

# **BUILDING A NICKEL EMPIRE**

## **QUARTERLY ACTIVITIES PRESENTATION**

FOR THE PERIOD ENDED

**30 June 2022**

Record EBITDA from operations of US\$103.2M as Angel Nickel production ramps up and Hengjaya Mine benefits from higher realised ore prices

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### Record EBITDA from operations of US\$103.2M as Angel Nickel production ramps up and Hengjaya Mine benefits from higher realised ore prices

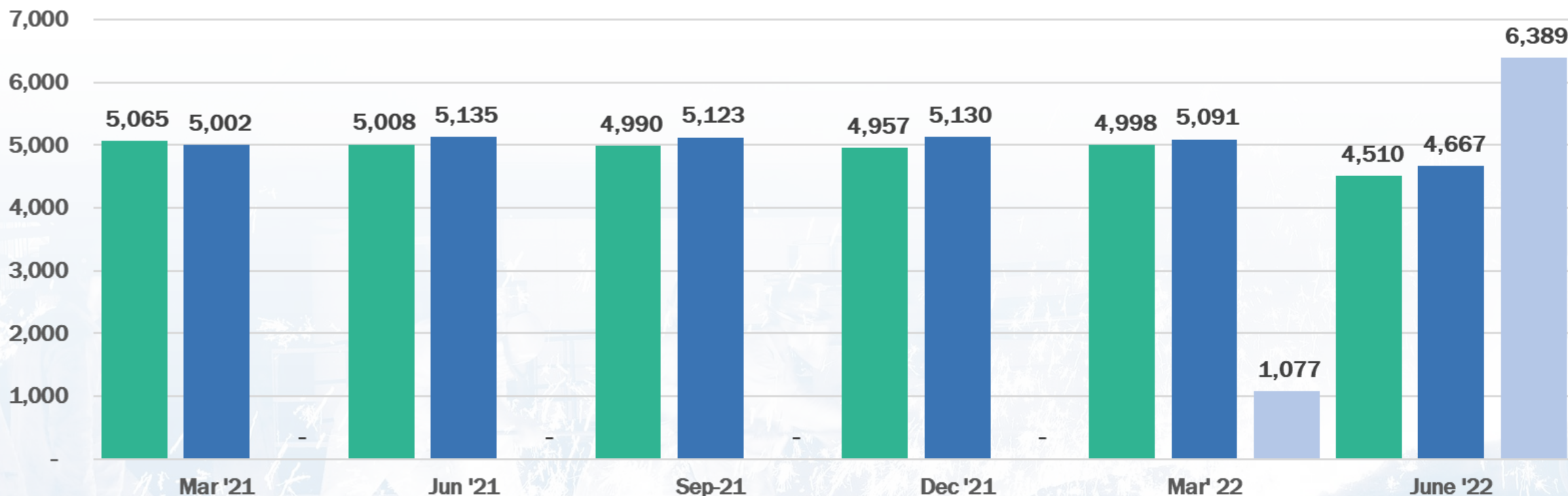
- ❑ **Record Ni metal production of 15,567 tonnes (100% basis)**
  - 39.4% higher than March quarter (11,166 tonnes) with ANI contributing 6,389 tonnes
- ❑ **Record RKEF revenue of US\$315.4M**
  - driven by record tonnes sold of 15,817 tonnes and higher realised NPI contract prices
- ❑ **Record RKEF EBITDA of US\$84.9M**
- ❑ **Record HM Mine ore production of 1,313,492 wmt**
  - saprolite, 792,630 wmt / limonite, 520,862 wmt
- ❑ **Record Hengjaya Mine EBITDA of US\$18.4M**
- ❑ **Record underlying cash generation from operations of US\$102.6M**
- ❑ **Completion of a further 20% interest in the Oracle Nickel Project**
  - Plus US\$81.2M of early construction payments to facilitate an expected accelerated October 2022 commissioning
- ❑ **All 4 Angel Nickel RKEF lines now successfully commissioned**
  - production levels anticipated to increase significantly above nameplate capacity in the September quarter with the project's designated power plant now online
- ❑ **Change of Company name to Nickel Industries Limited**

## June quarter summary

		March quarter	June quarter	▲
Gross Ni metal production	tonnes (100% basis)	11,166	Record 15,567	39.4%
NIC attributable Ni metal production	tonnes	8,933	Record 12,453	39.4%
Realised NPI price	\$/t Ni	19,368	Record 19,943	3.0%
Sales revenue	US\$M (100% basis)	195.4	Record 315.4	61.4%
RKEF EBITDA	US\$M (100% basis)	72.8	Record 84.9	16.5%
RKEF EBITDA/tonne sold	\$/t Ni	7,386	5,367	(27.3%)
Group EBITDA (RKEF + Mine)	US\$M (100% basis)	81.7	Record 103.2	26.3%
Underlying cash generation from operations	US\$M (100% basis)	81.3	Record 102.6	26.2%
Hengjaya Mine production (saprolite + limonite)	wmt	1,073,525	Record 1,313,492	22.4%

## Quarterly RKEF production performance

■ HNI ■ RNI ■ ANI



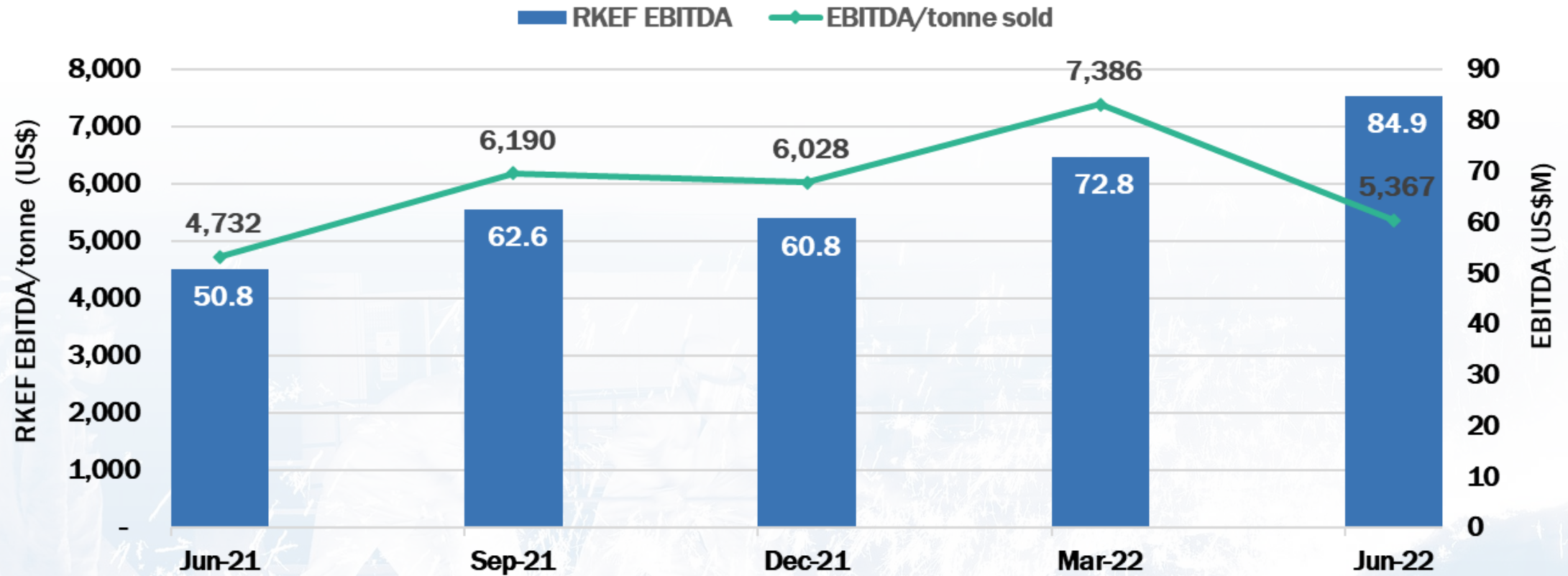
June quarter  
(15,567 tonnes)

- Record quarterly production of 15,567 tonnes Ni production (+39.4% from March qtr) including 6,389 tonnes Ni production from ANI.
- NIC attributable production of 12,453 tonnes.
- Combined HNI and RNI production (9,177 tonnes) expected to return to historical levels (~10,000 tonnes) with new power capacity now online within the IMIP.



# Record quarterly RKEF EBITDA driven by significantly higher nickel tonnes sold

## RKEF EBITDA Performance



### June quarter:

- Record quarterly RKEF EBITDA of US\$84.9M driven by a 56.8% increase in nickel tonnes sold and a 3% increase in realised contract prices.
- Robust EBITDA margins of US\$5,367/t – down from a record US\$7,386/t in the March quarter due to higher commodity input costs.

# Record production at Hengjaya Mine

Production summary		March Quarter	June Quarter
Saprolite mined	wmt	810,324	792,630
Limonite mined	wmt	263,201	520,862
Nickel ore mined		1,073,525	1,313,492
Overburden mined	BCM <sup>1</sup>	936,648	826,553
Strip ratio <sup>2</sup>	BCM/wmt	0.87	0.63
<b>Saprolite</b>			
Tonnes sold	wmt	710,136	673,664
Average grade	% Ni	1.72	1.74
Average price received	US\$/wmt	40.04	52.43
Average cost of production <sup>3</sup>	US\$/wmt	25.13	26.02
<b>Limonite</b>			
Tonnes sold	wmt	-	258,212
Average grade	% Ni	-	1.19
Average price received	US\$/wmt	-	14.69
Average cost of production	US\$/wmt	1.65	7.99

<sup>1</sup> BCM represents 'bank cubic metres'.

<sup>2</sup> With limonite now being supplied to IMIP, the strip ratio is overburden mined divided by total nickel ore mined.

<sup>3</sup> Monthly costs are a six-month average of mining costs plus port/selling costs for the actual month. Reported costs also include US\$0.9M of drilling costs incurred during the June quarter

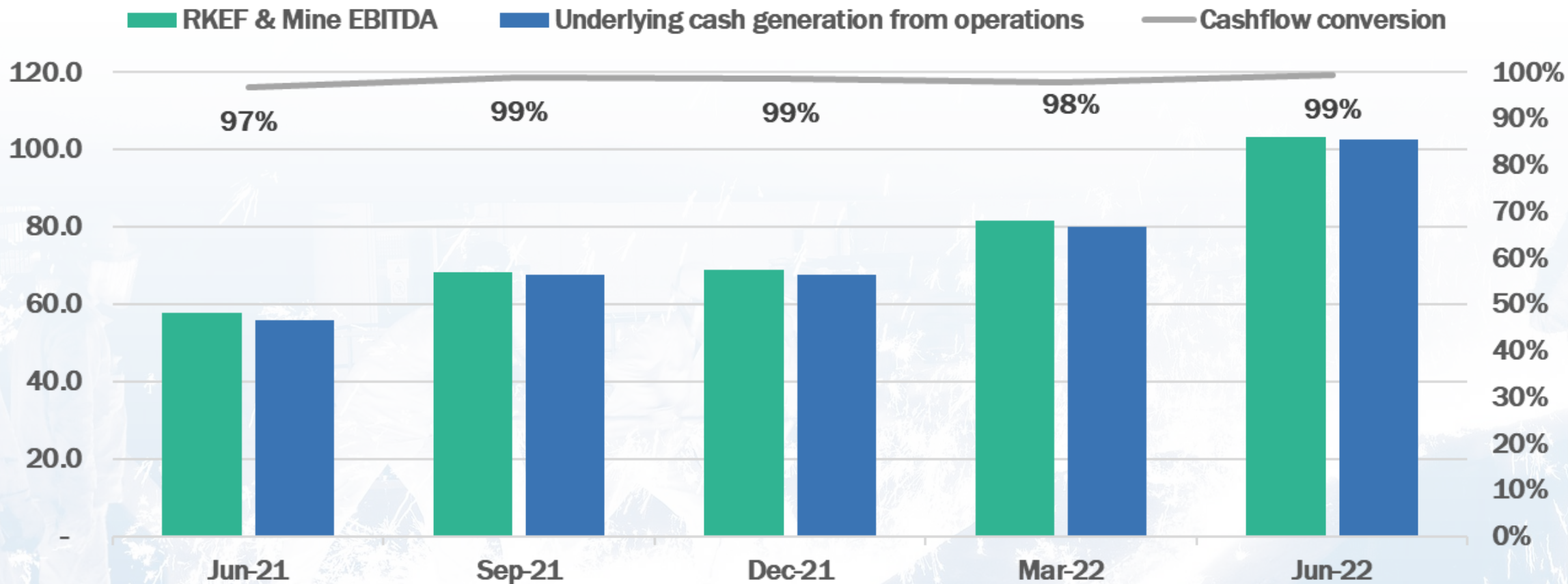


- Record quarterly production of 1,313,492 wmt
  - 792,630 wmt saprolite production in June quarter increases total production over LTM to >3M wmt
  - Resumption of limonite sales in April to HNC HPAL project resulting in 258,213 tonnes sold in June quarter
  
- Record quarterly EBITDA of US\$18.4M, an increase of 106% from US\$8.9M in the March quarter resulting from higher realised ore prices and limonite ore sales



# Continued excellent EBITDA to cashflow conversion

### EBITDA and cashflow conversion



Underlying cash generation from operations is calculated as EBITDA from operations less capex



## Change of Company name

- ❑ Following shareholder approval at the Company's AGM on 31 May 2022, the Company's name was changed from Nickel Mines Limited to Nickel Industries Limited.
- ❑ Names change reflects the underlying nature of the Company's operations and its growing suite of downstream "industrial-style" processing assets.

## Angel Nickel granted commercial sales licence

- ❑ Izin Usaha Industri ('IUI') license received in early May allowing the commencement of commercial sales.
- ❑ By the end of the June quarter, ANI had sold 6,639 tonnes of NPI for total revenue of \$132.9M.

## Continuation of commissioning at the Angel Nickel Project

- ❑ All 4 RKEF lines now successfully commissioned, delivering production of 6,389 tonnes of nickel metal for the June quarter.
- ❑ Commencement of commissioning of the Project's designated power plant on 22 July 2022 is expected to result in production levels increasing above nameplate capacity - historically, the Company's RKEF lines have operated in excess of 30% above nameplate capacity.

## Ownership interest in Oracle Nickel increased to 30%

- ❑ Placement of 108.1M shares to Shanghai Decent at A\$1.37 per share approved by shareholders at an EGM on 3 May 2022.
- ❑ Issuance of these shares satisfied the US\$106M payment required for the Company to increase its equity interest in Oracle Nickel from 10% to 30%.
- ❑ US\$81.2M of early construction payments made during the quarter to expedite construction of the Project.
- ❑ Commissioning of the Project's first line is now expected in October 2022.

## Nickel matte

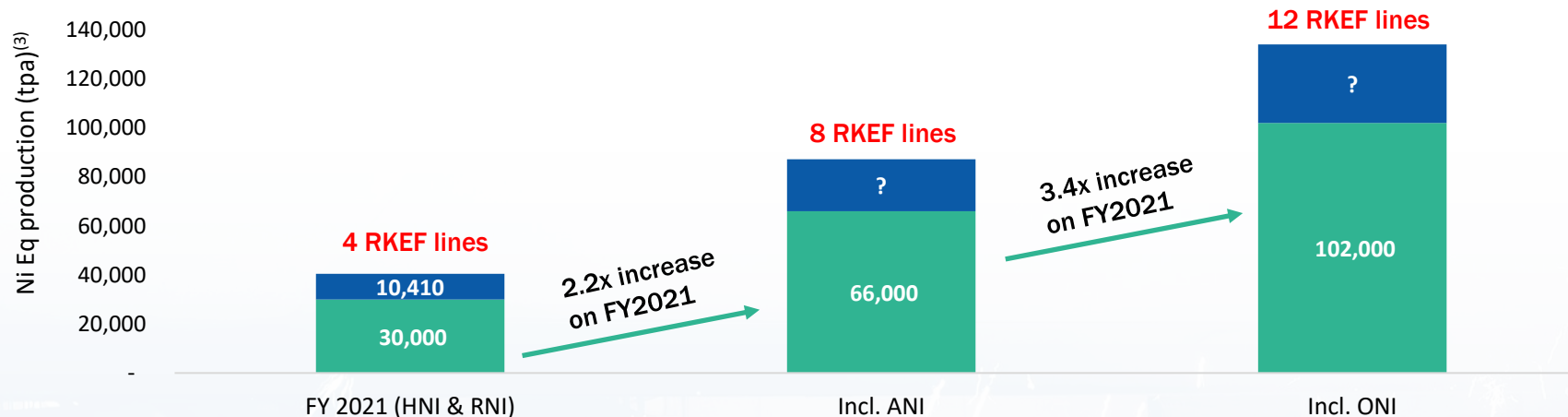
- ❑ Minor capital modifications to produce nickel matte completed at Hengjaya Nickel during the quarter.
- ❑ Decision to switch from NPI to nickel matte production will be determined by prevailing pricing relativities between each product.

## Acquisition of the Siduarsari Nickel-Cobalt Project

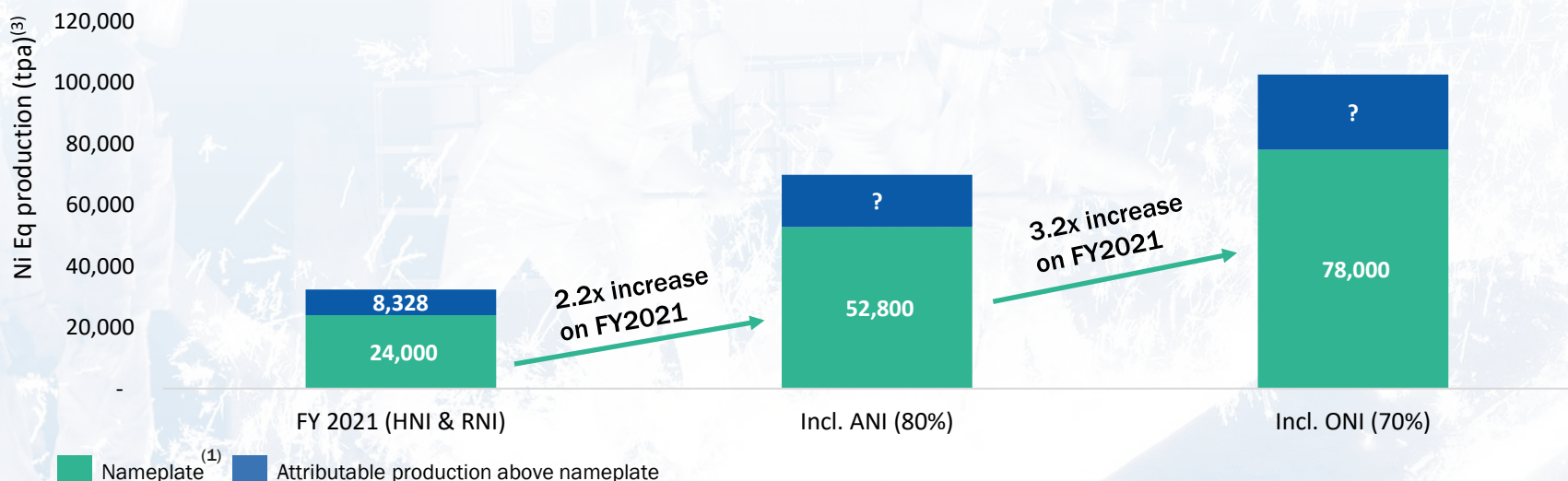
- ❑ Binding, definitive agreement signed for staged acquisition of 100% of the Project in Papua province, Indonesia.
- ❑ 6<sup>th</sup> generation Contract of Work ('CoW') with strong potential to host a large, world class limonite resource (opens up potential downstream HPAL opportunities).

# ANI and ONI expected to be transformative to NIC's production and financial profile

## Consolidated production (100% basis)



## NIC attributable production



Existing operations demonstrate consistent performance of 30%+ above nameplate capacity

### ANI and ONI ...

- expand the Company's RKEF operations from 4 lines to 12 lines (Tsingshan has constructed over 75 lines across its Indonesian industrial parks)
- provide a clearly defined growth path towards 100kt pa of attributable Ni metal production
- are expected to deliver a similar level of outperformance above nameplate capacity as existing operations

### ... in addition, ANI and ONI ...

- have a 20% larger nameplate capacity than the existing HNI and RNI operations
- are expected to deliver a ~20% saving on electricity costs by virtue of "owning" their own power

Note: These figures are indicative only of future nickel production levels that may be achieved but are not financial guidance or forecasts.

(1) Nameplate production levels at its various ownership levels, based on nameplate nickel metal capacities of 15ktpa for HNI and RNI and 36ktpa for ANI and ONI (once fully commissioned).

(2) Actual production figures reflect annualised production performance over time against nameplate capacity at various ownership levels at HNI and RNI.

(3) Ni Eq is nickel metal equivalent contained in nickel pig iron ("NPI").



## Why invest now?



### A compelling growth profile

Production profile expected to grow >3x over the next 12 months as 2 new projects come online  
Management believe this is an attractive valuation entry point



### Growth that does not rely on inflated commodity prices

Unrivalled growth delivered through increasing production and strong, stable 'industrial' style margins  
Low-cost, long-life operations delivering consistent levels of production



### Unrivalled track record of project delivery

All investments come with capex and commissioning guarantees  
Proven construction and commissioning execution (Tsingshan has built over 75 RKEF lines in Indonesia)



### The right place at the right time

Tsingshan is the global leader in the nickel industry with strong growth aspirations  
NIC has an established footprint in Indonesia – the epicentre of new nickel supply



### Unique exposure to the attractive nickel thematic

NIC is expected to be a diversified producer of Class I and Class II nickel  
An industrial exposure without the risks and volatility of mining

**THANK YOU**