

## **PRESS RELEASE**

### **Nickel Asia Reports 15.2 Million Wet Metric Tons of Ore Shipments For the First Nine-Months Ended September 2016**

Taguig, October 13, 2016 - Nickel Asia Corporation (PSE:NIKL; NAC) today announced that its four operating mines sold an aggregate 15.18 million wet metric tons (WMT) of nickel ore shipments in the first nine months ended September 30, 2016, marginally lower compared to the 15.96 million WMT of shipments achieved for the same period last year. Lower shipment volumes coupled with the overall weakness in nickel ore prices led to a drop in the Company's estimated value of shipments to P9.94 billion in the first three quarters of the year from P12.32 billion in the comparable 2015 period.

The estimated realized nickel price on 9.74 million WMT of ore sales to Japanese and Chinese customers in the first nine-months of the year averaged \$19.20 per WMT compared to an average of \$22.70 per WMT realized during the same period last year.

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 \$4.19 per pound of payable nickel on 5.44 million WMT sold during the first nine-months of the year. This compares to an average price of \$5.74 per pound of payable nickel on 5.62 million WMT sold during the comparable period last year. 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 43% of total shipments. The mine shipped a total of 2.13 million WMT of saprolite ore and 4.37 million WMT of limonite ore, including 2.82 million WMT to the Taganito HPAL plant. The comparable figures for last year were 2.34 million WMT, 3.92 million WMT and 3.10 million WMT, respectively.

The Rio Tuba mine accounted for 30% of total shipments, which consists of 1.47 million WMT of saprolite ore and 3.05 million WMT of limonite ore, including 2.62 million WMT delivered to the Coral Bay HPAL plant. For the comparable period last year, Rio Tuba sold 2.51 million WMT of saprolite ore, and 2.52 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 shipment from the Company's Hinatuan and Cagdianao mines, thereby translating to lower shipment volumes during the first three quarters of the year. Shipments from the Hinatuan mine during this period amounted 2.48 million WMT compared to 2.72 million WMT

in 2015, while the Cagdianao mine shipped 1.69 million WMT in 2016 versus 1.96 million WMT last year.

The Company also announced that its Taganito, Rio Tuba and Cagdianao operations successfully passed the recently concluded mine audits by the Department of Environment and Natural Resources (DENR), as disclosed recently by the DENR. While the Company's Hinatuan operation was not included in such list, the Company has not received any formal communication from the DENR as to why it was excluded.

"We are delighted that three of our four mines, including our two largest – Taganito and Rio Tuba – passed the mine audits with flying colors, says Gerard H. Brimo, President and CEO of the Company. "We are confident that our Hinatuan operation will likewise pass, as its operating standards are at par with our other mines. We are also delighted to see the start of a recovery in nickel prices", Mr. Brimo added. "The average LME price in the third quarter alone was \$4.66 per pound, a 19% increase compared to the first-half average of just \$3.93 per pound".

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