NICKEL ASIA CORP.

May 14, 2012

PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attn: JANET A. ENCARNACION
Head – Disclosure Department

RE: SEC Form 17-A Annual Report
x ======================== x

Dear Madam:

We submit to you herewith a copy of our Company's SEC Form 17-Q Quarterly Report for the period ended March 31, 2012.

We trust everything is in order.

Very truly yours,

Emmanuel L. Samson
SVP – Chief Financial Officer

COVER SHEET

CS200811530

SEC Registration Number

NICKEL ASIA CORPORATION AND SUBSIDIARIES

(Company's Full Name)

6th Floor NAC Centre 143 Dela Rosa Street, Legaspi Village Makati City

(Business Address: No. Street City/Town/Province)

EMMANUEL L. SAMSON

(Contact Person)

892-6669 / 892-4177

(Company Telephone Number)

12	31	17-Q	06	4th Friday
Month	*Day*	(Form Type)	*Month*	*Day*
(Calendar Year)			(Annual Meeting)	

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

S.E.C. Number CS200811530
File Number______

NICKEL ASIA CORPORATION
(Company's Full Name)

6th Floor, NAC Centre, 143 Dela Rosa Street,
Legaspi Village, Makati City
(Company's Address)

+63 2 892 6669 / +63 2 892 4177
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month & day)

SEC FORM 17-Q Quarterly Report
Form Type

____
Amendment Delegation (If applicable)

For the quarter ended
March 31, 2012
Period Ended Date

____
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(B) THEREUNDER

1. For the quarterly period ended: **MARCH 31, 2012**
2. SEC Identification Number: **CS200811530**
3. BIR Tax Identification No.: **007-085-191-000**
4. Exact name of issuer as specified in its charter **NICKEL ASIA CORPORATION**
5. Province, Country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: ________ (SEC Use Only)
7. Address of principal office Postal Code
   6th Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City **1229**
8. Issuer's telephone number, including area code: **+63 2 892 6669 / +63 2 892 4177**
9. Former name, former address, and former fiscal year, if changed since last report.
   Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	**1,340,629,985 Shares**
Long-term Debt	**Php 1,707.9 million**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [**X**] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    PHILIPPINE STOCK EXCHANGE **Common Stock**

12. Check whether the issuer:
    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

NICKEL ASIA CORPORATION
17-Q QUARTERLY REPORT
MARCH 31, 2012

TABLE OF CONTENTS	Page No.

PART I – FINANCIAL INFORMATION

Item A. Financial Statements

The Unaudited Interim Consolidated Financial Statements as at March 31, 2012 and for the three-month period ended March 31, 2012 and 2011 (with Comparative Audited Financial Statement of Financial Position as at December 31, 2011) are hereto attached.

The following table sets forth the summary financial information for the three-month period ended March 31, 2012 and 2011 and as at March 31, 2012 and December 31, 2011:

	March 31		Increase	Percent
	2012	2011	(Decrease)	Inc (Dec)
	(In thousand pesos)			
Revenues	1,746,779	2,068,790	(322,011)	-16%
Cost and expenses	(1,062,749)	(1,030,195)	32,554	3%
Finance income	67,912	35,365	32,547	92%
Finance expenses	(5,772)	(4,015)	1,757	44%
Other income (charges) - net	(52,578)	(9,756)	42,822	439%
Provision for income tax - net	(177,157)	(251,210)	(74,053)	-29%
Net income	516,435	808,979	(292,544)	-36%
Net income attributable to:				
Equity holders of the parent	285,377	428,005	(142,628)	-33%
Non-controlling interests	231,058	380,974	(149,916)	-39%
	516,435	808,979	(292,544)	-36%

Summary Consolidated Statements of Financial Position

	March 31, 2012 (Unaudited)	December 31, 2011 (Audited)	Increase (Decrease)	Percent Inc (Dec)
	(In Thousand Pesos)			
Current assets	14,616,941	14,234,599	382,342	2.7%
Noncurrent assets	12,216,430	12,151,814	64,616	0.5%
Total assets	26,833,371	26,386,413	446,958	1.7%
Current liabilities	2,742,015	1,637,815	1,104,200	67.4%
Noncurrent liabilities	2,399,221	2,455,789	(56,568)	-2.3%
Non-controlling interests	4,612,291	4,381,233	231,058	5.3%
Equity attributable to equity holders of the Parent	17,079,844	17,911,576	(831,732)	-4.6%
Total liabilities and equity	26,833,371	26,386,413	446,958	1.7%

Summary Consolidated Statements of Cash Flows

	For the Quarter Ended March 31		Increase	Percent
	2012	2011	(Decrease)	Inc./Dec.
	(In Thousand Pesos)			
Net cash flows from (used in):				
Operating activities	575,486	861,596	(286,110)	-33.2%
Investing activities	(537,470)	(223,579)	313,891	-140.4%
Financing activities	(13,138)	100,262	(113,400)	-113.1%
Net increase in cash and cash equivalents	24,878	738,279	(713,401)	-96.6%
Cash and cash equivalents, beginning	10,350,592	6,805,968	3,544,624	52.1%
Cash and cash equivalents, end	10,375,470	7,544,247	2,831,223	37.5%

Item B. Management's Discussion and Analysis Of Financial Condition and Results Of Operations

Results of operations

The following discussion and analysis is based on the unaudited interim consolidated financial statements for the three months ended March 31, 2011 and March 31, 2012, prepared in conformity with PAS 34, Interim Financial Reporting and included herein, and should be read in Conjunction with those unaudited interim consolidated financial statements.

Three months ended March 31, 2012 compared with three months ended March 31, 2011

Revenues

Our total revenues were ₱1,746.8 million in the three months ended March 31, 2012 as compared to₱2,068.8 million in the three months ended March 31, 2011, a decrease of ₱322.0 million, or 16%.

Sale of ore

We sold an aggregate 1.82 million wet metric tonnes ("WMT") of nickel ore in the three months ended

March 31, 2012, an increase of 28% compared to 1.42 million WMT of nickel ore in the three months ended March 31, 2011. Our sales for the first three months of this year included 222.6 thousand WMT of saprolite ore to Japanese customers, 655.0 thousand WMT of low-grade saprolite and limonite ore to our Chinese customers and 941.8 thousand WMT of limonite ore to Coral Bay Nickel Corporation ("CBNC"), compared to sales of 279.2 thousand WMT, 471.4 thousand WMT and 674.3 thousand WMT, respectively, for the same period last year.

Our revenue from sale of nickel ore was ₱1,625.6 million in the three months ended March 31, 2012 as compared to ₱1,965.5 million in the three months ended March 31, 2011, a decrease of ₱339.9 million, or 17%, as a result of lower London Metal Exchange ("LME") nickel prices despite a higher sales volume achieved. The realized nickel price applicable to 1.2 million WMT of ore shipped in the first quarter was at an average of $8.78 per pound of payable nickel as against $11.63 per pound of payable nickel realized during the same period last year. LME prices in the first quarter of 2011 were quite favorable as compared to the full year average price of $10.53 per pound. The balance of the shipments for the first quarter was sold on the basis of negotiated prices per WMT of ore, which averaged $22.58 per WMT of ore compared to $21.36 per WMT for the same period last year.

We own 60% of Rio Tuba Nickel Mining Corporation ("RTN"), which owns and operates the Rio Tuba mining operations. RTN's revenue from sale of nickel ore was ₱1.170.3 million in the three months ended March 31, 2012 as compared to ₱1,430.3 million in the three months ended March 31, 2011, a decrease of ₱260.0 million, or 18%. RTN sold an aggregate 1,523.4 thousand WMT of nickel ore in the first three months of this year as compared to an aggregate 1,221.9 thousand WMT of nickel ore sold in the same period last year. The volume of saprolite ore sold to Japanese customers decreased by 38.4 thousand WMT or 29% and the volume of low-grade saprolite and limonite ore sold to Chinese customers increased by 72.4 thousand WMT or 17%. On the other hand, the volume of limonite ore sold to CBNC increased by 267.5 thousand WMT or 40%. Limonite ore sold to CBNC during the first three months of this year had an average nickel grade of 1.30% compared to 1.38% for the same period last year.

RTN's revenue from sale of limestone ore was ₱15.2 million in the three months ended March 31, 2012, as compared to ₱17.8 million in the same period last year, a decrease of ₱2.6 million or 15%. The decrease in revenue was due mainly to an 18% drop in limestone ore deliveries to CBNC, or from 29.3 thousand WMT during the first quarter of 2011 to 24.0 thousand WMT for the same period this year. Heavy rainfall at the mine site in the first quarter of the year has made it difficult for CBNC to process the limestone from our quarry due to high moisture.

We own 65% of Taganito Mining Corporation ("TMC"), which owns and operates the Taganito mining operations. TMC's revenue from sale of ore was ₱455.3 million in the three months ended March 31, 2012 as compared to ₱535.2 million in the three months ended March 31, 2011, a decrease of ₱79.9 million, or 15%. TMC sold an aggregate 296.1 thousand WMT of nickel ore in the first three months of this year as compared to an aggregate 203.0 thousand WMT of nickel ore in the same period last year. The volume of saprolite ore sold to Japanese customers decreased by 18.1 thousand WMT or 12%. In addition, TMC sold 165.4 thousand WMT of low-grade saprolite ore to Chinese customers in the three months ended March 31, 2012, an increase of 111.2 thousand WMT or 205% compared to 54.2 thousand WMT in the comparable period last year.

We own 100% of Cagdianao Mining Corporation ("CMC"), which owns and operates the Cagdianao mining operations. Historically, CMC does not have shipments during the first quarter of every year and, as a result, no revenue is recognized. This is due to the effect of the rainy season, which occurs during the months of November to April, resulting in the suspension of operations at the mine during the period. Typically, shipments from our Cagdianao mine will commence in May and would end in October.

We own 100% of Hinatuan Mining Corporation ("HMC"), which owns and operates the Taganaan mining operations. Similar to CMC, mining operations at the Taganaan mine is suspended during the months of November to April, the effect of the rainy season. Depending on the volume of rainfall, there are periods when production at the Taganaan mine may commence in April and end in November.

Services and Others
Our revenue from services and others was ₱105.9 million in the three months ended March 31, 2012 as compared to ₱85.4 million in the three months ended March 31, 2011, an increase of ₱20.5 million, or 24%. Services revenue largely consists of payments made to us in consideration for hauling, manpower and other ancillary services that RTN provides to CBNC and TMC's usage fee charged to Taganito HPAL Corporation (THNC) for the use of its newly constructed pier facility.

Costs and expenses
Our costs and expenses amounted to ₱1,062.7 million in the three months ended March 31, 2012 as compared to ₱1,030.2 million in the three months ended March 31, 2011, an increase of ₱32.6 million, or 3%.

Cost of Sales
Our cost of sales was ₱631.9 million in the three months ended March 31, 2012 as compared to ₱703.7 million in the three months ended March 31, 2011, a decrease of ₱71.7 million, or 10%. The decrease in cost of sales was due largely to the costs in the amount of P232.9 million which was charged to inventory attributable to the ore that we intend to ship in subsequent quarters.

Cost of Services
Cost of services was ₱63.3 million in the three months ended March 31, 2012 as compared to ₱32.3 million in the three months ended March 31, 2011, an increase of ₱31.0 million, or 96%. Costs of services largely consist of the cost of providing hauling, manpower and other ancillary services by RTN to CBNC. Items which contributed in the increase in cost of services includes depreciation and depletion which increased from ₱3.8 million in 2011 to ₱25.5 million in 2012 and equipment and operating costs which increased from ₱7.5 million to ₱18.4 million due to a newly constructed pier facility at our Taganito mine site.

Shipping and Loading
Shipping and loading costs were ₱194.3 million in the three months ended March 31, 2012 as compared to ₱103.3 million in the three months ended March 31, 2012, an increase of ₱91.0 million, or 88%. The increase was due to higher contract fees from ₱45.5 million to ₱98.0 million as a result of the increase in volume shipped during the first quarter of 2012 and due to the dry docking and servicing of four landing craft transports ("LCT's") in preparation for the current year mining season. The foregoing also resulted to higher fuel, oil and lubricant cost**s** from ₱18.4 million in the three months ended March 31, 2011 to ₱29.9 million and higher materials and supplies from ₱11.6 million to ₱19.3 million.

General and Administrative

General and administrative expenses were ₱113.1 million in the three months ended March 31, 2012 as compared to ₱119.2 million in the three months ended March 31, 2011, a decrease of ₱6.1 million, or 5%. The decrease can be attributable to lower personnel costs from ₱45.3 million in the three months ended March 31, 2012 to ₱40.1 million in the three months ended March 31, 2011 and lower outside services from ₱9.9 million to ₱5.1 million. These decreases were partially offset by a ₱9.5 million increase in guarantee fee, which is related to the Taganito HPAL project, in the three months ended March 31, 2012.

Excise Taxes and Royalties.

Our excise taxes and royalties were ₱60.1 million in the three months ended March 31, 2012 as compared to ₱71.8 million in the three months ended March 31, 2011, a decrease of ₱11.6 million, or 16%. The decrease in excise taxes and royalties was a result of our decreased sales revenue in the three months ended March 31, 2012.

Finance income.

Our finance income was ₱67.9 million in the three months ended March 31, 2012 as compared to ₱35.4 million in the three months ended March 31, 2011, an increase of ₱32.5 million, or 92%. Our finance income primarily consists of interest income on our cash balances and other investments.

Finance expense

Our finance expense was ₱5.8 million in the three months ended March 31, 2012 as compared to ₱4.0 million in the three months ended March 31, 2011, an increase of ₱1.8 million, or 44%. Our finance expense primarily consists of interest expense on our long-term debt, which increased from ₱2.1 million to ₱3.6 million and provisions for mine rehabilitation, which increased from ₱1.9 million to ₱2.2 million.

Other income (charges)

Our other charges - net in the three months ended March 31, 2012 was ₱52.6 million as compared to a charge of ₱9.8 million in the three months ended March 31, 2011. Our other charges - net in the first three months of the current year primarily consists of a net foreign exchange losses of ₱61.3 million due to the appreciation of the peso relative to the U.S. dollar and equity in net losses of an associate of ₱21.9 million. These charges were partially offset by reversal of accruals of ₱9.5 and issuances of fuel, oil and lubricants of ₱7.1 million. Our other charges in 2011 primarily consist of net foreign exchange loss of ₱22.0 million and a ₱6.8 million loss related to our share in the pre-operating loss of Taganito HPAL Nickel Corp. ("THNC"). Our other charges in 2011 were partially offset by the issuance of fuel, oil and lubricants of ₱3.3 million and dividend income of ₱5.2 million.

Provision for (benefit from) income tax

Provision for income tax was ₱177.2 million in the three months ended March 31, 2012 as compared to ₱251.2 million in the three months ended March 31, 2011, a decrease of ₱74.1 million, or 29%.

Current.

Our current provision for income tax in the three months ended March 31, 2012 was ₱217.5 million as compared to ₱273.6 million in the three months ended March 31, 2011, a decrease of ₱56.1 million, or 20%. The decrease was primarily due to the decrease in our income in the three months ended March 31, 2012.

Deferred.
Our deferred benefit from income tax in the three months ended March 31, 2012 was ₱40.4 million as compared to ₱22.4 million in the three months ended March 31, 2011, an increase of ₱18.0 million, or 80%. The increase was primarily due to the increase in unrealized foreign exchange losses in the three months ended March 31, 2012.

Net income
As a result of the foregoing, our net income was ₱516.4 million in the three months ended March 31, 2012 as compared to ₱809.0 million in the three months ended March 31, 2011. Net of noncontrolling interests, our net income was ₱285.4 million in the three months ended March 31, 2012 compared to a net income of ₱428.0 million during the same period last year.

Statement of Financial Position
As of March 31, 2012, Total Assets increased to ₱26,833.4 million from ₱26,386.4 million as of the end of 2011. Current Assets increased to ₱14,616.9 million from ₱14,234.6 million during the same comparable period due to the increases in inventories from ₱2,008.0 million to ₱2,202.7 million and available-for-sale (AFS) financial assets from ₱660.5 million to ₱778.3 million. Non-current assets remained at relatively the same levels in both March 31, 2012 and in the end of 2011.

Total current liabilities increased to ₱2,742.0 million as of March 31, 2012 from ₱1,637.8 million as of December 31, 2011 due to increases in income tax payable from ₱275.2 million to ₱483.6 million and dividends payable amounting to ₱1,073.5 million. These increases were offset by the decrease in trade and other payables from ₱1,238.1 million to ₱1,086.4 million. On the other hand, total noncurrent liabilities decreased to ₱2,399.2 million as of March 31, 2012 from ₱2,455.8 million as of December 31, 2011 largely due to decreases in deferred income tax liabilities to ₱563.5 million from ₱591.1 million and long-term debt – net of current portion to ₱1,609.4 million from ₱1,643.9 million

Our equity net of non-controlling interests as at March 31, 2012 decreased to ₱21,692.1 million from ₱22,292.8 million as of year-end 2011, as a result of dividends declared amounting to ₱1,072.5 million offset by the net earnings incurred during the first three months of 2012.

Statement of Cash Flows
The net cash from operating activities amounted to ₱575.5 million as of the three months ended March 31, 2012 compared to ₱861.6 million for the same period March 31, 2011, as proceeds from the sale of ore decreased in 2012 compared to 2011. Net cash used in investing activities amounted to ₱537.5 million for the three months ended March 31, 2012, largely as a result of investments in property and equipment and net acquisitions of AFS investments. In 2011, net cash used in investment activities amounted to ₱223.6 million, which primarily consist of investments in property and equipment and net acquisitions of AFS investments. Net cash used in financing activities for the three months ended March 31, 2012 amounted to ₱13.1 primarily due to partial settlement of long-term debt in the amount of ₱23.9 million. In 2011, net cash generated from financing activities amounted to ₱100.3 due to the availment of long-term debt. As of March 31, 2012, cash and cash equivalents amounted to ₱10,375.5 million compared to ₱7,544.2 million as of March 31, 2011.

Top Five (5) Key Performance Indicators

LME price

We typically sell high- and low-grade saprolite ore to Pacific Metal Co., Ltd. ("PAMCO") and Sumitomo Metal Mining Co., Ltd. ("SMM") under long-term agreements and we are the exclusive supplier of limonite ore, also under a long-term agreement, to the Coral Bay HPAL facility. The price of nickel ore sold to PAMCO and the Coral Bay HPAL facility is determined based on a payable percentage of the nickel contained in the ore, multiplied by average LME nickel prices over specified quotational periods. The payable percentage of the nickel contained in the ore is correlated, in a non-linear manner, with LME nickel prices, with higher LME prices resulting in a higher payable percentage of nickel and vice versa. Accordingly, higher LME nickel prices results both in a higher percentage of payable nickel in our ore to these customers as well as in higher prices, and can therefore have a substantial effect on our overall revenue. Nickel prices and demand for nickel typically increase during periods of high global demand for stainless steel.

Nickel prices have historically exhibited considerable volatility. Nickel prices climbed from as low as US$4.25 per pound in March 2009 to a high of US$13.17 per pound in February 2011. The average LME nickel prices (per pound) in 2007, 2008, 2009, 2010 and 2011 were US$16.82, US$9.55, US$6.67, US$9.89 and US$10.35, respectively. The average LME nickel prices (per pound) for the 1st quarter of 2012 is US$8.93 per pound compared to US$12.20 per pound in the same period last year.

The sensitivity of our revenues to LME nickel prices is not completely linear, because, in our experience, when nickel prices reach certain levels, the demand for our limonite ore increases. As a result of this effect, very high nickel prices have, in the past, resulted in increased volumes of nickel ore sold, as well as increased prices for our recurring sales of saprolite ore to PAMCO and SMM and limonite ore to the Coral Bay HPAL facility under long-term contracts. Increases and decreases in the LME nickel price will have a broadly proportional effect on our revenues from these sales.

Volume

The volume of saprolite ore that we sell largely depends on the grade of saprolite ore that we mine. The volume of limonite ore that we sell to our customers in China largely depends on the demand for NPI in China. Our sales of high-grade saprolite ore are typically made to PAMCO, who purchases all of the high-grade saprolite ore that we are able to extract and ship at any given time. With respect to our low-grade saprolite and limonite ore, in periods when we are able to extract more ore than we are able to ship, we generally continue our mining operations and stockpile such ore for sale when demand improves or when prices rise to more attractive levels. As stated above, the volume of our low-grade saprolite ore and limonite ore sales to our Chinese customers is roughly correlated with the LME nickel price, with volume increasing as nickel prices rise. In addition to sales of nickel ore to PAMCO and our customers in China, we sell limonite ore from our Rio Tuba mine to the Coral Bay HPAL facility, in which we have a minority interest. CBNC purchases an amount of limonite ore from us sufficient to meet its ore requirements. The annual capacity of its Coral Bay HPAL facility was originally 10,000 tonnes of contained nickel and was expanded to 20,000 tonnes of contained nickel in the second half of 2009, resulting in a higher volume of limonite ore sales from RTN. In 2010, the Coral Bay HPAL facility was able to attain an annual capacity of 23,000 tonnes as a result of the facility's expansion in 2009 which became fully operational in 2010.

The type and grade of ore that we mine

We realize higher sales prices for our saprolite ore than for our limonite ore. Accordingly, the type and grade (which is a factor of nickel content) of the ore that we mine affects our revenues from year to year. The quantity of saprolite ore that we mine annually depends on the customer demand and the availability of such ore at our mine sites. The mix between high-and low-grade saprolite ore at our mine sites coupled with our long-term mining plan determines the quantities of each that we extract on an annual basis. The quantity of limonite ore that we mine on an annual basis depends on the amount of such ore that needs to be removed in order to extract the saprolite ore, as well as market demand.

Mine Site Cash Cost per Volume Sold

The mine site cash cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance as well as changes in per unit costs from year to year.

The mine site cash cost includes production and marketing expenses incurred by the Company in mining, handling and barging ore to customer's vessels, and excludes excise taxes and royalties.

The average mine site cash cost per volume sold in 2012 is ₱521.19 per WMT on the basis of aggregate cash costs of ₱948.3 million. This compares to ₱496.16 per WMT during the same period in 2010 on the basis of aggregate cash costs of ₱707.0 million.

To augment our operations in 2012 in order to meet the surge in demand for our ore, the Company engaged third party contractors to assist in the hauling and loading of ore. Typically, the unit cost associated with the use of outside services is higher compared to costs incurred when volume handling is done by the Company.

Currency exchange rates

We earn substantially all of our revenues in U.S. dollars while most of our expenses are paid in pesos. The appreciation of the peso against the United States dollar reduces our revenue in peso terms. Accordingly, appreciation of the peso against the U.S. dollar effectively reduces our revenue without a corresponding reduction in our expenses and can result in a reduction in our net income. In addition, because a portion of our cash and cash equivalents and other portfolio investments are denominated in U.S. dollars, the appreciation of the peso against the U.S. dollar reduces the value of these assets in peso terms in our financial statements. Our current policy is not to hedge our exposure to foreign currency exchange risk.

The Company's average realized peso-to-dollar rates for the three-month period ended March 31, 2012 and 2011 are ₱43.04 and ₱43.79, respectively.

Liquidity and Capital Resources

As at March 31, 2012 and December 31, 2011, our principal source of liquidity was cash from our operations. We incurred long-term debt to finance the construction of our Rio Tuba and Taganito pier facilities. We receive income from CBNC and THNC, respectively, under throughput agreements whereby amounts are payable by CBNC and THNC to RTN and THNC, respectively, for use of the pier facilities. The revenues that we receive from CBNC and THNC under the throughput agreements have typically been sufficient to service our long-term debt.

As of March 31, 2012 and December 31, 2011, our working capital, defined as the difference between our current assets and current liabilities, was ₱11.9 billion and ₱12.6 billion, respectively. We expect to meet our working capital, capital expenditure and investment requirements from the cash flow coming from our operations and as well as debt that we have incurred to finance the construction of pier facilities at our Taganito property. We may also from time to time seek other sources of funding, which may include debt or equity financings, depending on our financing needs and market conditions.

Qualitative and Quantitative Disclosures about Market Risk

Commodity Price Risk

The price of nickel is subject to fluctuations due to factors such as government policies, changes in global demand and global production of similar and competitive mineral products. We are exposed to commodity price risk based on fluctuations in the price of nickel on the LME. The amounts payable under the contracts that govern our saprolite ore sales to PAMCO and SMM and limonite ore sales to CBNC are based upon payable nickel delivered with the nickel ore. The percentage varies depending on the customer, the ore type and nickel grade. This payable nickel is priced using an average of LME spot prices over a period preceding delivery. In addition, the payable percentage of the nickel contained in the ore is correlated, in a non-linear manner, with LME nickel prices, with higher LME prices tending to result in a higher payable percentage of nickel and vice versa. Accordingly, increases or decreases in the price of nickel on the LME can have a significant effect on our revenues. In addition, although the payments that we receive from sales of saprolite ore and limonite ore to our Chinese customers is not directly correlated with the market price of nickel, high or low nickel prices can increase or decrease their demand for our limonite ore and thus also have an effect on our revenues. To mitigate the impact of such price movements, the Company may opt to enter into commodity put option contracts.

We are also subject to risk with respect to the market price of coking coal and prevailing shipping rates. The production of nickel pig iron (NPI) using limonite ore requires the use of blast furnaces which use large amounts of coking coal. Accordingly, high world-wide demand for coal can result in an increase in the market price of coking coal which can decrease the demand for limonite ore from our Chinese customers. Similarly, during periods when dry bulk shipping rates are relatively high, the increased cost of shipping our saprolite ore or limonite ore to China can make the use of our nickel ore by Chinese customers uneconomical for them which may also result in a reduction of nickel ore sales to our Chinese customers.

Foreign Currency Risk
Our foreign currency risk results primarily from movements of the peso against the U.S. dollar and results primarily from the transaction exposure associated with transactions in currencies other than in pesos. Such exposure arises from cash and cash equivalents, AFS investments and sales of beneficiated nickel ore denominated in U.S. dollars. Because almost all of our revenues are earned in U.S. dollars while most of our expenses are paid in pesos, appreciation of the peso against the U.S. dollar effectively reduces our revenue without a corresponding reduction in our expenses and can result in a reduction in our net income. In addition, because a portion of our cash and cash equivalents and AFS investments are denominated in U.S. dollars, the appreciation of the peso against the U.S. dollar reduces the value of our total assets in peso terms in our consolidated financial statements. We are not currently party to any foreign currency swap agreements and our policy is not to hedge foreign currency exchange risk.

To mitigate the effect of foreign currency risk, the Company will seek to accelerate the collection of foreign currency-denominated receivables and the settlement of foreign-currency denominated payables, whenever practicable. Also, foreign exchange movements are monitored on a daily basis.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock prices relating to the quoted equity securities that we own. Our exposure to equity price risk relates primarily to our AFS investments in various stocks of listed companies.

The Company's policy is to maintain the risk to an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position.

Off-balance sheet arrangements
We have not entered into any off-balance sheet transactions or obligations (including contingent obligations), or other relationships with unconsolidated entities or other persons.

PART III – OTHER INFORMATION

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Makati on May ______, 14, 2012.

By:

Gerard H. Brimo
President and Chief Executive Officer

Emmanuel L. Samson	Jose S. Saret
Senior Vice President and	Senior Vice President and
Chief Financial Officer	

NICKEL ASIA CORPORATION
SEC FORM 17-Q
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2012

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

March 31, 2012
(With Comparative Audited Figures as at December 31, 2011)
(Amounts in Thousands)

	March 31 2011 (Unaudited)	December 31 2011 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱10,375,470**	₱10,350,592
Trade and other receivables (Note 5)	**1,177,008**	1,156,293
Available-for-sale (AFS) financial assets (Note 7)	**778,295**	660,523
Inventories (Notes 6 and 10)	**2,202,698**	2,008,003
Other current assets	**83,470**	59,188
Total Current Assets	**14,616,941**	14,234,599
Noncurrent Assets		
AFS financial assets (Note 7)	**872,550**	907,297
Property and equipment (Note 8)	**4,419,753**	4,216,838
Investment property	**51,761**	53,637
Investment in an associate (Note 9)	**4,295,478**	4,371,867
Long-term stock pile inventory - net of current portion (Note 10)	**1,284,108**	1,357,675
Deferred income tax assets - net	**495,051**	481,493
Other noncurrent assets (Note 4)	**797,729**	763,007
Total Noncurrent Assets	**12,216,430**	12,151,814
TOTAL ASSETS	**₱26,833,371**	₱26,386,413
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 11)	**₱1,086,369**	₱1,238,101
Dividends payable (Note 14)	**1,073,512**	-
Income tax payable	**483,613**	275,169
Current portion of long-term debt (Note 12)	**98,521**	124,545
Total Current Liabilities	**2,742,015**	1,637,815
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 12)	**1,609,410**	1,643,908
Deferred income tax liabilities - net	**563,475**	591,069
Deferred rent income	**83,993**	84,154
Provision for mine rehabilitation and decommissioning (Note 13)	**63,909**	61,726
Pension liability	**78,434**	74,932
Total Noncurrent Liabilities	**2,399,221**	2,455,789
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 14)	**677,515**	677,116
Additional paid-in capital (Note 14)	**8,086,017**	8,075,641
Other components of equity:		
Cost of share-based payment plan (Note 15)	**67,751**	64,308
Net valuation gains on AFS financial assets (Note 7)	**42,592**	20,889
Share in cumulative translation adjustment (Note 9)	**37,725**	118,251
Asset revaluation surplus	**34,300**	34,395
Retained earnings	**8,133,944**	8,920,976
	17,079,844	17,911,576
Non-controlling Interests	**4,612,291**	4,381,233
Total Equity	**21,692,135**	22,292,809
TOTAL LIABILITIES AND EQUITY	**₱26,833,371**	₱26,386,413

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012 and 2011
(Amounts in Thousands, Except Earnings per Share)

	2012	2011
	(Unaudited)	
REVENUES (Note 30)		
Sale of ore	**₱1,640,842**	₱1,983,355
Services and others	**105,937**	85,435
	1,746,779	2,068,790
COSTS AND EXPENSES		
Cost of sales (Note 17)	**631,943**	703,652
Cost of services (Note 18)	**63,252**	32,274
Shipping and loading costs (Note 19)	**194,300**	103,261
Excise taxes and royalties (Note 20)	**60,138**	71,779
General and administrative (Note 21)	**113,116**	119,229
	1,062,749	1,030,195
FINANCE INCOME (Note 24)	**67,912**	35,365
FINANCE EXPENSES (Note 25)	**(5,772)**	(4,015)
OTHER INCOME (CHARGES) - net (Note 26)	**(52,578)**	(9,756)
INCOME BEFORE INCOME TAX	**693,592**	1,060,189
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)		
Current	**217,543**	273,608
Deferred	**(40,386)**	(22,398)
	177,157	251,210
NET INCOME	**₱516,435**	₱808,979
Net income attributable to:		
Equity holders of the parent	**₱285,377**	₱428,005
Non-controlling interests	**231,058**	380,974
	₱516,435	₱808,979
Basic and diluted earnings per share (Note 16)	₱0.21	₱0.32

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012 and 2011
(Amounts in Thousands)

	2012	2011
	(Unaudited)	
NET INCOME	**₱516,435**	₱808,979
OTHER COMPREHENSIVE INCOME (LOSS)		
Share in translation adjustment of an associate	**(80,526)**	79,218
Net valuation gains (loss) on AFS financial assets	**21,703**	(12,463)
Asset revaluation surplus	**(95)**	(95)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**(58,918)**	66,660
TOTAL COMPREHENSIVE INCOME - NET OF TAX	**₱457,517**	₱875,639
Total comprehensive income attributable to:		
Equity holders of the parent	**₱226,459**	₱494,665
Non-controlling interests	**231,058**	380,974
	₱457,517	₱875,639

See accompanying Notes to Consolidated Financial Statements.

NICKEL ASIA CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2012 and 2011
(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent									
	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Cost of Share based Payment Plan (Note 15)	Net Valuation Gains (Losses) on AFS Financial Assets (Note 7)	Share in Cumulative Translation Adjustment of an Associate (Note 9)	Asset Revaluation Surplus	Retained Earnings	Total	Non-controlling Interests	Total
Balances at December 31, 2011	**₱677,116**	**₱8,075,641**	**₱64,308**	**₱20,889**	**118,251**	**34,395**	**8,920,976**	**₱17,911,576**	**₱4,381,233**	**₱22,292,809**
Net income	–	–	–	–	–	–	285,377	285,377	231,058	516,435
Other comprehensive income (loss)	–	–	–	21,703	(80,526)	(95)	–	(58,918)	–	(58,918)
Total comprehensive income (loss)	–	–	–	21,703	(80,526)	(95)	285,377	226,459	231,058	457,517
Issuance of capital stock (Note 14)	399	10,376	–	–	–	–	–	10,775	–	10,775
Cost of share-based payment (Note 15)	–	–	3,443	–	–	–	–	3,443	–	3,443
Cash dividends - ₱0.80 per share (Note 14)	–	–	–	–	–	–	(1,072,504)	(1,072,504)	–	(1,072,504)
Asset revaluation surplus transferred to retained earnings	–	–	–	–	–	–	95	95	–	95
Balances at March 31, 2012 (Unaudited)	**₱677,515**	**₱8,086,017**	**₱67,751**	**₱42,592**	**₱37,725**	**₱34,300**	**₱8,133,944**	**₱17,079,844**	**₱4,612,291**	**₱21,687,141**

- 2 –

	Equity Attributable to Equity Holders of the Parent									
	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Cost of Share based Payment Plan (Note 15)	Net Valuation Gains (Losses) on AFS Financial Assets (Note 7)	Share in Cumulative Translation Adjustment of an Associate (Note 9)	Asset Revaluation Surplus	Retained Earnings	Total	Non-controlling Interests	Total
Balances at December 31, 2010	₱677,116	₱8,075,641	₱1,101	₱37,589	₱120,411	₱34,778	₱5,987,024	₱14,933,660	₱3,141,889	₱18,075,549
Net income	–	–	–	–	–	–	428,005	428,005	380,974	808,979
Other comprehensive income (loss)	–	–	–	(12,463)	79,218	(95)	–	66,660	–	66,660
Total comprehensive income (loss)	–	–	–	(12,463)	79,218	(95)	428,005	494,665	380,974	875,639
Cost of share-based payment (Note 15)	–	–	9,919	–	–	–	–	9,919	–	9,919
Cash dividends - ₱0.35 per share (Note 14)	–	–	–	–	–	–	(468,941)	(468,941)	–	(468,941)
Preferred shares dividends – 7% cumulative							(504)	(504)		(504)
Asset revaluation surplus transferred to retained earnings	–	–	–	–	–	–	95	95	–	95
Balances at March 31, 2011 (Unaudited)	₱677,116	₱8,075,641	₱11,020	₱25,126	₱199,629	₱34,683	₱5,945,678	₱14,968,894	₱3,522,863	₱18,491,757

NICKEL ASIA CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2012 and 2011

(Amounts in Thousands)

	2012	2011
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱693,592**	₱1,060,189
Adjustments for:		
Depreciation and depletion (Note 23)	**201,678**	152,675
Interest income (Note 24)	**(67,612)**	(33,309)
Dividend income (Note 26)	**(229)**	(5,168)
Unrealized foreign exchange losses (gains) - net	**(38,417)**	(15,685)
Loss (gain) on valuation on AFS financial assets transferred from equity to profit or loss - net (Notes 7, 24 and 25)	**300**	(2,056)
Interest expense (Note 12)	**3,589**	2,109
Accretion interest on provision for mine rehabilitation and decommissioning (Notes 13 and 25)	**2,183**	1,906
Equity in net losses of an associate (Note 9)	**21,915**	6,808
Movements in pension liability	**3,502**	2,783
Cost of share-based payment plan (Note 15)	**3,443**	9,919
Operating income before working capital changes	**823,944**	1,180,171
Decrease (increase) in:		
Trade and other receivables	**(20,715)**	(189,367)
Inventories	**(121,128)**	105,666
Other current assets	**(24,282)**	(17,587)
Decrease in trade and other payables	**(137,486)**	(226,808)
Net cash generated from operations	**520,333**	852,075
Interest received	**67,612**	32,852
Dividends received	**229**	5,168
Income taxes paid	**(9,099)**	(26,390)
Interest paid	**(3,589)**	(2,109)
Net cash flows from operating activities	**575,486**	861,596
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
AFS financial assets	**(115,477)**	(115,562)
Property and equipment (Note 8)	**(405,082)**	(316,975)
Proceeds from (payments for):		
Sale of AFS financial assets	**50,607**	23,474
Sale of financial assets at FVPL	**2,365**	–
Decrease in deferred rent income	**(161)**	–
Decrease (increase) in other noncurrent assets	**(69,722)**	185,484
Net cash flows used in investing activities	**(537,470)**	(223,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of capital stock	**10,775**	–
Availment of long-term debt (Note 12)	**–**	124,095
Payments of long-term debt	**(23,913)**	(23,833)
Net cash flows from (used in) financing activities	**(13,138)**	100,262
NET INCREASE IN CASH AND CASH EQUIVALENTS	**24,878**	738,279
CASH AND CASH EQUIVALENTS AT JANUARY 1	**10,350,592**	6,805,968
CASH AND CASH EQUIVALENTS AT MARCH 31 (Note 4)	**₱10,375,470**	₱7,544,247

See accompanying Notes to Consolidated Financial Statements.

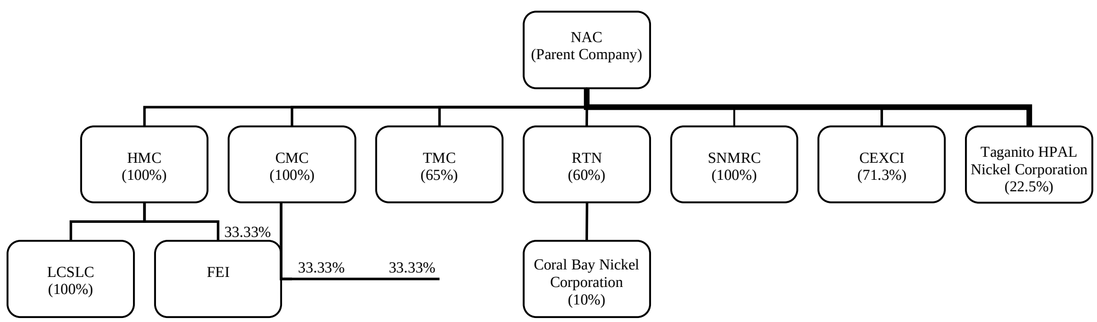
NICKEL ASIA CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Thousands, Except Number of Shares, Per Share Data and as Indicated)

1. **Corporate Information**

Nickel Asia Corporation (the Company, the Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 2008. The Company is primarily engaged in investing in and holding of assets of every kind and description and wherever situated, as and to the extent permitted by law. It is also registered, within the limits prescribed by law, to engage in the business of mining of all kinds of ore, metals and minerals.

The Company's common shares are listed with the Philippine Stock Exchange (PSE) on November 22, 2010.

Parent Company Ownership Map



The Subsidiaries

HMC

HMC was registered with the SEC on October 9, 1979, is a one hundred percent (100%) owned subsidiary of the Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Hinatuan, Nonoc and Manicani Islands, Surigao del Norte. The registered office address of HMC is 4th Floor, NAC Centre, 143 Dela Rosa corner Adelantado Streets, Legaspi Village, Makati City.

CMC

CMC was registered with the SEC on July 25, 1997, is a one hundred percent (100%) owned subsidiary of the Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Barangay Valencia, Municipality of Cagdianao, Province of Dinagat Island. The registered office address of CMC is 4th Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City, Philippines.

TMC

TMC was registered with the SEC on March 4, 1987, is a sixty-five percent (65%) owned subsidiary of the Company and is primarily engaged in the exploration, mining and exporting of nickel ore located in Claver, Surigao del Norte. The registered office address of TMC is 4th Floor, NAC Centre, 143 Dela Rosa corner Adelantado Streets, Legaspi Village, Makati City.

RTN
RTN was registered with the SEC on July 15, 1965, is a sixty percent (60%) owned subsidiary of the Company and is primarily engaged in the exploration, mining and exporting nickel ore and providing non-mining services located in Barangay Rio Tuba, Municipality of Bataraza, Palawan. The registered office address of RTN is 2nd Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City, Philippines.

Falck Exp Inc. (FEI)
FEI was registered with the SEC on November 22, 2005, is an eighty-eight percent (88%) owned subsidiary of the Company through HMC, CMC and TMC, and is primarily engaged in the business of exploring, prospecting, and operating mines and quarries of all kinds of ores and minerals, metallic and non-metallic. FEI is dormant until the Company decides to resume its operations. The registered office address of FEI is 3rd Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City, Philippines.

La Costa Shipping and Lighterage Corporation (LCSLC)
LCSLC was registered with the SEC on October 23, 1992, is a one hundred percent (100%) owned subsidiary of the Company through HMC, and is primarily engaged in the chartering out of Landing Craft Transport (LCT) and providing complete marine services. The registered office address of LCSLC is 4th Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City, Philippines. LCSLC was acquired by HMC in April 2010.

Samar Nickel Mining Resources Corporation. (SNMRC)
SNMRC was registered with the SEC on May 11, 2010, is a one hundred percent (100%) owned subsidiary of the Company and is primarily engaged in the exploration, mining and exporting of mineral ores. SNMRC has not yet started commercial operations. The registered office address of SNRMC is 4th Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City, Philippines.

Cordillera Exploration Co., Inc. (CEXCI)
CEXCI was registered with the SEC on October 19, 1994, is a seventy-one percent (71%) owned subsidiary of the Company and is primarily engaged in the business of large-scale exploration, development and utilization of mineral resources. CEXCI has a number of mining properties at various stages of exploration. It is currently not engaged in any development or commercial production activities. The registered office address of CEXCI is 7th Floor, NAC Centre, 143 Dela Rosa Strenet, Legaspi Village, Makati City, Philippines.

The Parent Company's registered office address is 6th Floor, NAC Centre, 143 Dela Rosa Street, Legaspi Village, Makati City.

The interim consolidated financial statements as at March 31, 2012 and for the three-month period ended March 31, 2012 and 2011, were authorized for issuance by the Parent Company's BOD on May 8, 2012.

2. Basis of Preparation and Consolidation and Statement of Compliance

Basis of Preparation

The accompanying interim consolidated financial statements of the Group as at March 31, 2012 and for the three-month period ended March 31, 2012 and 2011 have been prepared in accordance with PAS 34, *Interim Financial Reporting*.

Accordingly, the unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as at December 31, 2011.

Basis of Consolidation

The interim consolidated financial statements include the Parent Company and the following subsidiaries (collectively referred to as the Group):

	Country of Domicile	Nature of Business	Effective Ownership
HMC	Philippines	Mining	100%
CMC	Philippines	Mining	100%
SNMRC	Philippines	Mining	100%
CEXCI	Philippines	Mining	71%
LCSLC*	Philippines	Services	100%
FEI*	Philippines	Mining	88%
TMC	Philippines	Mining	65%
RTN	Philippines	Mining and Services	60%

*Direct and indirect ownership

Subsidiaries

Subsidiaries are entities over which the Parent Company has the power to govern the financial and operating policies of the entities, or generally has an interest of more than one half of the voting rights of the entities.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the Subsidiaries are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Non-controlling Interest

Non-controlling interest represents interest in a subsidiary that is not owned, directly or indirectly, by the Parent Company. Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent Company and to the non-controlling interest. Total comprehensive income is attributed to the equity holders of the Parent Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group. Transactions with non-controlling interest are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent company's share of components previously recognized in other comprehensive income to profit or loss.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of new standards and interpretations as of 1 January 2012, noted below:

PAS 12, *Income Taxes (Amendment)* - Deferred Taxes: Recovery of Underlying Assets
The amendment becomes effective for annual periods beginning on or after January 1, 2012. The amendment provides a practical solution to the problem of assessing whether recovery of an asset will be through use or sale. It introduces a presumption that recovery of the carrying amount of an asset will, normally, be through sale. The revised standard does not have a significant impact on the financial position or performance of the Group.

The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group:

PFRS 7, *Financial Instruments: Disclosures (Amendments)* - Transfers of Financial Assets. The amendments to PFRS 7 are effective for annual periods beginning on or after July 1, 2011. The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

PFRS 1, *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment)* - When an entity's date of transition to IFRS is on or after the functional [currency normalization date, the entity may elect to measure all assets and liabilities held before the functional currency normalization date, at fair value on the date of transition to PFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening PFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. Effective implementation date is for annual periods beginning on or after 1 July 2011 with early adoption permitted.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. **Seasonality of Operations**

Mining operations at the majority of the Group's mines are suspended and are often unable to load ore into shipping vessels during the rainy season. This seasonality results in quarter-to-quarter volatility in the Group's operating results with more revenue being earned and more expenses being incurred in the second and third fiscal quarters than in the first and fourth fiscal quarters.

4. **Cash and Cash Equivalents**

	March 31, 2012 (Unaudited)	December 31, 2011 (Audited)
Cash on hand and with banks	**₱1,846,039**	₱ 1,135,838
Short-term cash investments	**8,529,431**	9,214,754
	₱10,375,470	₱10,350,592

Cash with banks amounting to ₱126.2 million and ₱123.3 million as at March 31, 2012 and December 31, 2011, respectively, representing proceeds from the IPO, were deposited in escrow and are restricted as to withdrawal for specified purpose and thus, classified as other noncurrent assets.

5. **Trade and Other Receivables**

Receivables amounting to ₱221.8 million and ₱226.2 million as at March 31, 2012 and December 31, 2011, respectively, were impaired and fully provided for with allowance for impairment losses. No provision for impairment losses on receivables were recognized for the three-month period ended March 31, 2012 and 2011. The movement of the balances pertains to the translation of the Group's foreign currency-denominated receivables.

The aging analysis of the Group's trade and other receivables as at March 31, 2012 and December 31, 2011 are summarized in the following tables:

March 31, 2012 (Unaudited)	**Neither Past Due Nor Impaired (High)**	**Past Due But Not Impaired (30-180 days)**	**Past Due and Individually Impaired**	**Total**
Trade and other receivables:				
Trade	**339,589**	**₱98,447**	**₱219,555**	**₱657,591**
Receivable from CBNC	**171,019**	**175,731**	**–**	**346,750**
Others	**188,134**	**204,088**	**2,240**	**385,359**
Total	**₱698,742**	**₱478,266**	**₱221,795**	**₱1,389,700**

December 31, 2011 (Audited)	Neither Past Due Nor Impaired (High)	Past Due But Not Impaired (30-180 days)	Past Due and Individually Impaired	Total
Trade and other receivables:				
Trade	253,469	259,257	223,125	735,851
Receivable from CBNC	204,117	156,771	–	360,888
Amounts owed by related parties	5,435	–	–	5,435
Others	275,146	2,098	3,082	280,326
Total	₱738,167	₱418,126	₱226,207	₱1,382,500

6. Inventories

As at March 31, 2012 and December 31, 2011, inventories amounting to ₱403.5 million were assessed to be impaired and were provided for with allowance. No provision for inventory losses were recognized for the three-month period ended March 31, 2012 and 2011.

The cost of beneficiated nickel ore provided with allowance for inventory losses amounted to ₱778.0 million and ₱700.2 million as at March 31, 2012 and December 31, 2011, respectively, while the cost of materials and supplies provided with allowance for inventory losses amounted to ₱372.7 million and ₱447.8 million as at March 31, 2012 and December 31, 2011, respectively.

7. AFS Financial Assets

AFS financial assets pertain to investments in common and preferred shares of various local and foreign public and private companies, golf club shares and debt securities.

During the three-month period ended March 31, 2012 and 2011, the Group acquired various AFS investments amounting to ₱115.5 million and ₱115.6 million, respectively and disposed AFS investments amounting to ₱50.6 million and ₱23.5 million, respectively.

Dividend income earned from AFS financial assets amounted to ₱0.2 million and ₱5.2 million for the three-month period ended March 31, 2012 and 2011, respectively.

8. **Property and Equipment**

During the three-month period ended March 31, 2012 and 2011, the Group acquired assets with a cost of ₱303.5 million and ₱176.8 million, respectively, excluding construction in-progress amounting to ₱101.5 million and ₱140.2 million for the three-month period ended March 31, 2012 and 2011.

Borrowing costs amounting to nil and ₱12.7 million for the three-month period ended March 31, 2012 and 2011, respectively, were capitalized as part of construction in-progress.

Pier facilities (included under "Buildings and Improvements") with a carrying value of ₱231.3 million and ₱243.2 million as at March 31, 2012 and December 31, 2011, respectively, were mortgaged as collateral for the long-term debt of RTN mentioned in Note 12.

Depreciation expense for the three-month period ended March 31, 2012 and 2011 amounted to ₱199.8 million and ₱150.8 million, respectively (see Note 23).

9. **Investment in an Associate**

The investment in an associate pertains to the Parent Company's 22.5% interest in Taganito HPAL Nickel Corporation (THNC) with an acquisition cost of ₱4,443.1 million.

THNC, a private entity that is not listed on any public exchange, was incorporated and registered with the Philippine SEC on August 22, 2008. Its principal activities, once operational, consist of the manufacture and export of nickel/cobalt mixed sulfide. THNC is currently undertaking construction and has not yet started commercial operations as at March 31, 2012.

As at March 31, 2012, net assets of THNC amounted to ₱41.7 billion and net loss of ₱97.4 million. The Parent Company's share in cumulative translation adjustment as at March 31, 2012 and equity in net losses for the period amounted to ₱37.7 million and ₱21.9 million, respectively.

10. **Long-term Stock Pile Inventory**

The long-term stock pile inventory pertains to low grade ore extracted from RTN's minesite. This amount was not recognized in RTN's books but was recognized by the Parent Company when it acquired the controlling interest in RTN. The low grade ore inventory was initially recognized and valued at fair value. The fair value of the inventory as at the date of acquisition amounted to ₱2,036.7 million. Subsequently, this fair value represented the cost of the long-term stock pile inventory.

In 2011, the Parent Company performed a re-estimation of the future cash flows from the sale of the long-term stockpile inventories. As a result, a write-up in the carrying value of the long-term stockpile amounting to ₱573.1 million was recognized.

A portion amounting to ₱194.6 million and ₱180.4 million representing the estimated future cash flows from the low grade ore inventory that will be delivered to CBNC in the next accounting period, was shown as part of "Inventories" as at March 31, 2012 and December 31, 2011, respectively.

The carrying value of long-term stock pile - net of current portion amounted to ₱1,284.1 million and ₱1,357.7 million as at March 31, 2012 and December 31, 2011, respectively.

11. **Trade and Other Payables**

Trade and other payables include amounts payable to regular suppliers, accrued expenses, excise, withholding and other taxes payable and other payables. Trade, accrued expenses and other payables are noninterest-bearing and are generally settled in less than thirty (30) days' term. Excise tax payable is settled within fifteen (15) days after the end of the quarter when the beneficiated nickel ore and limestone ore were shipped. Withholding taxes are payable ten (10) days after the end of each month. Output tax is derived from other revenues which can be offset against input tax.

12. **Long-term Debt**

	March 31, 2012	December 31, 2011
	(Unaudited)	(Audited)
TMC	**₱1,464,645**	₱1,496,040
RTN	**243286**	272,413
	1,707,931	1,768,453
Less current portion:		
TMC	**75,110**	76,720
RTN	**23,411**	47,825
	98,521	124,545
	₱1,609,410	₱1,643,908

<u>TMC Loan</u>
On October 4, 2010, TMC entered into an Omnibus Agreement with THNC, wherein the latter granted the former a total loan facility amounting to $35.0 million at a prevailing 180-day British Banker Association London Inter-Bank Offered Rate (LIBOR) plus two percent (2%) spread, to finance the construction of the Pier Facilities. The loan shall be drawn down in one or multiple times by July 31, 2011. As at December 31, 2011, TMC's total loan drawn down amounted to $34.1 million, with peso equivalent of ₱1,496.0 million.

Starting 2011, the interest on the loans is payable semi-annually on October 10 and April 10. The total principal is payable in semi-annual installments of $875,000, starting on October 10, 2011 up to April 10, 2031.

Interest expense for the three-month period ended March 31, 2012 which formed part of “finance expense” amounted to ₱1.9 million while interest expense for the three-month period ended March 31, 2011 capitalized as part of cost of construction in-progress amounted to ₱12.7 million (see Notes 8 and 25).

RTN Loan
RTN settled ₱23.9 million (US$0.5 million) of long-term debt which became due in February 2012.

Interest expense amounted to ₱1.7 million and ₱2.1 million for the three-month period ended March 31, 2012 and 2011, respectively (see Note 25).

13. **Provision for Mine Rehabilitation and Decommissioning**

Provision for mine rehabilitation and decommissioning pertains to the estimated decommissioning costs to be incurred in the future on the mined-out areas of the Group.

The Group makes a full provision for the future cost of rehabilitating mine site and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of rehabilitation costs. These provisions have been created based on the Group’s internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future ore prices, which are inherently uncertain.

For the three-month period March 31, 2012 and 2011, accretion expense amounted to ₱1.8 million and ₱1.9 million, respectively.

14. **Equity**

Capital Stock
The capital structure of the Parent Company as at March 31, 2012 and December 31, 2011 follows:

	March 31, 2012	December 31, 2011
Common Stock - ₱0.5 par value		
Authorized - 1,585,600,000 shares		
Subscribed and issued – 1,340,629,985 shares in 2012 and 1,339,831,828 shares in 2011	**₱670,315**	**₱669,916**
Preferred Stock - ₱0.01 par value		
Authorized - 720,000,000 shares		
Subscribed and issued - 720,000,000 shares in 2012 and 2011	**7,200**	**7,200**
Total	**₱677,515**	**₱677,116**

Movements in common stock follow:

	Number of shares	Total
Balances at December 31, 2011	1,339,831,828	₱669,916
Issuance of capital stock	798,157	399
Total	1,340,629,985	₱670,315

Dividends
On March 28, 2012, the Parent Company's BOD declared cash dividends equivalent to ₱0.80 per share to stockholders of record as at April 16, 2012 payable on May 11, 2012.

On the same date, the Parent Company's BOD authorized and approved the declaration of fifty percent (50%) stock dividends to stockholders of record to be set by the SEC after the approval of the increase in authorized capital stock of the Parent Company by the SEC. The Parent Company is currently in the process of obtaining approval from the SEC.

On October 25, 2011, the Parent Company's BOD declared a special cash dividends amounting to ₱170.9 million, equivalent to ₱0.15 per share to stockholders of record as at November 11, 2011 which were paid on December 8, 2011.

On March 25, 2011, the Parent Company's BOD declared cash dividends amounting to ₱468.9 million or ₱0.35 per share to stockholders of record as at April 11, 2011. Said dividends are paid on May 9, 2011.

As at March 31, 2012, a total of 618,636,640 or 46.15% of the outstanding common shares of the company are registered in the name of 26 shareholders, while the balance of 721,993,345 common shares or 53.85% are lodged with the Philippine Central Depository, Inc. (PCD).

15. **Executive Stock Option Plan (ESOP)**

On June 16, 2010, the BOD and stockholders of the Parent Company approved the ESOP (the Plan). On December 20, 2010, the Plan was approved by the SEC.

The basic terms and conditions of the ESOP are:

1. The ESOP covers up to 12.0 million shares allocated to Parent Company's officers and the officers of the subsidiaries.
2. The eligible participants are the directors and officers of the Parent Company and its subsidiaries, specifically those with a position of Assistant Vice President and higher, including the Resident Mine Managers of the subsidiaries.
3. The exercise price is ₱13.50.
4. The grant date of the Plan is January 3, 2011 as determined by the Stock Option Committee.
5. The term of the Plan shall be six (6) years and the shares will vest to the participant at the rate of twenty five percent (25%) per year after the first year of the Plan or December 21, 2011.
6. The participant can exercise the vested options by giving notice within the term of the Plan, and can opt to either purchase the shares at the exercise price or request the Parent Company to advance the purchase price and to sell the shares in which case the participant will receive the sales proceeds less the exercise price.

The stock option agreement was made and executed on January 31, 2011 between the Parent Company and the option grantees.

The fair value of the stock options was estimated as at grant date, January 3, 2011, using the Black Scholes-Merton model, taking into account the terms and conditions upon which the options were granted.

The following assumptions were used to determine the fair value of the stock options at effective grant date:

Grant Date	January 3, 2011
Spot price per share	₱15.0
Exercise price	₱13.5
Expected volatility	60.34%
Option life	3.967 years
Dividend yield	2.06%
Risk-free rate	4.50%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

	Number of shares
Outstanding at December 31, 2011 and 2010	12,000,000
Less exercised during the period	798,157
Outstanding at March 31, 2012	11,201,843
Exercisable as at March 31, 2012	2,128,510

Cost of share-based payments amounted to ₱3.4 million and ₱9.9 million for the three-month period ended March 31, 2012 and 2011, respectively (see Note 22).

16. **Basic Earnings Per Share**

Basic earnings per common share (EPS) were computed as follows:

	March 31, 2012	March 31, 2011
	(Unaudited)	
a. Net income attributable to equity holders of the Parent	**₱285,377**	₱428, 005
b. Weighted average number of common shares issued and outstanding (in thousands)	**1,340,031**	1,339,832
Basic EPS (a/b)	**₱0.21**	₱0.32

Diluted EPS were computed as follows:

	March 31, 2012	March 31, 2011
	(Unaudited)	
c. Net income attributable to equity holders of the Parent	**₱285,377**	₱428, 005
d. Weighted average number of common shares issued and outstanding (in thousands)	**1,340,563**	1,339,832
Diluted EPS (a/b)	**₱0.21**	₱0.32

17. **Cost of Sales**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Production overhead	**₱359,781**	₱223,896
Outside services	**208,735**	125,780
Personnel costs (see Note 22)	**120,733**	101,321
Depreciation and depletion (see Note 23)	**116,231**	97,447
Long-term stockpile inventory sold (see Note 10)	**59,335**	35,796
	864,815	584,240
Net changes in beneficiated nickel ore and limestone ore	**(232,872)**	119,412
	₱631,943	₱703,652

Outside services pertain to services offered by the contractors related to the mining activities of the Group. These services include, but not limited to, hauling, stevedoring, janitorial, maintenance, security and equipment rental.

18. **Cost of Services**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Depreciation and depletion (see Note 23)	**₱25,487**	₱3,844
Equipment operating costs	**18,413**	7,485
Personnel costs (see Note 22)	**8,116**	7,178
Outside services	**7,480**	9,973
Overhead	**3,756**	3,794
	₱63,252	₱32,274

19. **Shipping and Loading Costs**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Contract fees	**₱97,979**	₱45,491
Fuel, oil and lubricants	**29,896**	18,387
Depreciation and depletion (see Note 23)	**25,775**	14,631
Materials and supplies	**19,340**	11,588
Personnel costs (see Note 22)	**15,509**	9,692
Other services and fees	**5,801**	3,472
	₱194,300	₱103,261

20. **Excise Taxes and Royalties**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Royalties	**₱32,817**	₱39,667
Excise taxes	**27,321**	32,112
	₱60,138	₱71,779

21. **General and Administrative Expenses**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Personnel costs (see Note 22)	**₱40,069**	₱45,310
Depreciation and depletion (see Note 23)	**20,224**	23,664
Taxes and licenses	**12,008**	11,765
Guarantee fee (see Note 27)	**10,051**	517
Outside services	**5,096**	9,949
Communications, light and water	**3,636**	3,372
Transportation and travel	**2,935**	2,882
Professional fees	**2,588**	4,402
Entertainment, amusement and recreation	**1,926**	2,326
Repairs and maintenance	**1,064**	1,121
Others	**13,519**	13,921
	₱113,116	₱119,229

22. **Personnel Costs**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Salaries, wages and employee benefits	**₱180,984**	₱153,582
Cost of share-based payment plan (Note 15)	**3,443**	9,919
	₱184,427	₱163,501

The amounts of personnel costs are distributed as follows:

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Cost of sales (see Note 17)	**₱120,733**	₱101,321
General and administrative (see Note 21)	**40,069**	45,310
Shipping and loading costs (see Note 19)	**15,509**	9,692
Cost of services (see Note 18)	**8,116**	7,178
	₱184,427	₱163,501

23. **Depreciation and Depletion**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Property and equipment (see Note 8)	**₱199,803**	₱150,800
Investment property	**1,875**	1,875
	₱201,678	₱152,675

The amounts of depreciation and depletion expense are distributed as follows:

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Cost of sales (see Note 17)	**₱116,231**	₱97,447
Cost of services (see Note 18)	**25,487**	3,844
Shipping and loading costs (see Note 19)	**25,775**	14,631
General and administrative (see Note 21)	**20,224**	23,664
Others	**13,961**	13,089
	₱201,678	₱152,675

24. **Finance Income**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Interest income	**₱67,612**	₱33,309
Gain on transfer from equity to profit or loss of AFS financial assets (see Note 7)	**300**	2,056
	₱67,912	₱35,365

25. **Finance Expenses**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Interest expense (see Note 12)	**₱3,589**	₱2,109
Accretion interest on mine rehabilitation and decommissioning (see Note 13)	**2,183**	1,906
	₱5,772	₱4,015

26. **Other Income (Charges)**

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Foreign exchange losses - net	**(₱61,290)**	(₱21,983)
Equity in net losses of an associate	**(21,915)**	(6,808)
Reversal of accruals	**9,542**	–
Issuance of fuel, oil and lubricants	**7,059**	3,260
Other services	**3,411**	4,302
Dividend income	**229**	5,168
Despatch income	**–**	132
Others	**10,386**	6,173
	(₱52,578)	(₱9,756)

27. **Related Party Transactions**

Set out below are the Group's transactions with related parties for the three-month period ended March 31, 2012 and 2011, including the corresponding assets and liabilities arising from the said transactions as at March 31, 2012 (Unaudited) and December 31, 2011 (Audited):

For the three-month period ended March 31, 2012 and 2011:

Related Party	Relationship with Related Parties		Sale of Ore	Sale of Services and Others
Pacific Metals Co., Ltd. (PAMCO)	Stockholder	**2012**	**₱439,343**	**₱–**
		2011	₱792,483	₱–
SMM	Stockholder	**2012**	**134,431**	**10,051**
		2011	59,153	517
CBNC	Affiliate	**2012**	**457,861**	**69,912**
		2011	638,625	66,335
THNC	Associate	**2012**	**–**	**31,674**
		2011	–	14,886
Totals		**2012**	**₱1,031,635**	**₱101,586**
Totals		2011	₱1,490,261	₱81,221

As at March 31, 2012 and December 31, 2011:

Related Party	Relationship with Related Parties		Trade and Other Receivables	Amounts Owed by Related Parties	Deferred Rent
CBNC	Affiliate	**2012**	**₱346,750**	**₱–**	**₱–**
		2011	₱360,888	–	–
THNC	Associate	**2012**	**70,148**	**–**	**83,993**
		2011	32,083	5,360	84,154
PAMCO	Stockholder	**2012**	**7,987**	**–**	**–**
		2011	83,147	75	–
Totals		**2012**	**₱424,885**	**₱–**	₱83,993
Totals		2011	₱476,118	₱5,435	₱84,154

Terms and Conditions of Transactions with Related Parties
All sales and purchases from related parties are made at prevailing market prices. Outstanding balances as at March 31, 2012 and December 31, 2011 pertain to the extension and receipt of advances to and from related parties and these are unsecured, short-term, interest-free and settlement occurs in cash.

Compensation of Key Management Personnel
The Group considers as key management personnel all employees holding managerial positions up to the president. The short-term benefits of key management personnel of the Group for the three-month period ended March 31, 2012 and 2011 amounted to about ₱21.0 million and ₱19.7 million.

28. Income Taxes

The provision for current income tax shown in the interim consolidated statements of income includes:

	For the three-month period ended March 31	
	2012	2011
	(Unaudited)	
Current	**₱217,543**	₱273,608
Deferred	**(40,386)**	(22,398)
	₱177,157	₱251,210

29. **Fair Value Hierarchy of Financial Instruments**

All financial instruments carried at fair value are categorized in three categories, defined as follows:

Level 1: Quoted market prices
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non-market observable)

As at March 31, 2012 and December 31, 2011, the Group's AFS financial assets are classified under Level 1.

As at March 31, 2012 and December 31, 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. **Business Segment Information**

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The mining segment is engaged in the mining and exploration of nickel saprolite, limonite ore and limestone ore.

The services segment is engaged in the chartering out of Landing Craft Transportation, construction and rendering of services to CBNC.

There are no inter-segment revenues and expenses for the three-month period ended March 31, 2012 and 2011.

Financial information on the operation of the various business segments are as follows:

	March 31, 2012 (Unaudited)						
	Mining				Services and Others		
	HMC	CMC	TMC	RTN	RTN/LCSLC/TMC	Others	Total
Revenues	-	-	455,348	1,185,494	105,933	4	1,746,779
Cost of sales	-	721	109,529	521,693		-	631,943
Cost of services	-	-	-	-	63,252	-	63,252
Shipping and loading costs	-	-	7,497	115,391	71,412	-	194,300
Excise taxes and royalties	-	-	36,428	23,710	-	-	60,138
Segment operating earnings	-	(721)	301,894	524,699	(28,731)	4	797,146
General and administrative	16,938	10,105	24,194	13,716	1,530	46,633	113,116
Provision for (benefit from) income tax	2,379	66	53,628	139,732	-	(18,648)	177,157
Net income (loss) attributable to equity holders of the parent	(20,530)	(15,629)	112,110	280,840	3,789	(75,203)	285,377
Segment assets	1,480,999	1,397,933	5,141,833	7,518,027	153,180	10,646,349	26,338,320
Deferred income tax assets - net	154,686	89,325	27,280	-	4,445	219,315	495,051
Total assets	1,635,684	1,487,258	5,169,113	7,518,027	157,624	10,865,663	26,833,371
Segment liabilities	242,019	295,836	1,964,336	988,661	126,115	960,793	4,577,761
Deferred income tax liabilities - net	-	-	-	5,444	-	558,031	563,475
Total liabilities	242,019	295,836	1,964,336	994,105	126,115	1,518,824	5,141,236
Capital expenditures	28,154	17,501	173,252	174,332	10,757	1,086	405,082
Depreciation and depletion	12,628	21,926	60,936	79,358	8,914	17,916	201,678

	December 31, 2011 (Audited)						
	Mining				Services and Others		
	HMC	CMC	TMC	RTN	RTN	Others	Total
Segment assets	1,575,261	1,471,363	4,942,039	6,986,586	135,747	10,793,924	25,904,920
Deferred income tax assets - net	155,312	89,325	5,541	-	4,445	226,869	481,493
Total assets	1,730,574	1,560,688	4,947,580	6,986,586	140,192	11,020,793	26,386,413
Segment liabilities	320,667	353,637	1,915,730	925,650	112,471	(125,621)	3,502,535
Deferred income tax liabilities - net	-		-	5,444	-	585,626	591,069
Total liabilities	320,667	353,637	1,915,730	931,093	112,471	460,005	4,093,604
Capital expenditures	118,987	78,895	734,394	222,392	68,967	21,028	1,244,664
Depreciation and depletion	30,821	86,156	232,221	278,788	29,192	37,480	694,658

	March 31, 2011 (Unaudited)						
	Mining				Services and Others		
	HMC	CMC	TMC	RTN	RTN/LCSLC	Others	Total
Revenues	-	-	535,204	1,448,151	81,221	4,214	2,068,790
Cost of sales	65,227	64,939	148,006	425,480	-	-	703,652
Cost of services	-	-	-	-	32,274	-	32,274
Shipping and loading costs	-	-	36,084	67,177	-	-	103,261
Excise taxes and royalties	-	-	42,816	28,963	-	-	71,779
Segment operating earnings	(65,227)	(64,939)	308,297	926,532	48,947	4,214	1,157,824
General and administrative	17,954	12,710	23,871	16,534	3,949	44,212	119,229
Provision for (benefit from) income tax	-	-	69,529	202,796		(21,115)	251,210
Net income (loss) attributable to equity holders of the parent	(80,380)	(75,388)	153,426	469,018	(7,969)	(30,703)	428,005
Capital expenditures	9,654	1,075	261,000	1,785	40,362	3,099	316,975
Depreciation and depletion	7,724	24,325	34,430	69,716	2,217	14,263	152,675

The Group has revenues from external customers as follows:

	For the three-month period ended March 31	
Country of Domicile	**2012**	2011
	(Unaudited)	
China	**₱688,681**	₱493,095
Japan	**494,300**	851,636
Local	**563,798**	724,059
	₱1,746,779	₱2,068,790

The revenue information above is based on the location of the customer.

Revenue from two customers amounted to ₱897.2 million and ₱1,431.1 million for the three-month period ended March 31, 2012 and 2011, respectively, arising from sale of ores.

The Group has non-current assets consisting of property and equipment and investment property located in the Parent Company's country of domicile amounting to ₱4,471.6 million and ₱4,270.4 million as at March 31, 2012 and December 31, 2011, respectively.