assets	1,791,264	1,775,799
AFS financial assets - net of current portion	673,063	746,793
Long-term stockpile inventory - net of current portion	304,337	367,244
Deferred income tax assets - net	193,180	370,052
Other noncurrent assets	3,783,985	3,420,348
<b>Total Noncurrent Assets</b>	<b>25,087,341</b>	<b>24,828,748</b>
<b>TOTAL ASSETS</b>	<b>₱46,026,815</b>	<b>₱45,351,516</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	₱6,673,202	₱7,016,683
Income tax payable	794,854	426,802
Short-term debt	180,000	180,000
Current portion of:		
Long-term debt	126,966	148,274
Long-term payable	5,000	5,000
Other current liability	169,079	169,079
<b>Total Current Liabilities</b>	<b>7,949,101</b>	<b>7,945,838</b>
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion	4,480,868	4,468,059
Provision for mine rehabilitation and decommissioning	444,007	442,484
Deferred income - net of current portion	61,801	62,849
Long-term payable	24,177	23,846
Deferred income tax liabilities - net	700,262	876,467
Pension liability	342,804	332,320
<b>Total Noncurrent Liabilities</b>	<b>6,053,919</b>	<b>6,206,025</b>
<b>Total Liabilities</b>	<b>14,003,020</b>	<b>14,151,863</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		
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	583,805	409,286
Cost of share-based payment plan	130,106	126,622
Net valuation gains on AFS financial assets	4,119	12,954
Asset revaluation surplus	32,385	32,480
Retained earnings		
Unappropriated	13,599,130	13,221,526
Appropriated	1,108,956	1,108,956
	27,567,168	27,020,491
<b>Non-controlling Interests (NCI)</b>	<b>4,456,627</b>	<b>4,179,162</b>
<b>Total Equity</b>	<b>32,023,795</b>	<b>31,199,653</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱46,026,815</b>	<b>₱45,351,516</b>

See accompanying Notes to Unaudited Consolidated Financial Statements.

**NICKEL ASIA CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**  
**(Amounts in Thousands, Except Earnings per Share)**

	2017	2016
	(Unaudited)	
<b>REVENUES</b>		
Sale of ore	P2,307,563	P1,545,740
Services and others	148,577	155,652
Sale of power	36,708	-
	<b>2,492,848</b>	<b>1,701,392</b>
<b>COSTS</b>		
Sale of ore	983,019	965,131
Services	85,560	86,766
Power generation	18,942	-
	<b>1,087,521</b>	<b>1,051,897</b>
<b>OPERATING EXPENSES</b>		
Shipping and loading costs	190,922	268,507
General and administrative	175,622	179,166
Excise taxes and royalties	105,638	81,947
	<b>472,182</b>	<b>529,620</b>
<b>FINANCE INCOME</b>	59,573	54,406
<b>FINANCE EXPENSES</b>	(64,477)	(76,389)
<b>EQUITY IN NET LOSSES OF ASSOCIATES</b>	(10,249)	(225,856)
<b>OTHER INCOME (CHARGES) - Net</b>	85,057	(36,627)
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>1,003,049</b>	<b>(164,591)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	389,494	132,804
Deferred	(41,419)	(67,154)
	<b>348,075</b>	<b>65,650</b>
<b>NET INCOME (LOSS)</b>	<b>P654,974</b>	<b>(P230,241)</b>
Net income (loss) attributable to:		
Equity holders of the parent	P377,509	(P300,777)
NCI	277,465	70,536
	<b>P654,974</b>	<b>(P230,241)</b>
<b>Basic/Diluted Earnings (Loss) Per Share (EPS)</b>	<b>P0.05</b>	<b>(P0.04)</b>

*See accompanying Notes to Unaudited Consolidated Financial Statements.*