

Nickel Asia Reduces Stake in Taganito HPAL Plant

Nickel Asia Corporation (NAC) announced today that its Board of Directors has approved the sale of its 12.5% shareholdings in Taganito HPAL Corporation (THPAL), out of its total 22.5% equity ownership, to Sumitomo Metal Mining Co., Ltd. of Japan (SMM). Following the divestment, NAC will retain a 10% interest in THPAL, while SMM's ownership increases from 62.5% to 75.0%. Mitsui & Co. Ltd. of Japan holds the remaining 15% stake. The total cash consideration for the sale is \$42.0 million.

The transaction is expected to be completed by year-end 2016, upon the fulfillment of requirements in the Deed of Sale, including all necessary regulatory approvals.

“The decision to sell a part of our ownership in THPAL was taken in order to allow NAC to focus more of its resources towards its new renewable energy business and expansion and development of mine operations, which is the Company's core expertise”, said Gerard H. Brimo, President and CEO of NAC.

Completed in 2014, THPAL is the second downstream nickel processing plant in the Philippines employing the high- pressure acid leach (HPAL) technology to process limonite ore, which is being supplied exclusively by the Company's Taganito Mining subsidiary. It operates under license from SMM, the plant's operator, and represents the largest investment in the country's mineral resource sector to-date. The construction of THPAL followed the success of the country's first HPAL plant under Coal Bay Nickel Corp, where the Company has a 10% equity interest. Coral Bay started operations in 2005 and is also operated by SMM, the majority shareholder.

For any questions or clarifications, please contact;

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