NICKEL ASIA CORP.

June 3, 2013

PHILIPPINE STOCK EXCHANGE, INC.
3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Dear Ms. Encarnacion;

We refer to a press release of Sumitomo Metal Mining Co., Ltd. (SMM) issued today, June 3, 2013 in Tokyo, Japan, referring to SMM's decision to construct a pilot plant at Taganito HPAL Nickel Corp, (THPAL) to test the recovery of iron on a commercial scale following the leaching process for nickel. We attached such press release for reference.

THPAL, majority owned by SMM, has substantially completed construction of the country's second downstream nickel processing plant located beside our 65%-owned Taganito mine in the municipality of Claver, Surigao del Norte. The plant is currently undergoing testing and is expected to be in commercial operation towards the latter part of this year.

Similar to the country's first downstream nickel processing plant under Coral Bay Nickel Corp. (CBNC), located beside our 60%-owned Rio Tuba mine in the municipality of Bataraza, southern Palawan, the plant is designed to produce a nickel-cobalt sulfide from limonite ore, which in the case of THPAL will be supplied by our Taganito mine. Limonite ore contains relatively high amounts of iron, but such iron is not recovered in the leaching process for nickel and therefore would remain in the tailings of the plant, to be disposed off in landfills. The pilot plant is designed to increase the iron content following the leaching process from about 30% to 40% iron in the form of hematite, to 60%, which would make it equivalent to iron ore. If successful on a commercial scale, the result would be the production of a new by-product of the plant, iron ore, which would also result in a lower volume of tails from the plant and thus facilitate environmental measures.

Nickel Asia Corp. has a 6% equity interest in CBNC and a 22.5% interest in THPAL.

Very truly yours,

Emmanuel L. Samson
SVP & Chief Financial Officer

Press Release

June 3, 2013
Sumitomo Metal Mining Co., Ltd.

Development of Technology to Make Use of Iron from Nickel Ore

Sumitomo Metal Mining Co., Ltd. (SMM) produces nickel-cobalt mixed sulfides*[1] using HPAL*[2] technology in the Philippines, and the tailing left by this technology contains iron in the form of hematite*[3]. However, the grade of this hematite is low at approximately 30% to 40% and as such cannot be used as a raw material for iron and steel, meaning it is subject to disposal in landfills.
SMM has, however, through a review of the process after the leaching and recovery of nickel and cobalt using HPAL technology, succeeded in raising the grade of the iron in this tailing to approximately 60%, which is equivalent to normal iron ore.

When this technology is developed for commercial use, not only will it allow a more efficient utilization of resources but it will also make a large contribution to reducing the amount of waste disposed of in landfills. Through its majority owned subsidiary Taganito HPAL Nickel Corporation (THPAL, investment ratio SMM 62.5%, Nickel Asia Corporation 22.5%, Mitsui & Co 15%) located in Makati City in the Philippines, SMM plans to commence production of nickel-cobalt mixed sulfides using HPAL in 4th quarter of2013, and is also planning the construction of a pilot plant that uses the aforementioned technology. SMM shall henceforth move forward with investigations into making this technology viable for commercial use.

SMM was the first company in the world to succeed in using HPAL technology to commercially produce nickel and cobalt from low-grade nickel ore, and is also making efforts in the recovery of valuable metals from ores and residues in order to achieve an even more efficient usage of resources. Coral Bay Nickel Corporation, located on Palawan Island in the Philippines, is already producing nickel-cobalt mixed sulfides using HPAL technology, and construction of a pilot plant for the recovery of scandium and chromium is also underway. Along with these efforts, it is hoped that making use of iron from nickel ore will promote the efficient utilization of resources in line with the 2012 3-Year Business Plan key strategy "Expansion of Metal Recovery".

*[1] Nickel-cobalt mixed sulfides: These are intermediate products for the production of materials including electrolytic nickel. SMM processes all of these mixed sulfides at its nickel refinery (Niihama City, Ehime Prefecture, Japan) where they are processed into electrolytic nickel and electrolytic cobalt products.
*[2] HPAL: High Pressure Acid Leach
*[3] Hematite: Chemical composition Fe_2O_3, mainly used as raw material for iron and steel.

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