

19 January 2022

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(2 pages by email)

## **MOU SIGNED FOR 200MWP SOLAR PROJECT**

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Company has signed a memorandum of understanding ('MoU') with PT Sumber Energi Surya Nusantara ('SESNA') to implement, if certain economic parameters are met, 200MWp solar capacity within the Indonesia Morowali Industrial Park ('IMIP').

SESNA is an established and leading solar development company in Indonesia, owning and operating a portfolio of solar feed-in-tariff ('FIT') and microgrid projects as well as providing services and solutions such as engineering, procurement and construction ('EPC') capabilities, solar financing, and other technical development support to commercialize solar projects.

The MoU provides for SESNA to undertake the role of 'Project Initiator' for developing, financing, constructing, commissioning, owning and operating a 200MWp solar farm project to significantly scale up the supply of renewable energy to the Company's Hengjaya Nickel ('HNI') and Ranger Nickel ('RNI') nickel processing operations within IMIP. Under the proposed agreement Nickel Mines will be the long-term offtake partner for SESNA and will not be required to contribute any capital funding. The indicative tariff for electricity (expressed as US cents per kWh), which is expected to remain constant over the life of the project, remains commercial-in-confidence and is considered competitive with other similar scale solar projects.

The solar project may be implemented in stages with SESNA committing to finalise and deliver a project proposal within three months of signing the MoU, at which point the Company may elect to proceed or terminate the MoU at its discretion.

The potential 200MWp solar project supplements the existing 396kWp plus 250kWh battery storage project which the Company has entered into with SESNA for integration into the facilities at the Hengjaya Mine, which is scheduled to commission in the first quarter of 2022. The Hengjaya Mine currently sources its power from diesel-powered generators and it is anticipated that the Hengjaya Mine solar project will reduce diesel consumption by approximately 31 million litres over the 25-year projected project life.

Commenting on the signing of the 200MWp solar MoU, Managing Director Justin Werner said:

*“As part of the Company’s commitment to reducing its greenhouse gas emissions we are delighted to further expand our existing relationship with SESNA through the signing of this MoU for the potential provision of 200MWp of solar power. It is estimated this solar project could supply up to 20% of HNI and RNI’s current electricity requirements and in doing so account for a material reduction in annual CO<sub>2</sub> emissions.*

*This solar project marks an important first step in our ‘Future Energy’ collaboration with our partner Shanghai Decent and our joint commitment to a more sustainable future for Indonesia’s nickel industry”.*

**For further information please contact**

Justin Werner  
Managing Director  
[jwerner@nickelmines.com.au](mailto:jwerner@nickelmines.com.au)  
+62 813 8191 2391

Cameron Peacock  
Investor Relations and Business Development  
[cpeacock@nickelmines.com.au](mailto:cpeacock@nickelmines.com.au)  
+61 439 908 732

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