

PRESS RELEASE

NICKEL ASIA CORPORATION ANNOUNCES Q1 FINANCIAL AND OPERATING RESULTS

Manila, May 6, 2014 - Nickel Asia Corporation (NAC) (PSE:NIKL) today announced its unaudited financial and operating results for the three months ended March 31, 2014 with an attributable net income (net of minority interests) of P593.7 million as compared to P100.3 million reported during the same period last year. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P794.7 million compared to P653.7 million in the prior year.

The Company's net income for the first quarter of 2014 is inclusive of a non-cash gain of P416.6 million. This one-time gain represents the Company's share of the revaluation by its 60%-owned subsidiary, Rio Tuba Nickel Mining Corporation (RTN), of its 10% ownership in the adjacent processing plant under Coral Bay Nickel Corporation (CBNC). RTN's equity in CBNC was subsequently declared as property dividends to the Company during the period in review. As a result, the Company's ownership in CBNC increased from an indirect 6% to a direct 10% interest.

During the first quarter, the Company also recognized P11.7 million in equity income from its 22.5% investment in Taganito HPAL Nickel Corporation (THPAL). This represents the Company's share of the \$1.4 million earnings reported by THPAL during the said period. The plant produced 5,250 tonnes of contained nickel in the form of mixed sulfides, while shipments amounted to 5,734 tonnes. The plant operated at about 70% capacity, with minor repairs and fine-tuning continuing throughout the quarter at the newly commissioned plant.

"This year is significant for the Company being the first full year of operation of the new Taganito plant. With LME nickel prices currently holding at above \$8.00 per pound, we hope to see THPAL's performance improving in the coming months", said Gerard Brimo, President and CEO of the Company.

Net of the none cash and one-time gain of P416.6 million, the Company's core income during the first quarter of 2014 stood at P177.1 million.

Total revenues during the comparable first quarter periods increased from P1.40 billion in 2013 to P1.70 billion in 2014. Higher revenues were achieved despite lower prices when compared to the same period last year. It will be recalled that last year nickel prices were at fairly high levels during the early part, and only started trending downwards towards the second half of 2013.

The Company sold an aggregate 2.65 million wet metric tonnes (WMT) of nickel ore in the first three months ended March 31, 2014, as compared to 1.74 million WMT in the same period last year. The 52% increase in shipments is mainly due to the start of regular ore deliveries to the new Taganito processing plant. The Taganito mine is scheduled to deliver over 4 million WMT of limonite ore to the plant this year.

Of the total volume of ore sold in the first quarter, 2.0 million WMT of ore were benchmarked against LME prices, at an average of \$6.59 per pound of payable nickel as against \$7.82 per pound in the comparable period last year. This shipment volume represents ore sales of high-grade saprolite to Japan and of limonite to the Coral Bay and Taganito processing plants. Current prices of similar saprolite ore to China have risen significantly in the past few months, particularly since the Indonesian ore ban took

effect. As a result, despite our long-term sales contracts to our Japanese buyers with pricing linked to the LME, pricing of saprolite ore sales to Japan will, in the interim, be benchmarked against China prices effective April 2014.

The balance of the Company's ore shipments for the quarter of 661 thousand WMT, consisting of medium grade saprolite and low-nickel, high iron limonite, were sold on the basis of negotiated prices per WMT of ore, which averaged \$19.93 per WMT of ore compared to \$22.21 per WMT of ore in the same period last year.

The realized Peso / U.S. dollar exchange rate during the first quarter of the year was P44.87 compared to P40.69 during the same period last year.

"Due to the seasonality of our business, typically the first quarter is the slowest quarter. "As we have continued to do in prior years, our ore shipment volume will increase this year, mainly as a result of the first full-year of operations of the new Taganito processing plant", per Mr. Brimo.

Total operating cash cost increased by 17.2% during the first three months of the year to P1.06 billion from P906 million in 2013. On a per WMT of ore sold, total operating cash cost decreased to P401 per WMT compared to P521 per WMT in 2013.

The Board of Directors in its 6 May 2014 meeting approved the Company's initial investment of approx. P460 million in the Montelago geothermal power project, Oriental Mindoro. The initial investment will be in the form of a collateralized one-year loan to partly fund the first two geothermal holes, convertible to 49% equity in the project at the option of the Company. Should the initial holes meet the minimum power generation criteria, production turbines will be installed for early power generation.

The entire project involves the development of the Montelago field and the generation of 40 MW of geothermal power, to be supplied to both Occidental and Oriental Mindoro, at a total project cost of over P8 billion. Power Sales Agreements, which are undergoing a Swiss challenge under existing rules, have been executed with the electrical cooperatives of both provinces. Following a satisfactory resolution of the challenge, the approval process with the Energy Regulatory commission will be undertaken. This is the second foray of the Company into power generation, the first a 10 MW bunker-fired generating unit designed to alleviate the shortage of power in Surigao city, currently under development.

Finally, the Board of Directors likewise approved the appointment of Mr. Emmanuel L. Samson, currently Chief Financial Officer, as concurrent Corporate Governance Officer of the Company.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2014
(With Comparative Audited Figures as at December 31, 2013)
(Amounts in Thousands)

	March 31, 2014	December 31, 2013
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P9,168,984	P10,234,336
Trade and other receivables	1,071,507	839,449
Inventories	2,300,181	2,044,469
Available-for-sale (AFS) financial assets	1,323,751	1,257,370
Prepayments and other current assets	310,407	225,412
Total Current Assets	14,174,830	14,601,036
Noncurrent Assets		
AFS financial assets	1,935,881	1,181,568
Property and equipment	6,608,186	6,585,752
Investment property	29,000	29,000
Investment in an associate	4,161,672	4,112,126
Long-term stock pile inventory - net of current portion	929,114	981,463
Deferred income tax assets - net	349,524	344,443
Other noncurrent assets	1,065,985	1,078,140
Total Noncurrent Assets	15,079,362	14,312,492
TOTAL ASSETS	P29,254,192	P28,913,528
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P947,661	P928,113
Income tax payable	420,354	263,381
Current portion of long-term debt	98,503	117,469
Total Current Liabilities	1,466,518	1,308,963
Noncurrent Liabilities		
Long-term debt - net of current portion	1,434,573	1,421,128
Deferred income tax liabilities - net	473,467	486,228
Deferred income - net of current portion	75,069	75,419
Provision for mine rehabilitation and decommissioning	128,080	130,927
Pension liability	276,436	279,075
Total Noncurrent Liabilities	2,387,625	2,392,777
Equity Attributable to Equity Holders of the Parent		
Capital stock	1,270,079	1,266,780
Additional paid-in capital	8,225,659	8,151,603
Other components of equity:		
Cost of share-based payment plan	20,942	49,524
Net valuation gains on AFS financial assets	117,071	99,506
Share in cumulative translation adjustment	174,302	140,201
Asset revaluation surplus	33,534	33,629
Retained earnings		
Appropriated	1,000,000	1,000,000
Unappropriated	10,342,725	9,748,905
	21,184,312	20,490,148
Non-controlling Interests	4,215,737	4,721,640
Total Equity	25,400,049	25,211,788
TOTAL LIABILITIES AND EQUITY	P29,254,192	P28,913,528

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013
(Amounts in Thousands, Except Earnings per Share)

	2014	2013
	(Unaudited)	
REVENUES		
Sale of ore	P1,527,962	P1,279,052
Services and others	169,054	125,832
	1,697,016	1,404,884
COSTS AND EXPENSES		
Cost of sales	766,240	694,951
Cost of services	93,677	65,516
Shipping and loading costs	177,385	131,590
Marketing	-	5,388
Excise taxes and royalties	61,906	41,234
General and administrative	173,462	132,476
	1,272,670	1,071,155
FINANCE INCOME	729,524	56,784
FINANCE EXPENSES	(42,536)	(25,761)
EQUITY IN NET INCOME (LOSSES) OF AN ASSOCIATE	11,656	(60,228)
OTHER INCOME – Net	45,226	16,582
INCOME BEFORE INCOME TAX	1,168,216	321,106
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	163,899	110,324
Deferred	(29,320)	(7,177)
	134,579	103,147
NET INCOME	P1,033,637	P217,959
Net income attributable to:		
Equity holders of the parent	P593,725	P100,300
Non-controlling interests	439,912	117,659
	P1,033,637	P217,959
Basic and diluted earnings per share	P0.24	P0.04