

ASX ticker: NIC

ASX release: 30 January 2024

Shares on issue: 4.29B

Market capitalisation: A\$2.57B  
(@ A\$0.60)

## Board of Directors

### Executive Chairman

Norman Seckold

### Managing Director

Justin Werner

### Executive Director and CFO

Chris Shepherd

### Non-Executive Directors

James Crombie

Dasa Sutantio

Muliady Sutio

Haijun Wang

Binghe Xiang

YuanYuan Xu

## Substantial shareholders

(as per last substantial holder notices)

Shanghai Decent 22.7%

PT DTN 20.0%

PT KBP 8.5%

L1 Capital 5.7%

## Further enquiries

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# QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December 2023

## Record Group EBITDA from operations of US\$135.4M underpins increased dividend and share buyback

### RKEF operations

- Record RKEF quarterly production of **34,450** tonnes of nickel metal (100% basis)
  - **29,367** tonnes of nickel in NPI (September quarter: 28,561 tonnes)
  - **5,083** tonnes of nickel in nickel matte (September quarter: 5,291 tonnes)
- Record **34,427** nickel metal tonnes sold, 29,166 nickel metal in NPI tonnes, 5,261 nickel metal in matte (100% basis)  
(September quarter: 28,978 tonnes of nickel metal in NPI, 5,285 tonnes in nickel matte)
- RKEF quarterly EBITDA of **US\$85.1M** (100% basis)  
(September quarter: US\$97.6M)
- RKEF quarterly EBITDA margin of **US\$2,635/t Ni** in NPI sold and **US\$1,572/t Ni** in matte sold  
(September quarter: US\$3,009/t of nickel in NPI sold and US\$1,971/t of nickel in nickel matte sold)
- RKEF December quarter weighted average cash cost of **US\$10,048/t Ni** produced  
(September quarter: US\$10,198/t Ni)

### HPAL operations

- 1,823 tonnes of nickel in mixed hydroxide precipitate ('MHP') representing NIC's 10% share of production from the Huayue Nickel Cobalt Project
- EBITDA contribution of US\$8.3M<sup>^</sup>

### Mining operations

- Record Hengjaya Mine nickel ore production of **4,264,098 wmt**  
(September quarter: 3,629,990 wmt)
- Record Hengjaya Mine EBITDA of **US\$42.0M**  
(September quarter: US\$23.1M)
- Received a 'Green PROPER' rating from the Indonesian Environmental and Forestry department for the second consecutive year

### Corporate

- Over 16.7 million LTI-free man hours achieved in 2023
- Cash + receivables + inventory at quarter end of **US\$1,302.5M**  
(September quarter: US\$1,300.6M)
- Positive final investment decision made for the Excelsior Nickel Cobalt Project, supported by Indonesian bank loans and acquisition of an initial 13.75% equity interest
- Execution of binding agreement for a solar project at IMIP
- Increased final dividend of 2.5c (2022: 2c)
- Announcement of on-market share buyback program of up to US\$100M

\* Based on an average A\$/US\$ exchange rate of 0.6512 during the December quarter, US\$135.4M of EBITDA from RKEF, HPAL and Hengjaya Mine operations (100% basis) represents A\$207.9M.

<sup>^</sup> Combination of EBITDA from trading of Tsing Creation International Holding Limited ('Tsing Creation'), a Hong Kong entity in which the Company owns a 100% interest and the Company's 10% interest in PT Huayue Nickel Cobalt ('HNC'), which is held through Tsing Creation. As the Company's investment in HNC is carried at fair value, the EBITDA attributable to HNC will not be recorded in the Company's consolidated financial statement.

The Directors are pleased to present the December 2023 Quarterly Activities Report for Nickel Industries Limited (**Nickel Industries or the Company**) and its controlled entities (**the Group**).

For the quarter under review, the Company held an 80% interest in the Hengjaya Nickel (**HNI**), Ranger Nickel (**RNI**), Angel Nickel (**ANI**) and Oracle Nickel (**ONI**) rotary kiln electric furnace (**RKEF**) projects, an 80% interest in the Hengjaya Mine, a 10% interest in the Huayue Nickel Cobalt HPAL (**HNC**) project and acquired a 13.75% interest in the Excelsior Nickel Cobalt project (**ENC**), which is under construction.

Commenting on the December quarter's activities, Managing Director Justin Werner said:

*"We are pleased to report yet another record quarter of EBITDA from operations despite challenging nickel market conditions which has seen a record number of nickel operations globally become loss making or stop production. The results once again highlight our unique position as one of the world's largest diversified, low-cost nickel producers.*

*Our biggest achievement is over 16.7 million man hours were worked across our entire operations for 2023 LTI free which is a tremendous result. We continue to focus on being an ESG leader in the nickel industry and during the quarter were proud to announce receiving a 'Green PROPER' rating from the Indonesian Environmental and Forestry department for the second consecutive year (one of only two nickel companies to receive this rating), our first trial of EV trucks, the signing of an Operational Lease Agreement for Indonesia's largest solar project 200MWp + 20MWh Battery Energy Storage System and an invitation to present at the COP28 summit in Dubai where we unveiled our carbon emission reduction target of 50% by 2035 and net zero by 2050.*

*Given the two recent back-to-back record quarters which have delivered us EBITDA from operations of US\$256 million combined we are pleased to announce an increased final dividend for 2023 of 2.5 cents per share which is a 25% increase on our 2023 interim dividend of 2 cents per share – this reflects our ability to deliver strong EBITDA and production in a weak nickel price environment and our very strong balance sheet."*

## Safety

### Hengjaya Mine

During the December quarter there were no lost time injuries (**LTI**) recorded at the Hengjaya Mine, with over 10.17 million work hours registered since the last reported LTI in November 2021. This gives the Hengjaya Mine a LTI frequency rate (**LTIFR**) of 0.10 and a total recordable incident frequency rate (**TRIFR**) of 0.98 for each million work hours.

Safety and career development training continued at the mine site, including supervisory and ISO 45001-2018 standards and reporting components which are currently focusing on Health and Safety certification. With the new haul road to IMIP now in operation, there has been an increased focus on contractor management, the use of mobile equipment and the introduction of new safe work procedures for long distance road-haulage.

### RKEF Operations

For the quarter ended to 31 December 2023, 2,595,994 cumulative work hours without an LTI were achieved across Nickel Industries' RKEF operations.

For the twelve months to 31 December 2023, 11,144,676 cumulative work hours without an LTI were achieved across Nickel Industries' RKEF operations.

### Group Safety

16,718,448 LTI-free man hours across all of Nickel Industries' projects were achieved in 2023. The Company will continue to strengthen its 'best practice' mining and all processing standards. In addition to the Hengjaya Mine, all of our operations continue to focus on our safety training, risk assessments and change management. The Company remains committed to continuous improvement throughout all operations and will continue to work collaboratively with stakeholders to drive positive environmental, safety, social, and governance outcomes.

## RKEF operations

### Key reporting metrics – current and previous quarter

Production		HNI	RNI	ANI	ONI	Total
NPI production	tonnes	-	41,246	82,162	108,768	232,176
NPI grade	%	-	12.0	14.8	11.3	12.6
Nickel in NPI	tonnes	-	4,936	12,127	12,304	29,367
- September quarter	tonnes	-	4,974	12,127	11,461	28,561
Matte production	US\$/t Ni	32,658	-	-	-	32,658
Matte grade	%	15.6	-	-	-	15.6
Nickel in matte	tonnes	5,083	-	-	-	5,083
<b>Total nickel production</b>	<b>tonnes</b>	<b>5,083</b>	<b>4,936</b>	<b>12,127</b>	<b>12,304</b>	<b>34,450</b>
- September quarter	tonnes	5,291	4,973	12,127	11,461	33,852

Sales and contracts		HNI	RNI	ANI <sup>1</sup>	ONI	Total
Wtd avg contract price	US\$	12,697	11,972	12,715	12,117	12,392
- September quarter	US\$	14,346	13,341	12,877	13,390	13,343
<b>Tonnes sold</b>	<b>tonnes</b>	<b>5,261</b>	<b>4,936</b>	<b>11,926</b>	<b>12,304</b>	<b>34,427</b>
- September quarter	tonnes	5,285	4,973	12,544	11,461	34,263
<b>Sales revenue</b>	<b>US\$M</b>	<b>67.1</b>	<b>59.1</b>	<b>153.9</b>	<b>149.1</b>	<b>429.2</b>
- September quarter	US\$M	76.5	66.8	160.2	153.5	457.1

Costs and margins		HNI	RNI	ANI <sup>1</sup>	ONI	Total
Cash costs	US\$/t	11,184	10,952	9,587	9,671	10,048
- September quarter	US\$/t	11,379	11,242	9,467	9,973	10,198
<b>EBITDA<sup>2</sup></b>	<b>US\$M</b>	<b>8.3</b>	<b>5.8</b>	<b>41.9</b>	<b>29.1</b>	<b>85.1</b>
- September quarter	US\$/M	10.4	6.3	40.7	40.1	97.6
<b>EBITDA/tonne sold</b>	<b>US\$/t</b>	<b>1,572</b>	<b>1,169</b>	<b>3,515</b>	<b>2,370</b>	<b>2,473</b>
- September quarter	US\$/t	1,971	1,273	3,247	3,502	2,849

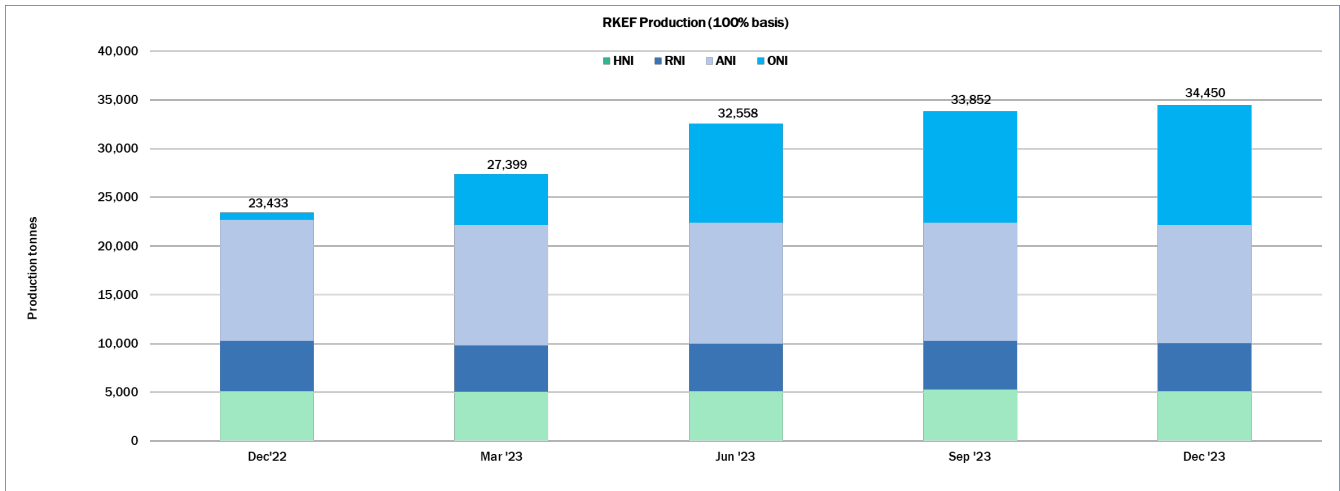
  

Summary RKEF metrics		September quarter	December quarter	% movement
Production (100%)	tonnes	33,852	34,450	1.8
Production - NIC attributable	tonnes	26,692	27,560	3.3
Tonnes sold	tonnes	34,263	34,427	0.5
Sales revenue	US\$M	457.1	429.2	(6.1)
RKEF EBITDA	US\$M	97.6	85.1	(12.8)
RKEF EBITDA/tonne sold	US\$/t Ni	2,849	2,473	(13.2)

<sup>1</sup> As the NPI produced by ANI is all exported, final contract pricing and consequently revenue and EBITDA numbers are affected by the final settlement variance, and adjustments which cross over quarterly period will be taken up in the following quarter.

<sup>2</sup> EBITDA is defined as profit/(loss) for the period, plus depreciation and amortisation costs, plus net financial income/(costs), plus tax expenses. As a result, EBITDA includes any impact from FX adjustments and also includes other adjustments not directly related to the sale of NPI and nickel matte.

RKEF production (100% basis)



**ONI's ramp-up has underpinned continued strong production growth during 2023**

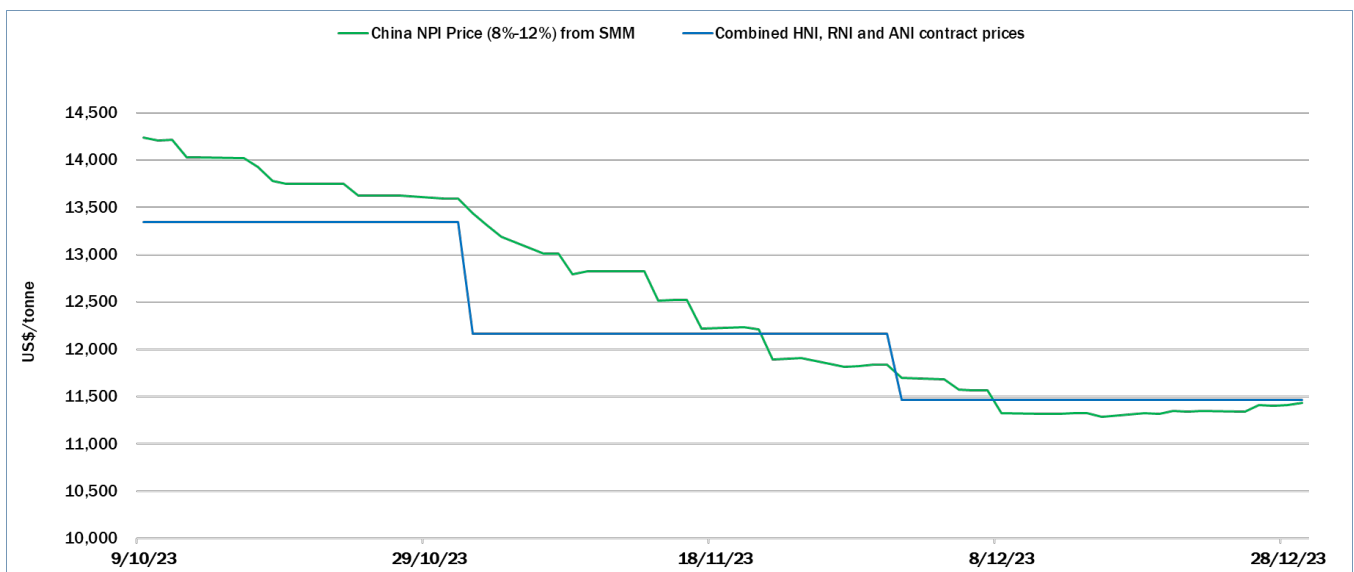
Revenue and contract pricing

Despite achieving a record 34,427 tonnes of nickel metal sold, revenues fell 5.9% for the quarter on the back of softer contract prices which fell 7.1% from the September quarter in line with a widespread decline in pricing across the entire nickel complex.

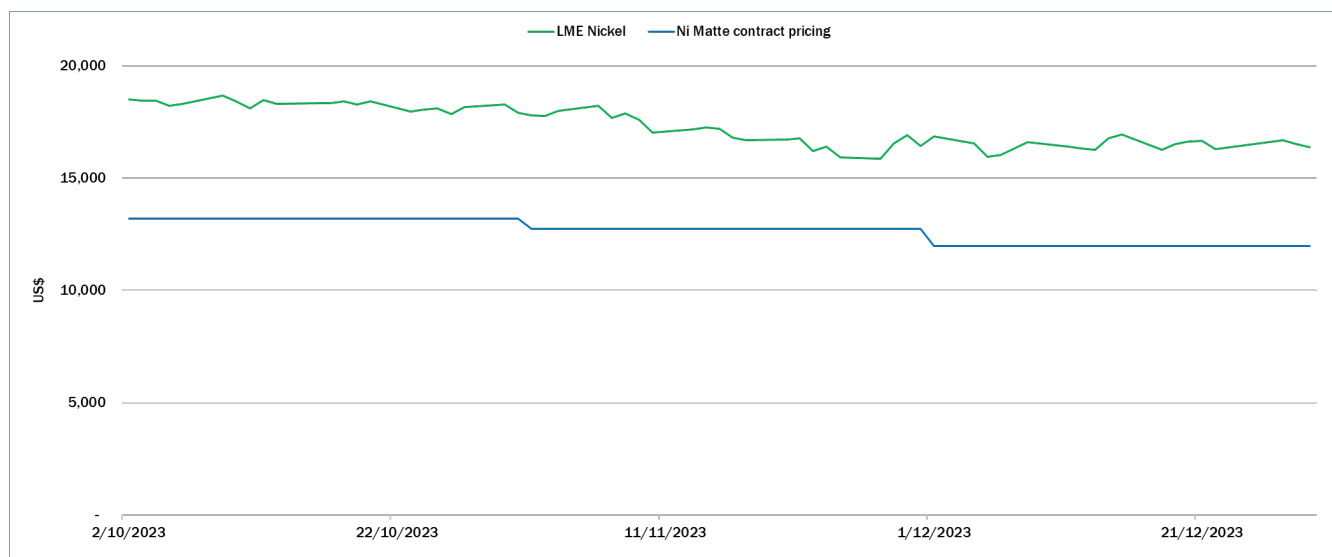
Growing market concerns of a short-to-medium oversupply of both class-1 and class-2 nickel have fuelled a sharp decline in nickel prices over the last six months, resulting in a material percentage of the production cost curves for each respective class of nickel being uneconomic at current prices. The integrated nature of the Company's operations and its position in the bottom quartile of the class-1 and class-2 cost curves has resulted in a significant financial outperformance relative to its global nickel peers.

In early 2024, the Company has seen a marginal improvement in NPI prices compared to the multi-year lows witnessed in December 2023.

China NPI price (8%-12%) v NPI contract price



LME nickel v Nickel matte contract price



**Operating costs**

During the quarter operating cash costs continued to fall modestly across most operations as nickel ore pricing eased in line with the softer LME nickel price while softer coal process also saw a modest easing in electricity pricing which ran at ~7.2c/kwh at Hengjaya Nickel and Ranger Nickel and at ~4.6c/kwh at Angel Nickel and Oracle Nickel.

Overall, Angel Nickel’s cash costs were higher (+1.3%) due to a slight increase in the cost of reductant agent utilised during the quarter, but overall EBITDA at Angel Nickel increased slightly relative to the September due to the impact of FX losses in the September quarter.

Despite operating costs continuing to trend lower across the quarter, the sharper decline in contract pricing (outlined above) translated into lower RKEF EBITDA and reduced EBITDA per tonnes sold margins from the September quarter.

## HPAL Operations

### Huayue Nickel Cobalt Project

The Company holds a 10% interest in the HNC project, through its 100% owned subsidiary Tsing Creation International Holding Limited (**Tsing Creation**), which in turn holds a 10% equity interest in PT Huayue Nickel Cobalt, operator of the HNC project. During the December quarter the HNC Project produced 18,226 tonnes of nickel and 1,370 tonnes of cobalt in mixed hydroxide precipitate (**MHP**). Nickel Industries' attributable share of HNC production was 1,823 tonnes of nickel and 137 tonnes of cobalt.

Whilst HNC undertakes its own sales of MHP, offtake is also distributed to Tsing Creation for sale. The combined EBITDA of the Company's 100% interest in Tsing Creation and its 10% indirect interest in HNC for the December quarter was \$8.3M

### Excelsior Nickel Cobalt Project

During the quarter, material progress was made at the Company's Excelsior Nickel Cobalt project (**ENC Project**) and the ENC Project remains on track for completion and commissioning within the contractual two-year delivery timeframe – this clearly distinguishes it from numerous other nickel projects globally, where a combination of the current nickel price environment and an inability to secure funding has seen numerous previously announced projects either significantly delayed or indefinitely abandoned.

With the Company fully funded for its 55% share of the ENC Project and construction progressing well, the Company is well positioned to secure a material 'first-mover' advantage amongst the next generation HPAL projects. The Company is receiving strong interest from numerous global EV and battery makers for both direct investment in, and offtake opportunities from, the ENC Project.

## Mining operations

### Hengjaya Mine (80% interest held by Nickel Industries)

Key reporting metrics		September quarter	December quarter
Saprolite mined	wmt	1,013,949	1,463,943
Limonite mined	wmt	2,616,041	3,100,155
Nickel ore mined	wmt	3,629,990	4,564,098
Overburden mined	BCM <sup>3</sup>	332,155	381,494
Strip ratio	BCM/wmt	0.09	0.08
Saprolite EBITDA	\$M	15.2	25.1
Limonite EBITDA	\$M	7.9	16.9

During the December quarter, the Hengjaya Mine delivered record mine ore production of 4,564,098 wet metric tonnes (**wmt**) of ore, up 25.7% from 3,629,990 wmt in the September quarter. EBITDA increased 81.6% to US\$42.0M, due to the increase in saprolite and limonite ore sold. Stockpiles of limonite had increased to 13.13 million wmt by the end of the quarter.

The Hengjaya Mine finished the year with a very pleasing record result for 2023, mining 3,832,833 wmt of saprolite, this combined with the 9,568,456 wmt of limonite ore resulted in a combined total of 13,401,289 wmt, an increase of ore production of 97.2% versus 2022 year of 6,792,851 wmt.

The trucking of limonite ore on the new haul road between Hengjaya Mine and IMIP commenced in September. Whilst there were initial delays in commissioning and ramping up the limonite haulage fleet, the mine haul road is now fully operational with a full complement of trucks and the Company anticipates a significant increase in limonite sales during 2024.



*Aerial view of the rehabilitation of the Central Pit 1*

<sup>3</sup> BCM represents 'bank cubic metres'.



## Finance<sup>4</sup>

### Balance sheet

At 31 December 2023, the Group held:

- Cash and cash equivalents: US\$778.7M (30 September 2023 - US\$827.6M);
- Trade receivables: US\$314.6M (30 September 2023 - US\$258.2M); and
- Inventories: US\$209.2M (30 September 2023 - US\$214.8M).

Cash and cash equivalents of US\$778.7M were held by Group companies as follows:

- US\$639.4M held by Nickel Industries;
- US\$115.4M held by the Indonesian RKEF entities and their related entities (Nickel Industries interest: 80%);
- US\$16.1M held by Hengjaya Mine (Nickel Industries interest: 80%); and
- US\$7.8M held by Tsing Creation (Nickel Industries interest: 100%).

Trade receivables of US\$314.6M were held by Group companies as follows:

- US\$271.0M held by the RKEF entities; and
- US\$43.6M held by Hengjaya Mine<sup>5</sup>.

Trade receivables of US\$258.2M reported at the end of the September quarter have been received in full.

Inventories (valued at the lower of cost or net realisable value) of US\$170.9M were held by Group companies as follows:

- US\$173.7M held by the RKEF entities, being nickel matte of US\$8.0M, NPI of US\$11.8M and raw materials of US\$153.8M; and
- US\$35.5M of nickel ore held by Hengjaya Mine.

The Hengjaya Nickel, Ranger Nickel and Angel Nickel project distributed dividends, net of withholding tax, during the December quarter to Nickel Industries and Shanghai Decent (and its associates), in proportion to their ownership interests. Nickel Industries received US\$50.1M and Shanghai Decent received US\$12.5M.

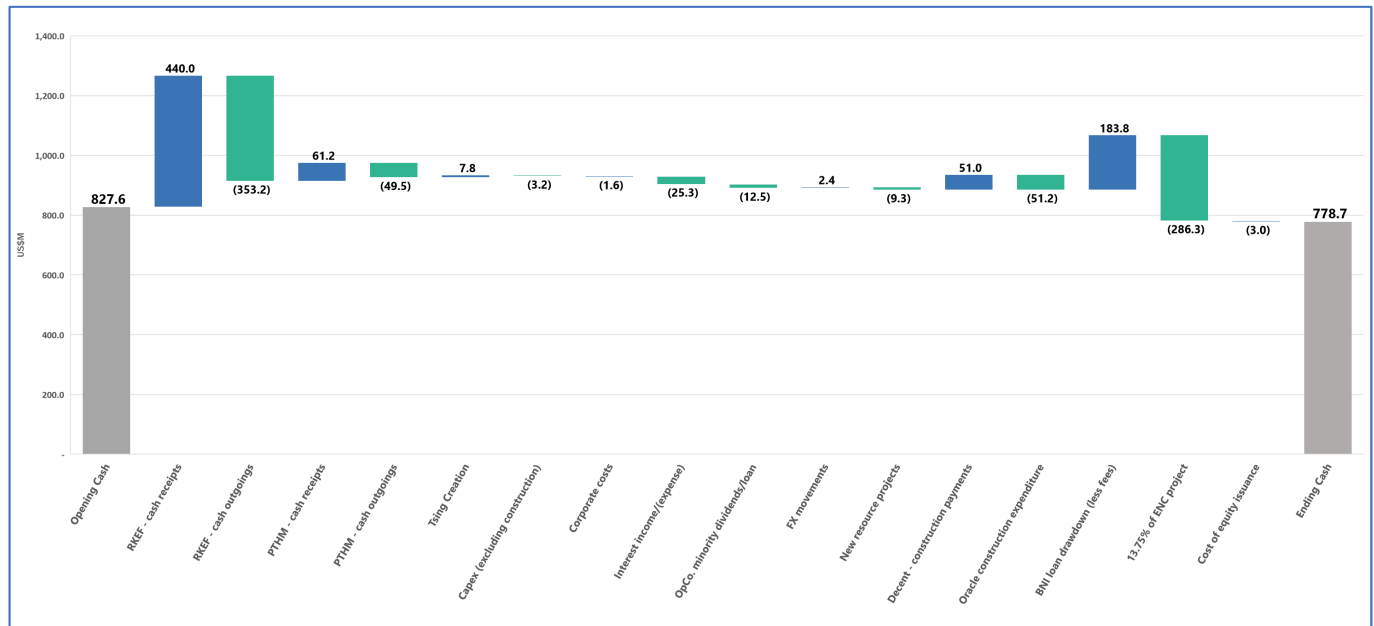
Nickel Industries also received US\$3.9M in loan repayment from PT Hengjaya Mineralindo (**PTHM**), the operator of the Hengjaya Mine. This loan repayment represented the repayment of all intercompany loans from the Company which have funded the development of the Hengjaya Mine to the world-class operation it is today. As a result, in the March 2024 quarter, PTHM will commence the payment of dividends, which will increase the Company's pool of conduit foreign income from which it is able to pay conduit foreign income dividends.

<sup>4</sup> Unaudited numbers from monthly operating entity financial reporting.

<sup>5</sup> Sales of saprolite ore by Hengjaya Mine to HNI and RNI are intra-group transactions and are eliminated on consolidation. Profit from saprolite ore sales is recognised on a consolidated level as a reduction in the cost of operations, once the saprolite ore has been consumed by the group in NPI operations.

## Cashflow

The following cashflow waterfall provides a reconciliation of cash movements for the Group during the December 2023 quarter.



**Cash flow waterfall – December 2023 quarter**

Whilst the four RKEF lines and power plant of Oracle Nickel were in operation during the quarter, some additional construction expenditures were made during the quarter. Ongoing RKEF construction costs of Oracle Nickel are funded by the Company’s operating partner, Shanghai Decent, via the Company’s 80%-owned Indonesian operating entity PT Oracle Nickel Industry and appear in the Group’s cashflow. A final settlement of construction contributions due from Shanghai Decent and the assignment of 80% of the construction loans in favour of Nickel Industries will be made during the March quarter.

## Expenditures

Expenditure on mine production and development activities at the Hengjaya Mine during the quarter totalled US\$44.3M, of which US\$3.2M was capex.

No expenditure on exploration activities was undertaken at the Hengjaya Mine during the quarter. Additional expenditures shown in the waterfall above by PTHM, operator of the Hengjaya Mine relate to administration costs and taxes paid. Additional exploration expenditure across new project opportunities totalled US\$9.3M.

## Related party expenditures

During the quarter, the aggregate amount of payment to related parties and their associates totalled US\$566,475, comprising US\$492,413 of payments to Directors or Director-related entities for Directors’ consulting fees and US\$74,062 in fees were paid to MIS Corporate Pty Limited (**MIS**), an entity in which Director Norman Seckold has a controlling interest. MIS provides full administrative services, including administrative, accounting, company secretarial and investor relations staff both within Australia and Indonesia, office premises, services and supplies to the Group.

## Corporate highlights

### Progression of solar energy initiatives

Completion of binding agreements with renewable energy company PT Sumber Energi Surya Nusantara (SESNA) to develop, install, operate and maintain a 200MWp + 20MWh battery solar project within the IMIP – the largest solar power project in Indonesia. The project will power the Company's Hengjaya, Ranger and Oracle Nickel processing operations and could provide a clean renewable energy source for its potential future ENC HPAL project, which will be targeted to be one of the lowest carbon-emitting projects globally. A signing ceremony for the Operational Lease and Service Agreement (OLSA) in Jakarta was attended by Nickel Industries' Managing Director Justin Werner on 4 October 2023.

### Second Green PROPER rating

In December the Company's Hengjaya Mine was once again awarded the Green PROPER Award from the Ministry of Environment and Forestry (KLHK), which indicates beyond compliance practices in terms of ESG implementation and reporting. The Hengjaya Mine became the sole entity from Morowali and the only mining company from Central Sulawesi to achieve this rank, confirming its growing status as a showpiece mine for responsible and sustainable nickel mining in Indonesia.

Additionally, the Hengjaya Mine was also nominated as the recipient of the Indonesia Sustainable Development Goals Award (ISDA) 2023 for the fisherman empowerment program at Bete–Bete Village. The Hengjaya Mine was one of more than a hundred companies assessed for this accolade nationally.

### Presentation to COP28 Climate Summit and announcement of future emission targets

As a leading exponent of responsible and sustainable nickel mining in Indonesia, the Company was invited to present at the 2023 United Nations Climate Change Conference (COP28) in the United Arab Emirates (UAE) on 2 December 2023.

At the conference the Company announced its future emission targets, committing to a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050, outlining some of the current and future initiatives that are going to be implemented, to reduce its carbon footprint and support the sustainability of the environments and communities in its area of operations.

### Final Investment Decision (FID) taken for ENC HPAL Project

In October the Company reached a positive final investment decision (**FID**) with respect to its participation and investment in the Excelsior Nickel Cobalt HPAL project (**ENC**) being constructed within the IMIP.

ENC is expected to produce 72,000 metric tons per annum of contained nickel equivalent across the three major class 1 nickel products being mixed hydroxide precipitate (**MHP**), nickel sulphate and nickel cathode. ENC will be the first HPAL globally with the capacity to produce the three major class 1 nickel products, all of which are suitable for use in the EV battery market.

Shanghai Decent will once again be providing a “capex guarantee” whereby the total construction costs will not exceed US\$2.3 billion along with a commissioning guaranteed and a timeframe guarantee (of not more than 2 years from the commencement of construction).

### Establishment of US\$400m loan facility with leading Indonesian bank

In October 2023 the Company executed financing facilities totalling US\$400M with PT Bank Negara Indonesia (Persero) Tbk Singapore Branch (**BNI**), a tier-1 Indonesian Bank, to support the Company's funding obligations in relation to the ENC Project.

The facilities comprise a 5-year senior term loan facility (**the Facility**) of US\$350M, split across two tranches:

- tranche A: US\$200M (secured against the Company's Angel Nickel Project and associated shareholder loans); and
- tranche B: US\$150M (unsecured).

In addition, the Company has secured a US\$50M revolving credit facility (**RCF**), for general working capital purposes.

The interest rate applicable on the Facility will be a margin above the Secured Overnight Financing Rate (**SOFR**) (currently ~5.3%), according to the following schedule:

- initial 12-month period: 2.00%;
- months 12-18: 3.00%; and
- 18 months onwards: 3.50%.

The margin applicable to the RCF will be 3.00%.

The Facility, along with placement funds of A\$943M (~US\$600M) received from United Tractors, in addition to the Company's existing cash and strong ongoing cash flows from its existing operations, leaves the Company comfortably positioned to fund its share of the ENC acquisition payments (US\$1.265 billion) over the Project construction period of 2023 to 2025 as outlined below.

### Acquisition of a 13.75% equity interest in ENC HPAL Project

During the quarter the Company completed the acquisition of a 13.75% interest in the ENC Project.

The acquisition was completed via an initial payment of US\$126.5M to secure 5.5%, followed by a payment of US\$189.8M to acquire a further 8.25% interest, in line with the acquisition payment schedule below. Payments were made to the Singaporean incorporated holding company, Excelsior International Investments Pte. Ltd, the ultimate owner of the ENC Project.

Date	US\$M	Equity acquired	Cumulative equity
10 business days following shareholder approval ( <b>paid</b> )	126.5	5.50%	5.50%
By 1 January 2024 ( <b>paid</b> )	189.8	8.25%	13.75%
By 1 April 2024	316.3	13.75%	27.50%
By 1 October 2024	379.5	16.50%	44.00%
By 1 July 2025	126.5	5.50%	49.50%
By 1 October 2025 <sup>6</sup>	126.5	5.50%	55.00%
<b>Total</b>	<b>1,265.0</b>	<b>55.00%</b>	

The US\$189.8M payment was made via the maiden drawdown of tranche A of the Facility with BNI.

### Board Changes

In November, following his retirement as President Director of Shanghai Decent, Mr Huang Weifeng also retired as a Non-Executive Director of the Company. His position as Non-Executive Director and a representative of Shanghai Decent will be taken by Mr Wang Haijun. Mr Wang is also replacing Mr Huang as President Director of Shanghai Decent.

Additionally in November Mr Mark Lochtenberg retired as a Non-Executive Director of the Company. Mark joined the Board of the Company in March 2017, prior to the Company's listing on the ASX the following year.

In December the Company announced the retirement of Mr Rob Neale who had served as the Company's Chairman since April 2018, leading the Company through its Initial Public Offering in August 2018 to its current position as a global-top 10 nickel producer.

Company founder and current Deputy Chairman Norm Seckold has replaced Rob as Executive Chairman.

<sup>6</sup> Following commissioning of line 1 of the ENC Project.

### Trialling of EV trucks in operations

During the quarter the Company commenced the trial of EV trucks within its operating fleet as part of its strategy to achieve a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050.

As the Company continues to take a leadership role in advancing the sustainability of Indonesia's nickel industry the Company commenced the trial of EVs across both its IMIP and Hengjaya Mine operations with each EV expected to deliver significant emission savings compared with traditional vehicles.

With the recent opening of the Hengjaya Mine to IMIP haul road facilitating a significant increase in ore volumes being transported, the introduction of EVs to the Company's haulage fleet is set to drive operational efficiencies and materially reduce the Company's emissions profile.

### Nickel Matte sales contract with Glencore

In December the Company entered into a maiden nickel matte sales contract with Glencore AG (**Glencore**).

The contract, commencing January 2024 and running for an initial 6-month term, will result in nickel matte from the Company's Hengjaya Nickel Project being sold to Glencore. This initial sales contract represents a maturing of the Company's nickel matte business and an important diversification of its customer base into western markets closely linked with the global EV supply chain.

Volume and pricing terms remain commercial in confidence.

## CONTACT INFORMATION

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