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ASX Limited
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(3 pages by email)

COMPLETION OF HNC HPAL AND ORACLE NICKEL ACQUISITIONS

- **Acquisition of a 10% equity interest in the Huayue Nickel Cobalt Project, currently producing low-carbon battery-grade nickel for the electric vehicle supply chain**
- **Acquisition of an additional 10% equity interest in the low-cost Oracle Nickel Project**
- **Options for additional future diversification into ‘Class 1’ battery-grade nickel secured**
- **Nickel Industries has a clear path to becoming the world’s largest listed diversified pure-play nickel producer**

Nickel Industries Limited (‘**Nickel Industries**’ or ‘**the Company**’) is pleased to announce it has now completed the acquisition of 10% equity interests in two producing assets from Shanghai Decent (collectively the ‘**Acquired Assets**’) in addition to completing the payment obligations of two future battery nickel opportunities (collectively the ‘**Acquired Options**’) contemplated under its Electric Vehicle Battery Supply Chain Strategic Framework Agreement as announced in January 2023.

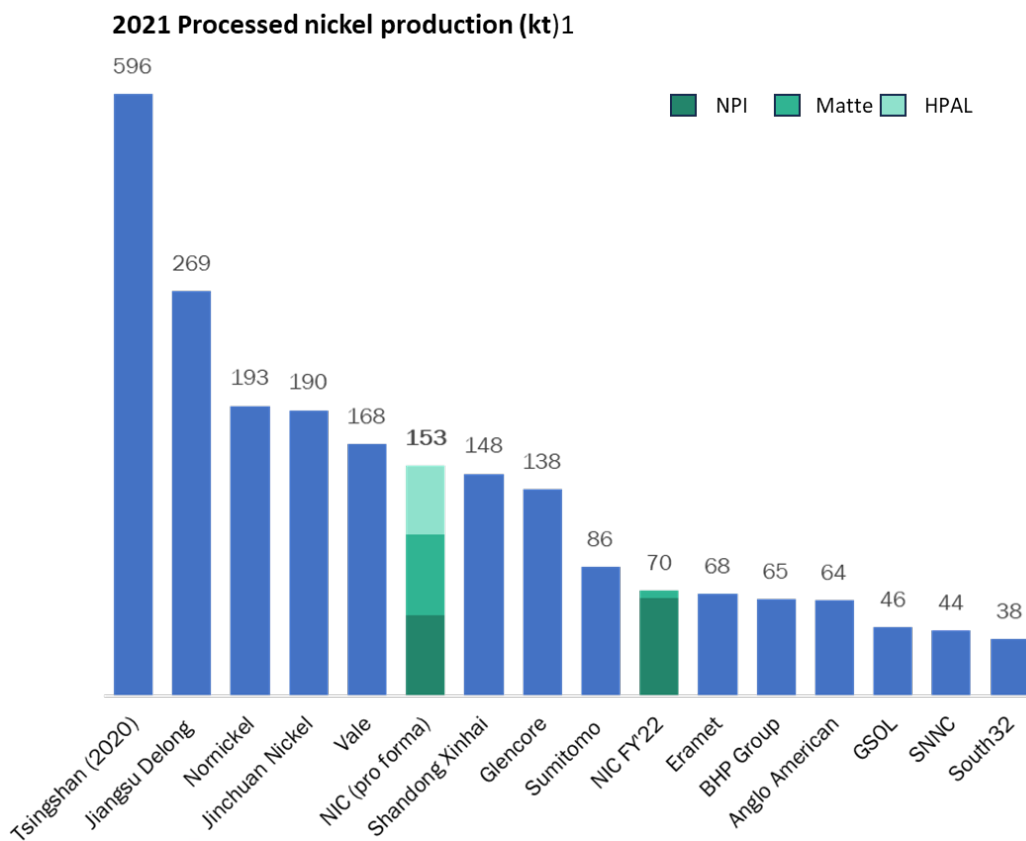
Having recently received a ‘no objection’ notification from Australia’s Foreign Investment Review Board and strong shareholder endorsement for the acquisition of the Acquired Assets at the Company’s Extraordinary General Meeting on 5 July 2023, the Company has:

- (i) issued Shanghai Decent affiliate company Decent Investment International Private Limited 381,365,628 ordinary shares in Nickel Industries at an issue price of \$1.02, as consideration for acquiring a 10% equity interest in the Huayue Nickel Cobalt high pressure acid leach (‘**HPAL**’) project (‘**HNC**’); and
- (ii) made a cash payment of US\$75M to Shanghai Decent, as consideration for acquiring an additional 10% equity interest in Oracle Nickel Project (‘**ONI**’), increasing the Company’s interest in the ONI from 70% to 80%.

The Company has also completed the payment obligations for the two Acquired Options with cash payments to Shanghai Decent of US\$40M comprising:

- (i) US\$25M consideration for an option to participate in the construction and ownership of the Excelsior Nickel Cobalt HPAL project (‘ENC’); and
- (ii) US\$15M consideration for an option to invest in and construct a high-grade matte converter at ONI¹.

Both options secure access to proprietary technology and experienced technical teams from Shanghai Decent to support the future success of these projects.²



Source: Broker research, Company data.

Note: Comparable production data reflects 2021 figures unless stated otherwise. NIC pro forma figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts.

(1) NIC NiEq production based on attributable nickel metal nameplate capacities of 12ktpa for HNI and RNI and 28.8ktpa ANI and ONI (pro forma 80% ownership) respectively. Assumes HNI and ONI are fully converted to nickel matte production. Outperformance assumption of 35% for HNI and RNI and 30% for ANI and ONI respectively. In addition, includes HNC Project attributable nameplate capacity of 6ktpa (10% of 60ktpa) and outperformance of 10% and includes ENC attributable production 39.6ktpa (55% of 72ktpa) representing 20% outperformance above nameplate capacity.

With the completion of the Acquired Assets and Acquired options, Nickel Industries has a clear path to becoming the world’s largest listed diversified pure-play nickel producer

¹ Option to invest in and construct the matte converter is at the discretion of Nickel Industries’ Board. If the option is exercised, Shanghai Decent will construct the high-grade matte converter at ONI.

² A Definitive Feasibility Study for ENC is well advanced with a final investment decision expected to be made by Nickel Industries’ Board in Q3 2023.

Completing the acquisition of the Acquired Assets and Acquired Options establishes three key pillars for Nickel Industries to transform its business from a historical focus on the stainless-steel market to becoming a leading producer of battery grade 'Class 1' nickel:

- (i) increasing the Company's exposure to nickel matte production;
- (ii) providing de-risked exposure to next-generation HPAL operations; and
- (iii) collaboration with Shanghai Decent on the future development of ENC.

The Acquired Assets and Acquired Options will allow Nickel Industries to diversify its sales via an increase in exposure to the growing electric vehicle battery market, providing a future growth platform for the Company. HNC and the Acquired Options will support future diversification and growth whilst leveraging cleaner technology that will lower emissions intensity (for Class 1 nickel) to ultimately support global electrification and decarbonization trends.

Commenting on the completion of the HNC and ONI acquisitions, Nickel Industries' Managing Director Justin Werner said:

"We are very pleased to have now completed the various asset and options acquisitions outlined in our Electric Vehicle Battery Supply Chain Strategic Framework Agreement.


The completion of these transactions further consolidates our strong existing relationship with Tsingshan and importantly represents an important advancement in our continuing diversification into higher margin, lower carbon forms of nickel production as we seek to become a globally significant producer of sustainable nickel."

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