

17 August 2022

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

BINDING TERM SHEET FOR 200MWp + 20MWh BATTERY SOLAR PROJECT

The Directors of Nickel Industries Limited ('Nickel Industries' or 'the Company') are pleased to advise that the Company has signed a binding term sheet with PT Sumber Energi Surya Nusantara ('SESNA') to develop, install, operate and maintain a 200MWp + 20MWh battery solar project within the Indonesia Morowali Industrial Park ('IMIP'), which will supply power to the Company's Hengjaya Nickel, Ranger Nickel and Oracle Nickel processing operations.

The binding term sheet builds on the MoU signed with SESNA in January 2022. SESNA has presented the Company a compelling project proposal which outlines, amongst other things, the key responsibilities and deliverables of the solar project.

Nickel Industries 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 currently considerably lower than existing power costs, is expected to remain constant over the life of the project.

This solar project supplements the 396kWp plus 250kWh battery storage project for integration into the facilities at the Hengjaya Mine, which has been fully commissioned by SESNA. The Company expects the Hengjaya Mine solar project, which replaces diesel-powered generators, will reduce diesel consumption by approximately 31 million litres over the 25-year projected project life.

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 commercialise solar projects.

Commenting on the signing of the 200MWp + 20MWh battery solar binding term sheet, Managing Director Justin Werner said:

"We are very pleased to announce the next step in our collaboration with SESNA to develop the first renewable energy production within IMIP, which reflects the Company and Tsingshan's commitment to a material reduction in its greenhouse gas emissions.

The fact that Nickel Industries is not required to provide any funding for the project is very attractive, as is the stable nature of the pricing which will be fixed over the 25-year contract period and which is currently lower than existing power costs.

Nickel Industries is continuing to expand its renewable energy exposure and this binding term sheet, along with the MoU signed with Quantum in May of 2022 for an additional 220MWp, is another step towards continuing to grow our renewable energy mix and reduce our CO₂ emissions."

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