Alcoa®

ALCOA SECURES FIRST MAJOR EXPORT CONTRACT TO SUPPLY BAUXITE FROM WESTERN AUSTRALIA MINE

Dec 19, 2016

Western Australia State Government approves additional Alcoa third-party bauxite exports

NEW YORK & PERTH, Australia--(BUSINESS WIRE)-- Alcoa Corporation (NYSE: AA), the world's largest bauxite miner, today announced that Alcoa World Alumina and Chemicals (AWAC) has secured its first major third-party contract to supply approximately 400,000 bone dry metric tons (bdmt) of bauxite from its Huntly mine in Western Australia (WA), furthering Alcoa's strategy to grow its third-party bauxite business.

"This Western Australian contract comes just months after our first trial bauxite shipment from WA to China in mid-2016, which successfully introduced our WA product to the global market," said Garret Dixon, President of Alcoa Bauxite, who is based in Perth.

The WA State Government has also granted approval for Alcoa to export up to 2.5 million metric tons per annum of bauxite for five years to third-party customers.

"Bauxite exports have the potential to generate greater value from our WA mineral lease, creating additional revenue streams for Alcoa and the State of Western Australia, while maintaining supply to our three WA refineries," Mr Dixon said.

The WA contract is one of three bauxite agreements recently signed worth a total of $US126 million to deliver approximately 2.2 million bdmt of bauxite to customers in China in 2017. In addition to the WA contract, Alcoa will supply bauxite from its two mines in Brazil—Juruti and Mineração Rio do Norte, where Alcoa and AWAC hold an 18.2 percent equity investment. The two supply agreements for Brazil bauxite replace 2016 contract volume.

The contracts increase the total value of Alcoa's 2016 and 2017 third-party bauxite supply agreements to nearly $US600 million.

Alcoa, the world's largest bauxite miner with 45.3 million bdmt of production in 2015, has mines in proximity to major markets and holds a first quartile cost curve position. Alcoa projects that the market for third-party bauxite demand will double between 2015 and 2024, with China as the biggest importer of bauxite.

The AWAC group of companies is owned 60 percent by Alcoa Corporation and 40 percent by Alumina Limited of Australia.

On November 1, Alcoa Corporation announced it had completed the separation from its parent company Alcoa Inc. (now named Arconic Inc.) and began operating as an independent, publicly-traded company.

About Alcoa Corp.

Alcoa (NYSE: AA) is a global industry leader in bauxite, alumina and aluminum products, with a strong portfolio of value-added cast and rolled products and substantial energy assets. Alcoa is built on a foundation of strong values and operating excellence dating back nearly 130 years to the world-changing discovery that made aluminum an affordable and vital part of modern life. Since inventing the aluminum industry, and throughout our history, our talented Alcoans have followed on with breakthrough innovations and best practices that have led to efficiency, safety, sustainability and stronger communities wherever we operate. Visit us online on www.alcoa.com, follow @Alcoa on Twitter and on Facebook at www.facebook.com/Alcoa.

Dissemination of Company Information

Alcoa Corporation intends to make future announcements regarding company developments and financial performance through its website at www.alcoa.com.

Forward-Looking Statements

This press release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect the Company's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although the Company believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Additional information concerning factors that could cause actual results to differ materially from those projected in the forward-looking statements is contained in our filings with the Securities and Exchange Commission. The Company disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

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Source: Alcoa Corporation