

26 August 2024

ASX Limited
20 Bridge Street
Sydney NSW 2000

(12 pages)

SAMPALA PROJECT OVERVIEW WEBCAST DETAILS

Nickel Industries Limited will hold a webcast on Tuesday, 27 August 2024.

Managing Director Justin Werner will lead a webcast through the attached presentation regarding the Sampala Project.

- **Time:** 1.00pm AEST
- **Date:** Tuesday, 27 August 2024
- **Webcast link** (watch only): <https://webcast.openbriefing.com/nic-mu-2024/>
- **Teleconference Registration link** (for Q&A participation):
<https://s1.c-conf.com/diamondpass/10041685-witfju.html>

For further information please contact:

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelindustries.com
+61 439 908 732

pjn122304



Nickel Industries Limited (ASX:NIC)
Sampala Project Acquisition
August 2024

Acquisition of World Class Nickel Portfolio

NICKEL

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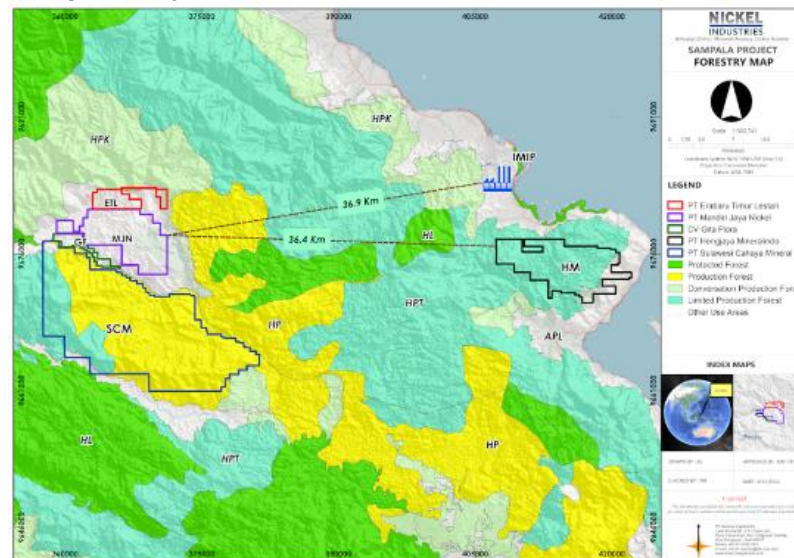
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Sampala Project overview

Acquisition of three highly prospective, advanced, contiguous nickel IUPs covering 6,654ha and initial JORC 2012 compliant resource of 2.3 million tonnes of contained nickel metal

- Nickel Industries Limited (“NIC” or the “Company”) has signed Conditional Share Purchase Agreements (“CSPAs”) for the acquisition of 3 highly prospective, advanced contiguous nickel-cobalt projects covering 6,654 ha (the Sampala Project)
- Sampala Project is located close to the Indonesia Morowali Industrial Park (IMIP) and the Company’s existing Hengjaya Mine (“HM”) operations
 - 36.9 km from IMIP, where the Company’s existing rotary kiln electric furnace (“RKEF”) and high-pressure acid leach (“HPAL”) operations are located
- Sampala Project has current JORC 2012 compliant resource of 2.3 million tonnes of contained nickel metal with in just 900ha
 - only 20% of a total 4,700ha of prospective mapped laterite drilled
- Acquisition is from the Company’s existing 15-year Indonesian partner in HM, on favourable terms, relative to recent Indonesian nickel resource acquisitions
- Majority of acquisition payments are expected in 2026 and the project development capex is currently expected to be similar to HM
- Sampala Project will ensure NIC becomes fully self sufficient for its IMIP downstream operations with nickel ore resources for its operations for the next 40-50 years

Sampala Project location in relation to IMIP, HM and SCM



Project-ID	IUP Permit Holder	Permit area (ha)	IUP Permit Status
ETL	PT Erabar Timur Lestari	1,159	Operation and Production
MJN	PT Mandiri Jaya Nickel	4,871	Operation and Production
GF	CV Gita Flora	624	Operation and Production
Total Sampala Project area		6,654	Operation and Production

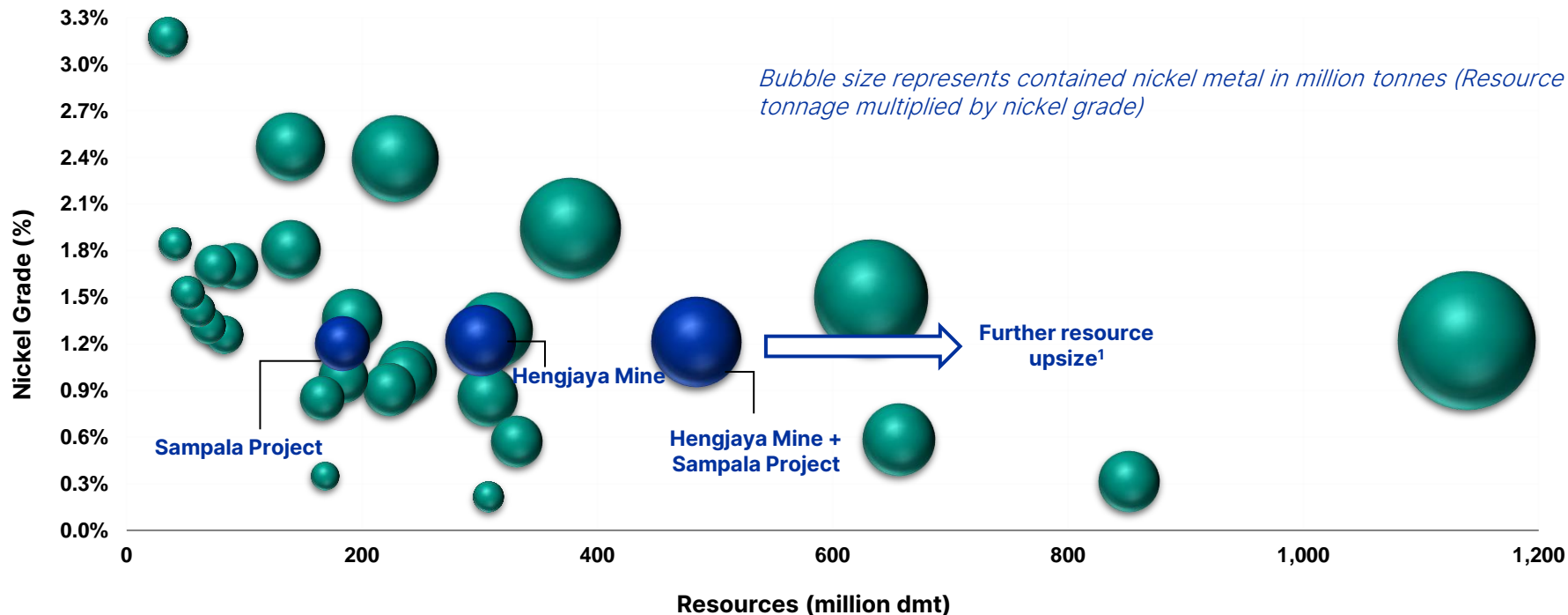
Strategic rationale for the Sampala Project acquisition

World class nickel portfolio with five key value drivers

- 1 World class nickel resource, with significant resource potential upside (only 20% of the prospective mapped laterite drilled)
- 2 Advanced project with strategic location proximate to the IMIP, Hengjaya Mine, and other world class nickel resources
- 3 Enables NIC to have self sufficient (in terms of nickel ore) and fully integrated nickel operations
- 4 Attractive acquisition terms compared to recent upstream nickel acquisitions, with a delayed payment schedule
- 5 Expected low mine development capex with attractive economics and short payback

NIC will hold one of the largest nickel resource portfolios globally

Sampala Project will increase NIC's total contained nickel metal resources to 5.9 million tonnes

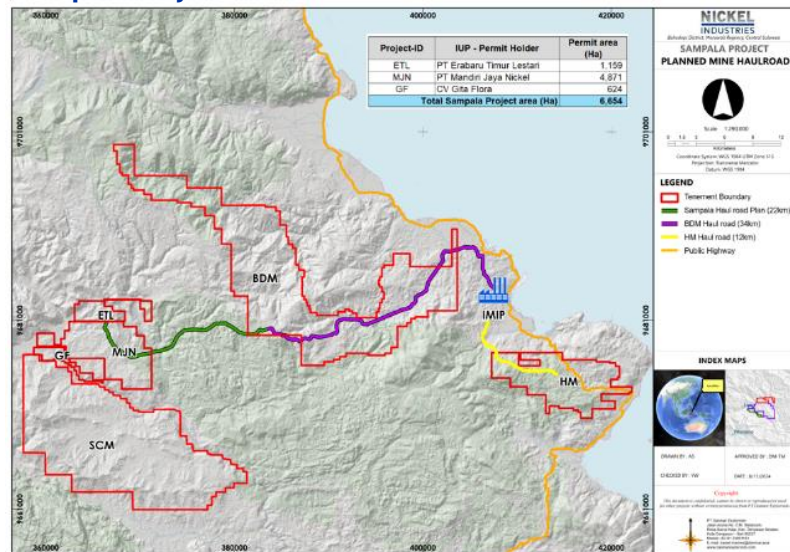


Advanced project in close proximity to the Company's IMIP operations

Location and progress is key with the Sampala Project

- NIC has already acquired 7,192ha of land
- Progress towards mine development underway with geological models and pit designs
- Environmental impact and feasibility studies submitted for approval
- Initial Rencana Kerja, Anggaran Belanja ("RKAB") license granted for nickel ore sales in 2025 and 2026
- Designed 22km haul road to connect with an existing haul road within the Bintang Delapan Mine ("BDM"), which is 49% owned by Shanghai Decent. This will allow the Company to leverage an existing 34km internal BDM haul road directly into the IMIP
- First annual production run rate of 6 million wmt of nickel ore targeted by the end of 2025
- Thereafter, production is expected to ramp up over time, to levels achieved at the Hengjaya Mine, which is currently operating at a run-rate of 12 million wmt per annum and has applied to increase annual production to 22 million wmt

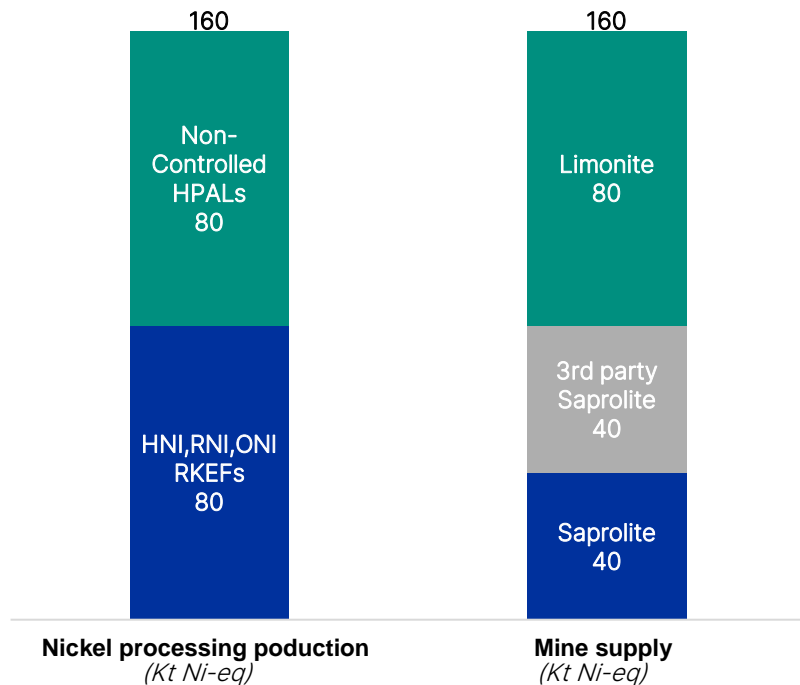
Sampala Project location in relation to IMIP and BDM haul road



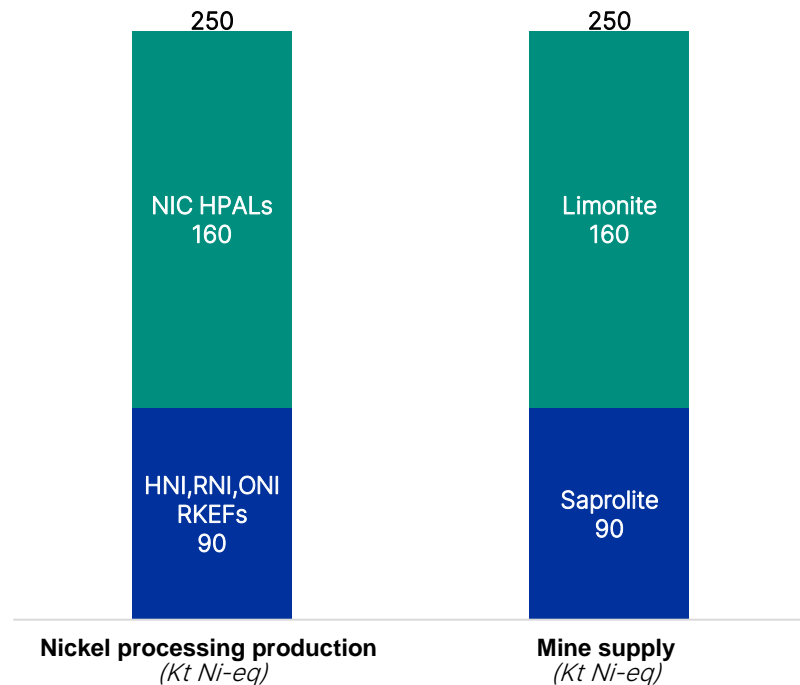
Self sufficient and fully integrated nickel operations

Sampala Project will ensure NIC becomes fully self sufficient for IMIP operations, providing all stakeholders with traceability of nickel ore supply

Current NIC IMIP annual processing production and mine supply mix

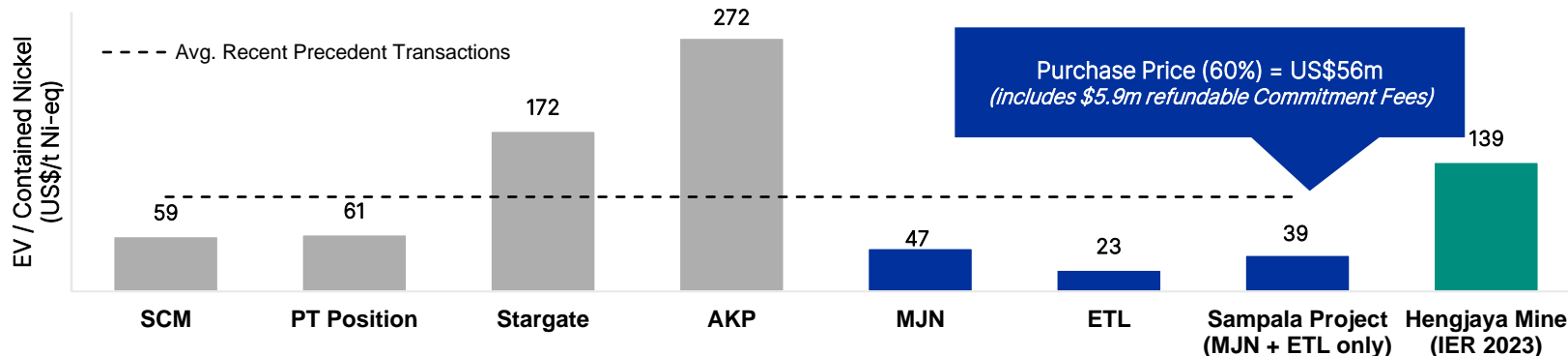


Future NIC IMIP annual processing production and mine supply mix



Attractive acquisition valuation compared to recent nickel acquisitions

Implied blended acquisition multiple of US\$39/t contained nickel metal, well below recent nickel resource acquisitions



Valuation (US\$m) (100%)	811.0	158.0	302.0	166.7	76.4 ⁽¹⁾	17.3 ⁽¹⁾	93.7 ⁽¹⁾	470-530 ⁽²⁾
Date	Mar-22	Feb-21	Dec-22	Jan-22	Aug-24 to 2026	Aug-24 to 2026	Aug-24 to 2026	n/a
Total Resources (Million dmt)	1,139	215	146	51	126	61	187	300
Resources at 1.7% grade (Million dmt)	Na	Na	Na	Na	28.6	4.9	33.5	Na
Purchase price (60%)	Na	Na	Na	Na	45.9 ⁽²⁾	10.4 ⁽²⁾	56.2 ⁽²⁾	Na
Average grade	1.2%	1.2%	1.2%	1.2%	1.3%	1.1%	1.2%	1.2%
Contained Nickel Metal (Mt Ni-eq)	13.7	2.6	1.8	0.6	1.6	0.7	2.3	3.6

Source: Company Filings, Independent Expert Report (June 2023), Sampala Project CSPA

1) Implied valuation for 100% based on CSPA terms and initial JORC Resource = $(\$5.9m \div 60\%) + (\$2.50 * 33.5m \text{ dmt})$

2) Purchase Price (60%) based on initial JORC Resource (including ~\$3m refundable commitment fee for each IUP) = $\$5.9m + (\$2.50 * 33.5m \text{ dmt} * 60\%)$

3) Valuation of the Hengjaya Mine in the Independent Expert's Report prepared for NIC's June 2023 EGM

Attractive acquisition terms, with a delayed payment profile

Key acquisition terms for the Sampala Project are set out below

MJN and ETL IUPs

- NIC to acquire 60% of the control and economic rights in each of MJN and ETL.
- Refundable commitment fee of ~US\$3m for each of MJN and ETL (US\$5.9m in total) (Commitment Fee), payable upon completion of the due diligence period, which is up to 90 days. The Commitment Fees are recoverable by NIC via an Agency Fee from first production.
- NIC will then carry out an agreed Initial Exploration Program (IEP) within 18 months and for the purpose of determining the purchase consideration payable at completion.
- After the IEP, Nickel Industries shall pay to the Vendor the purchase consideration, calculated as:
 - $60\% * \text{JORC Resource} * \text{US\$2.50 per dry metric tonne above 1.70\% nickel}$.
- The IUPs have the following Resources above 1.70% nickel:
 - MJN has ~28.6m dmt – purchase consideration of \$42.9m, payable in 2026 (plus refundable Commitment Fee of ~US\$3m) = US\$45.9m; and
 - ETL has ~4.9m dmt – purchase consideration of \$7.4m, payable in 2026 (plus refundable Commitment Fee of ~US\$3m) = US\$10.4m.
- **Total acquisition price for 60% is US\$56.2m (inclusive of US\$5.9m refundable Commitment Fees).**

GF IUP

- **NIC to acquire 60% of the control and economic rights in GF for a total consideration of US\$7 million**, payable as follows:
 - an advance payment of US\$2 million (already paid) and a first milestone payment of US\$3 million (already paid); and
 - a final payment of US\$2 million upon the transfer of 60% of GF to Nickel Industries.
- An application has been submitted to extend GF by an area of 491ha of prospective laterite. Should this application be successful, Nickel Industries is to pay the vendor an additional US\$4 million.

Acquisition expected to drive compelling shareholder returns

Hengjaya Mine is a benchmark for future development of the Sampala Project

	Production	Capex	EBITDA
Hengjaya Mine	12 million wmt ¹	US\$50m ²	~US\$170m ³
Sampala Project	12 million wmt	<US\$50m	?

1) FY24 target production and Management has recently applied to increase the Hengjaya Mine Operating license to 22 million wmt per annum

2) Estimated capex to date (excluding US\$20m in capitalised exploration)

3) Hengjaya Mine Q4'23 EBITDA of ~US\$42m annualised

Nickel Industries Limited (ASX:NIC)

For more information, please contact:

Justin Werner
Managing Director
jwerner@nickelindustries.com
+61 2 9300 3311

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelindustries.com
+61 439 908 732

