



November 20, 2012

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;

Re: Update On Taganito Nickel Processing Plant

This is to inform you that a review of the Taganito Nickel Processing Plant Project ("the project") was recently undertaken by both Sumitomo Metal Mining Co., Ltd. and Mitsui & Co., Ltd. Following the review, it was announced that construction cost related to the plant would increase by USD290 Million, or from USD1.3 Billion to approximately USD1.59 Billion. Out of the total increase, USD150 Million is cost related to damages sustained by the plant facility as a result of the October 2011 insurgency attack. This cost also includes the effect of an increase in material prices and some alterations related to the construction specification of the project. In addition, approximately USD140 Million of cost will also be incurred due to the difference in currency rates for construction fees that are non - US dollar denominated.

While there was a temporary pause in the project due to the October 2011 incident, subsequent work on the plant is progressing smoothly. The project is on schedule to be completed in the fourth quarter of 2013.

The project is the country's second hydrometallurgical downstream plant. Nickel Asia has a direct 22.5% equity interest in the plant, which is being constructed adjacent to the Company's Taganito mine. Once operational, the plant will provide a guaranteed outlet for low-grade nickel ore from the Taganito mine and possibly from other Nickel Asia operations over an estimated thirty-year period.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Emmanuel L. Samson', is written over a horizontal line.

Emmanuel L. Samson
Senior Vice-President