

NICKEL ASIA CORPORATION ANNOUNCES 1ST HALF 2014 FINANCIAL AND OPERATING RESULTS

Manila, August 8, 2014 – Nickel Asia Corporation (NAC; PSE:NIKL) today announced its financial and operating results for the six months ended June 30, 2014 with attributable net income (net of minority interests) at P3.30 billion, 419% higher compared to P636 million reported for the six months ended June 30, 2013. Net of a one-time non-cash gain of P416.6 million representing the Company's share of the revaluation by its 60%-owned subsidiary, Rio Tuba Nickel Mining Corporation, of its ownership in Coral Bay Nickel Corporation, the Company's core income stood at P2.88 billion. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to P5.83 billion compared to P1.83 billion in the prior year.

The jump in earnings during the first half was mainly due to a combination of higher shipment volume and nickel prices. Total volume of nickel ore sold and delivered from the Company's four operating mines in the first half of 2014 reached 7.73 million wet metric ton (WMT) as against 5.54 million WMT in the same period last year. The surge in shipment volumes was mainly the result of increased ore deliveries to the HPAL plants, in particular to the Taganito HPAL facility, now on its first full year of operations. The said plant was still in its pre-operating stage during the same period last year.

Of the total volume of ore shipped, 2.21 million WMT was saprolite ore and 5.52 million WMT was limonite ore, which includes 3.62 million WMT delivered to both the Coral Bay processing plant and the Taganito processing plant.

In terms of price, we realized an average of \$7.36 per pound of payable nickel on 3.80 million WMT of ore sold on the basis of LME prices. This includes 183 thousand WMT of saprolite ore sold to Japanese customers during the first quarter, whose price formula was still linked to the LME price, and 3.62 million WMT ore delivered to both the Coral Bay and Taganito HPAL plants.

As mentioned in a previous disclosure, the tight supply of nickel ore brought about by the Indonesian ore export ban has led to a surge in prices to Chinese customers, most notably during the second quarter of the year, significantly higher than the increase experienced in LME prices. As a result, effective last April, ore sales to our Japanese customers are now benchmarked to China prices on the basis of a negotiated price per WMT of ore. The Company sold a total of 3.93 million WMT of ore to both Japanese and Chinese customers at an average of \$41.77 per WMT during the first half of the year, a significant increase compared to \$20.12 per WMT for the same period last year. This includes 445 thousand WMT of saprolite ore sold to Japanese customers in the second quarter. Currently, only the ore deliveries to the two HPAL plants are price linked to the LME.

As a result of an increase in shipment volume, total cash operating costs and expenses grew by 34% from P2.37 billion in the first half of 2013 to P3.18 billion

in the first half of 2014. On a per WMT of ore sold, total cash operating costs and expenses decreased from \$10.32 per WMT in 2013 to \$9.33 per WMT in 2014.

“We are pleased by the much improved performance of the Company in the first half. As in prior years, our shipment volumes are higher in the second half due to the seasonality of our operations, and every effort will be made to achieve this, particularly given the period of high prices that we are experiencing,” said Mr. Gerard Brimo, Company President and CEO.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014
(With Comparative Audited Figures as at December 31, 2013)
(Amounts in Thousands)

	June 30, 2014	December 31, 2013
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱9,812,578	₱10,234,336
Trade and other receivables	3,735,071	839,449
Inventories	2,260,196	2,044,469
Available-for-sale (AFS) financial assets	1,515,835	1,257,370
Prepayments and other current assets	541,282	225,412
Total Current Assets	17,864,962	14,601,036
Noncurrent Assets		
AFS financial assets	1,936,968	1,181,568
Property and equipment	6,654,786	6,585,752
Investment property	29,000	29,000
Investment in an associate	4,330,950	4,112,126
Long-term stock pile inventory - net of current portion	878,533	981,463
Deferred income tax assets - net	318,943	344,443
Other noncurrent assets	1,252,179	1,078,140
Total Noncurrent Assets	15,401,359	14,312,492
TOTAL ASSETS	₱33,266,321	₱28,913,528
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱1,894,715	₱928,113
Income tax payable	1,353,080	263,381
Current portion of long-term debt	95,943	117,469
Total Current Liabilities	3,343,738	1,308,963
Noncurrent Liabilities		
Long-term debt - net of current portion	1,359,086	1,421,128
Deferred income tax liabilities - net	444,669	486,228
Deferred income - net of current portion	75,419	75,419
Provision for mine rehabilitation and decommissioning	123,925	130,927
Pension liability	275,245	279,075
Total Noncurrent Liabilities	2,278,344	2,392,777
Equity Attributable to Equity Holders of the Parent		
Capital stock	1,270,321	1,266,780
Additional paid-in capital	8,228,894	8,151,603
Other components of equity:		
Cost of share-based payment plan	21,952	49,524
Net valuation gains on AFS financial assets	134,580	99,506
Share in cumulative translation adjustment	74,713	140,201
Asset revaluation surplus	33,438	33,629
Retained earnings		
Unappropriated	12,291,000	9,748,905
Appropriated	1,000,000	1,000,000
	23,054,898	20,490,148
Non-controlling Interests	4,589,341	4,721,640
Total Equity	27,644,239	25,211,788
TOTAL LIABILITIES AND EQUITY	₱33,266,321	₱28,913,528

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013
(Amounts in Thousands, Except Earnings per Share)

	2014	2013
	(Unaudited)	
REVENUES		
Sale of ore	₱9,004,080	₱4,143,267
Services and others	334,210	240,439
	9,338,290	4,383,706
COSTS AND EXPENSES		
Cost of sales	2,328,513	2,025,280
Cost of services	188,915	130,333
Shipping and loading costs	745,533	537,516
Excise taxes and royalties	553,988	221,204
General and administrative	384,425	281,906
Marketing	54,921	12,180
	4,256,295	3,208,419
FINANCE INCOME	756,442	91,134
FINANCE EXPENSES	(76,167)	(52,435)
EQUITY IN NET INCOME (LOSSES) OF AN ASSOCIATE	291,588	(104,378)
OTHER INCOME – Net	97,785	152,107
INCOME BEFORE INCOME TAX	6,151,643	1,261,715
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	1,557,309	409,378
Deferred	(23,813)	(40,711)
	1,533,496	368,667
NET INCOME	₱4,618,147	₱893,048
Net income attributable to:		
Equity holders of the parent	₱3,299,631	₱635,608
Non-controlling interests	1,318,516	257,440
	₱4,618,147	₱893,048
Earnings per share:		
Basic	₱1.31	₱0.25
Diluted	₱1.30	₱0.25