

BUILDING A NICKEL EMPIRE

QUARTERLY ACTIVITIES PRESENTATION

FOR THE PERIOD ENDED

30 September 2022

Record nickel production of 20,275 tonnes underpins EBITDA from operations of US\$55.5M

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September quarter review

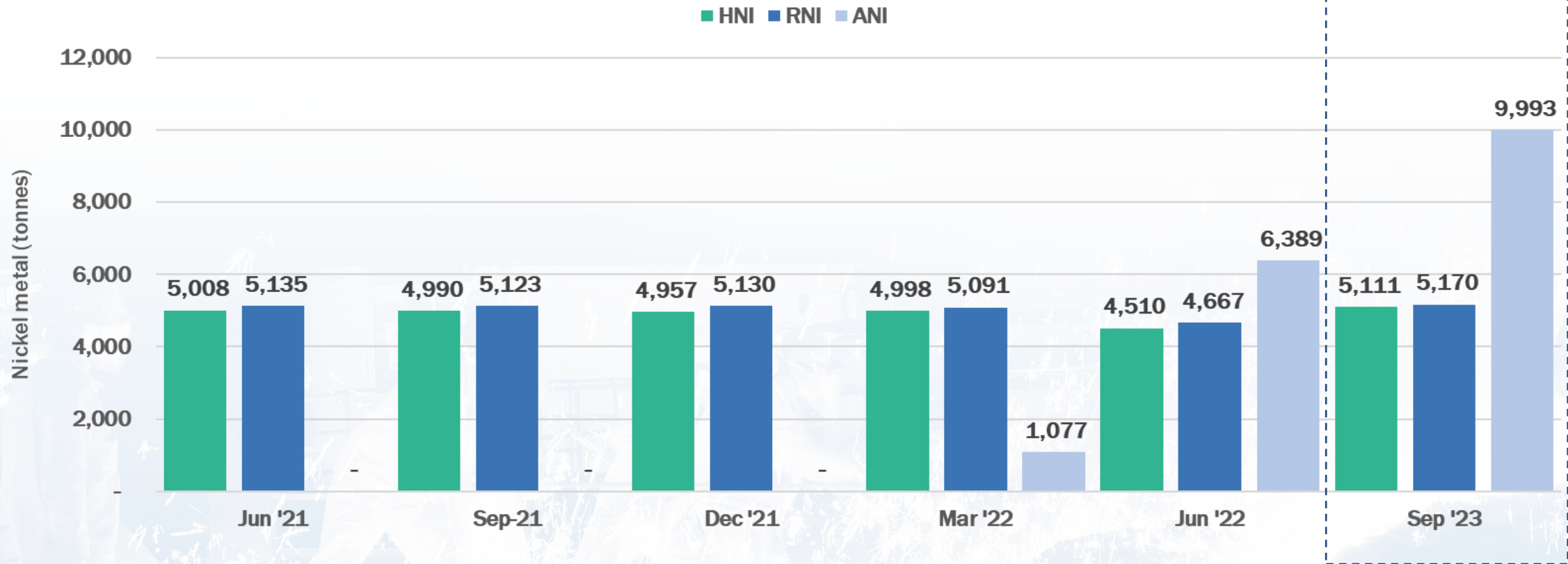
Record nickel production of 20,275 tonnes underpins EBITDA from operations of US\$55.5M

- ❑ **Record Ni metal production of 20,275 tonnes (100% basis)**
 - 30.2% higher than September quarter (15,567 tonnes)
 - ANI contribution of 9,994 tonnes (up 56% from June quarter) with further production increases expected with power plant now fully commissioned
 - HNI production converting from NPI to nickel matte in Q4, providing product and pricing diversification
- ❑ **Record RKEF revenue of US\$319.2M**
 - achieved despite realised NPI contract prices falling 20% over the quarter (US\$15,950/t in September down from US\$19,943/t in June quarter)
- ❑ **RKEF EBITDA of US\$45.3M**
- ❑ **Record Hengjaya Mine ore production of 1,697,976 wmt**
 - saprolite, 599,790 wmt / limonite, 1,098,186 wmt (record)
- ❑ **Hengjaya Mine Resource upgrade to 300 million dmt at average grade of 1.22% nickel and 0.09% cobalt**
- ❑ **Hengjaya Mine EBITDA of US\$10.2M**
 - down 44.5% on lower tonnes sold and lower realised saprolite ore prices (US\$42.88/t in September quarter, down from US\$52.43 in June quarter)
- ❑ **Underlying cash generation from operations of US\$54.9M**
- ❑ **Acquisition of a further 40% interest in the Oracle Nickel Project**
 - NIC now holds a 70% equity interest in the Project with first NPI production expected by mid-November
- ❑ **Strategic cooperation agreement with QMB New Energy**

September quarter summary

		June quarter	September quarter	▲
Gross Ni metal production	tonnes (100% basis)	15,567	Record 20,275	30.2%
NIC attributable Ni metal production	tonnes	12,453	Record 16,220	30.2%
Realised NPI price	\$/t Ni	19,943	15,950	(20%)
Sales revenue	US\$M (100% basis)	315.4	Record 319.2	1.2%
RKEF EBITDA	US\$M (100% basis)	84.9	45.3	(46.6%)
RKEF EBITDA/tonne sold	\$/t Ni	5,367	2,261	(57.9%)
Group EBITDA (RKEF + Mine)	US\$M (100% basis)	103.2	55.5	(46.2%)
Underlying cash generation from operations	US\$M (100% basis)	102.6	54.9	(47.5)%
Hengjaya Mine production (saprolite + limonite)	wmt	1,313,492	Record 1,697,976	29.3%

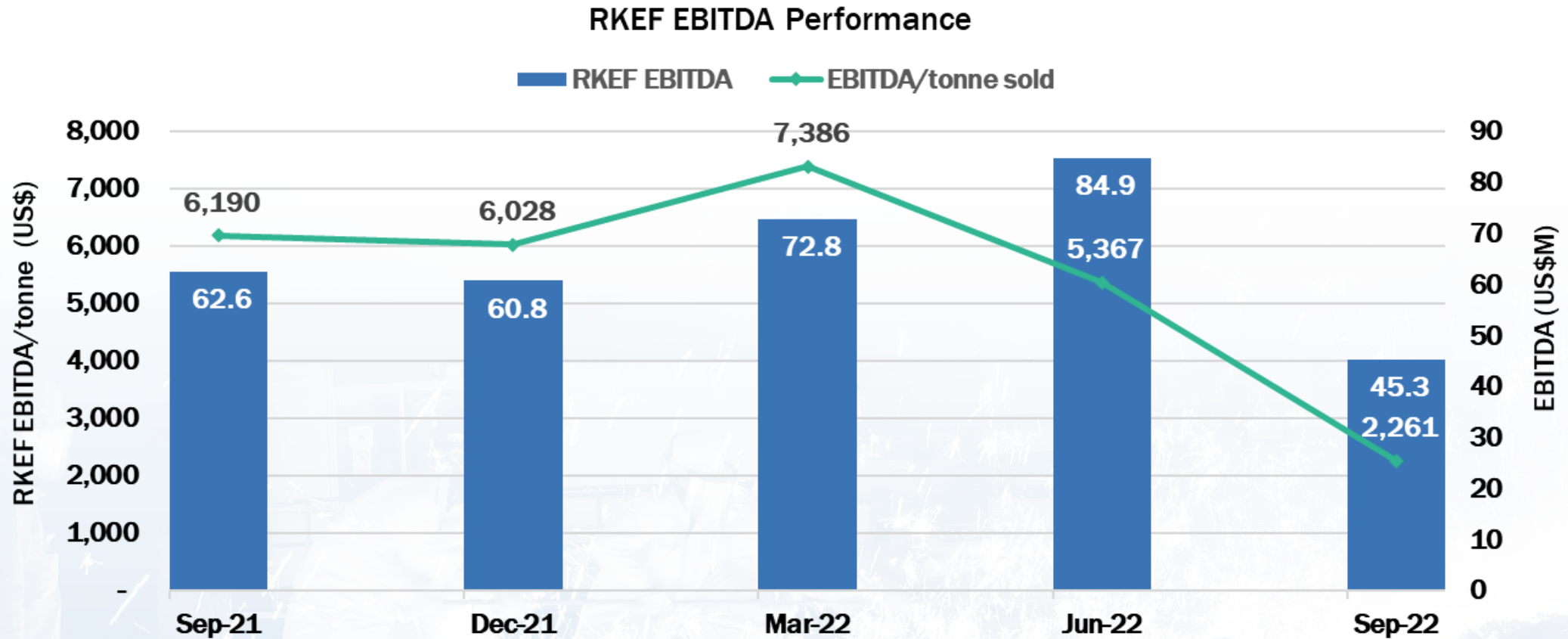
Quarterly RKEF production performance



September quarter
(20,275 tonnes)

- Record quarterly production of 20,275 tonnes Ni production (+30.2% from June qtr) including 9,994 tonnes Ni production from ANI
- NIC attributable production of 16,220 tonnes
- Combined HNI and RNI production returned to historical levels of > 10,000 tonnes per quarter
- ONI commissioning commencing this quarter to follow similar ramp-up profile as ANI and increase quarterly production to >30kt

RKEF EBITDA negatively impacted by falling margins



September quarter:

- ❑ RKEF EBITDA of US\$45.3M driven predominantly by a 20% decrease in realised NPI contract prices
- ❑ Modestly lower costs not enough to offset lower NPI prices leading to margin compression during the September quarter (US\$2,261/t, down 57.9% from US\$5,367/t in June quarter)
- ❑ Optimism for near-term improvement in margins - September costs materially below September quarter averages and trending lower while NPI prices are currently trending higher

Another quarter of record production at Hengjaya Mine

Production summary		June Quarter	September Quarter
Saprolite mined	wmt	792,630	599,790
Limonite mined	wmt	520,862	1,098,186
Nickel ore mined		1,313,492	1,697,976
Overburden mined	BCM ¹	826,553	390,940
Strip ratio ²	BCM/wmt	0.63	0.23
Saprolite			
Tonnes sold	wmt	673,664	565,624
Average grade	% Ni	1.74	1.73
Average price received	US\$/wmt	52.43	42.88
Average cost of production ³	US\$/wmt	26.02	26.91
Limonite			
Tonnes sold	wmt	258,212	185,271
Average grade	% Ni	1.19	1.14
Average price received	US\$/wmt	14.69	17.24
Average cost of production	US\$/wmt	7.99	7.01

¹ BCM represents 'bank cubic metres'

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

³ Monthly costs are a six-month average of mining costs plus port/selling costs for the actual month. Reported costs also include US\$1.5M of drilling costs incurred during the September quarter

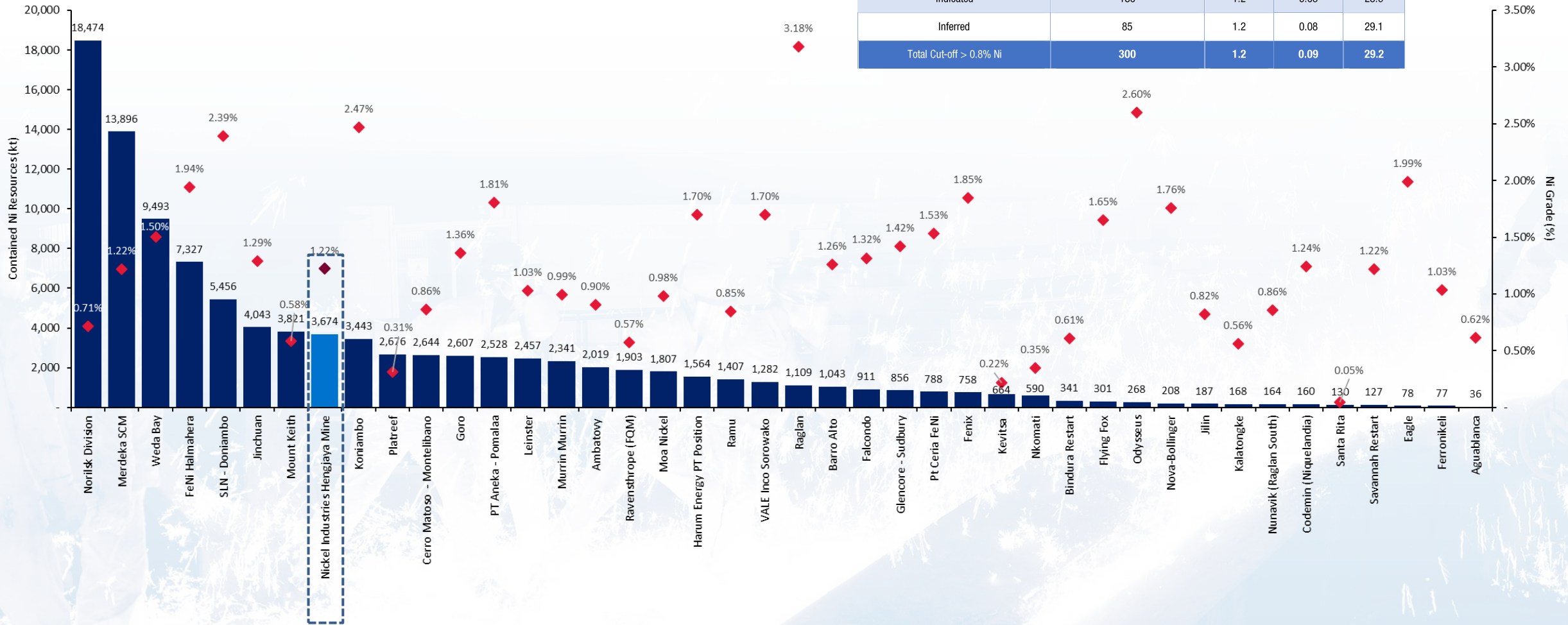


- ❑ Record quarterly production of **1,697,976 wmt**
 - saprolite production down 24.3% from June quarter
 - limonite production up 110.8% from June quarter to cater for increasing demand from the IMIP's two operating HPAL projects
- ❑ Upgraded JORC Resource estimate 300 million dmt at 1.22% nickel, 0.09% cobalt
- ❑ Quarterly EBITDA of US\$10.2M, down 44.5% on lower tonnes sold and lower realised saprolite ore prices
 - (US\$42.88/t, down from US\$53.43 in June quarter)
- ❑ Multiple accolades received at Indonesia's 2022 Environmental and Social Innovation ('ENSIA') Awards
 - Silver, Gold and Platinum status achieved for hazardous waste management, water reduction, domestic waste management, emission reduction, social innovation and biodiversity protection

Hengjaya Mine – a global top-10 nickel resource

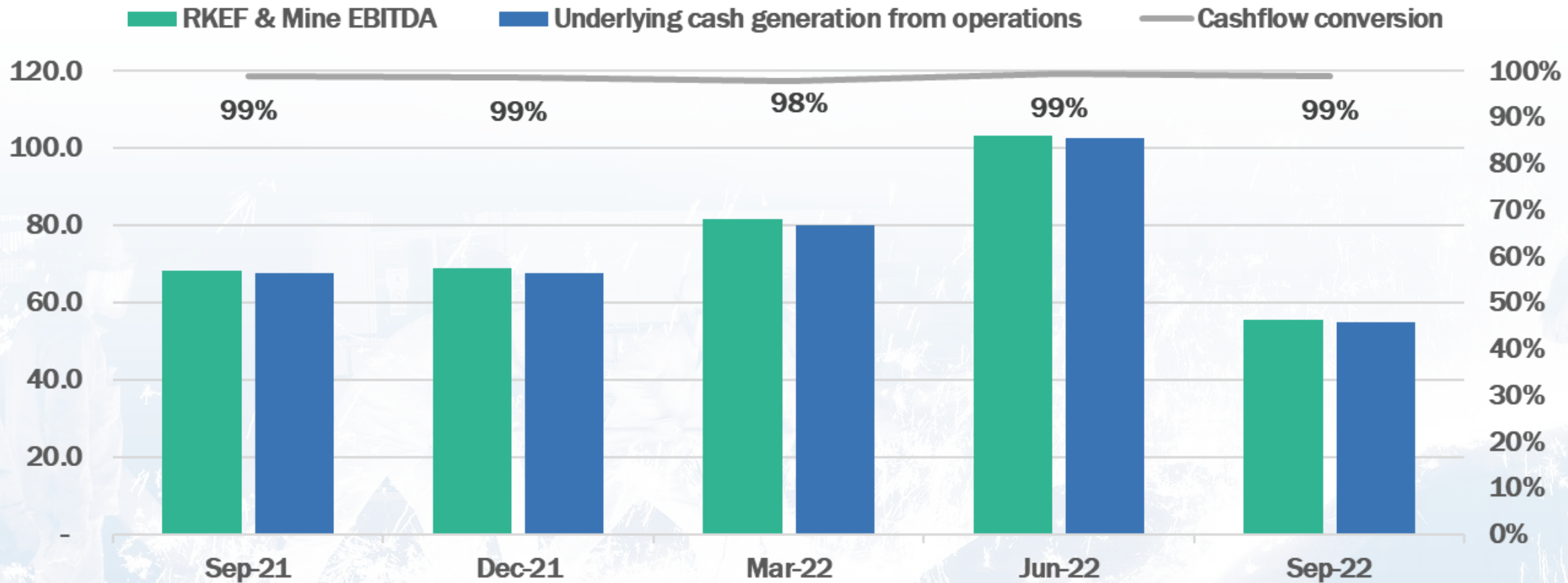
Global Contained Nickel Resources and Grade

Mineral Resource Category	Million tons (Dry)	XRF (Dry Analysis)		
		Ni (%)	Co (%)	Fe (%)
Measured	85	1.3	0.09	30.4
Indicated	130	1.2	0.08	28.6
Inferred	85	1.2	0.08	29.1
Total Cut-off > 0.8% Ni	300	1.2	0.09	29.2



Continued excellent EBITDA to cashflow conversion

EBITDA and cashflow conversion



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

Binding term sheet for 200MWp + 20MWh battery solar project

- ❑ In August 2022, the Company announced that it had 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 IMIP to supply power to the Hengjaya Nickel, Ranger Nickel and Oracle Nickel RKEF operations
- ❑ The binding term sheet builds on the MoU signed with SESNA in January 2022
- ❑ 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) is expected to remain constant over the life of the project

Ownership interest in Oracle Nickel increased to 70%

- ❑ Acquisition of an additional 40% interest achieved through the early payment of US\$212M (originally required by 31 December 2022)
- ❑ Have now paid US\$452.2M of a required US\$525M
- ❑ Balance of US\$72.8M outstanding with US\$11.2M due by 31 December 2022 and US\$61.6M due by 31 March 2023
- ❑ Electrification and ignition of first RKEF line commenced on 28 October with first NPI expected to flow by mid-November

Nickel matte

- ❑ Subsequent to quarters end, the Company announced that the Hengjaya Nickel project would transition from producing NPI to the production of nickel matte
- ❑ Hengjaya Nickel will produce a low grade ('LG') nickel matte which will be upgraded to high grade ('HG') nickel matte comprising a 60-75% nickel content
- ❑ All HG nickel matte sales through to March 2023 have been contracted to a 3rd party
- ❑ The Company will receive "payabilities" against the Shanghai Futures Exchange ('SHFE') at a percentage of the average settlement prices of the SHFE nickel main contracts price, with a higher percentage to be received in a higher nickel price environment

Strategic cooperation agreement with QMB New Energy

- ❑ In September 2022, the Company announced that it had signed a long-term strategic cooperation agreement with QMB New Energy ('QMB')
- ❑ Subject to the necessary approvals, QMB will build a concentrator plant within the Hengjaya Mine area that will supply via pipeline (over a 20-year period), approximately 5-7 million wmtpa of limonite ore (1.1% - 1.3% grade) to QMB's newly commissioned HPAL plant within the IMIP
- ❑ Both parties have agreed to explore in good faith the opportunity for Nickel Industries to have equity participation in the QMB HPAL project

THANK YOU