

ASX ticker: NIC

ASX release: 30 October 2024

Shares on issue: 4.29B

Market capitalisation: A\$4.14B
(@ A\$0.965)

Board of Directors

Executive Chairman

Norman Seckold

Managing Director

Justin Werner

Executive Director and CFO

Chris Shepherd

Non-Executive Directors

James Crombie

Emma Hall

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%

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QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2024

US\$108.4M EBITDA from Operations

RKEF operations

		June quarter	September quarter
Production	Ni tonnes	31,975	30,663
Sales	Ni tonnes	32,273	31,266
Cash cost	US\$/t Ni	9,980	10,882
EBITDA	US\$M	41.8	60.0
EBITDA/tonne sold	US\$/t Ni	1,296	1,919

HPAL operations

		June quarter	September quarter
Attributable production (10%)	MHP tonnes	1,997	2,125
EBITDA/profit contribution	US\$M	13.0	11.2

Mining operations

		June quarter	September quarter
Ore production	Ni wmt	2,969,352	5,749,852
Ore sales	Ni wmt	2,077,144	2,971,415
EBITDA	US\$M	24.6	37.3

Highlights

- Conditional acquisition of world-class Sampala nickel Project
- Completion of a 51% interest in Siduarsi Project along with maiden JORC Resource
- Successful syndication of US\$250M loan facility
- Maiden dividend distribution from Hengjaya Mine
- Establishment of Hengjaya Mine conservation biodiversity area

The Directors are pleased to present the September 2024 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 project (**HNC**) and a 44.0% interest in the Excelsior Nickel Cobalt HPAL project (**ENC**), which is under construction.

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

"We are very pleased to report our strongest quarter for 2024 delivering over US\$100 million in EBITDA from operations, a key contributor to this strong result was the record ore production and sales of almost 3 million wmt for the quarter from our Hengjaya Mine which delivered US\$37.3 million in EBITDA. Approvals are progressing well for us to increase our RKAB at Hengjaya Mine from the existing 9 million tpa to 22 million tpa.

Given the recent ore shortages in Indonesia and the natural hedge that operating an integrated mine and smelting operation delivers, we were also very pleased to announce the conditional acquisition of the world class Sampala Project on very favourable commercial terms for a project that covers an area of 6,654ha, in close proximity to our existing RKEF operations at the IMIP, and already has a JORC compliant resource of 2.3 million tonnes of contained nickel metal in just 900ha (20%) of an identified prospective area of 4,700 ha.

The Sampala Project has operation production mining IUPs. Therefore, the project is approved for mining, subject to updated feasibility and environmental studies which have already been developed and submitted for approval. Given the low mine development capital expenditure (less than US\$50 million), strong margins and quick payback, we are targeting to deliver first ore from the Sampala Project at the end of 2025 which will make our RKEF operations at the IMIP self-sufficient.

Our diversification into Class 1 nickel and intermediary nickel through our ENC HPAL acquisition is progressing well and we were pleased to erect the first of 3 autoclaves on site, marking a significant milestone in the ENC project development.

We continue to be recognised as the ESG leader in Indonesia with a number of accomplishments and awards during the quarter. We are pleased to report continued improved ratings from global third party ESG reporting groups such as S&P Global with our scores rising from 7 in 2021 to 37 in 2024, above the global Mining and Metals worldwide average of 29. After several years of hard work, our sustainability team has recently received approval to develop a conservation bio-diversity area within the Hengjaya Mine mining concession. The area will help to protect and foster endemic flora and fauna as well as provide a protected area for research and education.

Finally, we warmly welcome Mr Simon Miller as the ENC HPAL manager. Mr Miller is an ex-Northvolt executive who brings a strong understanding of the global EV supply chain and in his previous role has built strong relationships with many global EV and battery makers."

Safety

The Company-wide 12-month lost time injury frequency rate (**LTIFR**) as at end of September 2024, was 0.12, with one LTI occurring during the quarter, against 4.6 million work hours registered.

The Company-wide 12-month rolling total recordable injury frequency rate (**TRIFR**) as at the end of September 2024 was 1.24.

The Hengjaya Mine has successfully completed the annual third-party audits for the ISO 45001 Safety and Environment 14001 certifications. Extensive Emergency response training was undertaken at Hengjaya Mine each month during the quarter. Additional focus on RKEF work areas included reviewing safety in workplace, revising safe operation procedures and training in hot work areas.

Sustainability

Conservation Area

During the quarter, the Hengjaya Mine in Morowali received formal endorsement from the Central Sulawesi Natural Resources Conservation Agency (**BKSDA**) to develop a high conservation biodiversity area within the Hengjaya Mine mining concession. The conservation area will further solidify Nickel Industries as a leader in responsible and sustainable mining in Indonesia.

Preparation for the establishment of the in-situ biodiversity conservation zone started in 2022, with research focusing on biodiversity hotspots around the Hengjaya Mine mining concession to determine the locations of high conservation value. Within the Hengjaya Mine concession, the Company has selected an initial area of 197 hectares, which includes a primary forest of large trees with a relatively closed canopy. This area will not only protect and maintain the biodiversity of flora and fauna but also help it grow for years to come.

The initial conservation area at the Hengjaya Mine concession supports several Indonesian Government initiatives including:

- the Indonesian Presidential instruction number one of 2023 focuses on integrating biodiversity conservation into sustainable development across the country;
- the Indonesian Minister of Environment instruction number one of 2022 focuses on protecting wild animals from threats of trapping and illegal hunting; and
- the Directorate General of KSDAE program focuses on the conservation efforts through mapping the distribution of wild plant and animal habitats.

University Scholarship Program

The Company was pleased to welcome the inaugural university scholarship awardees at the Hasanuddin University Makassar in September 2024. The ten scholarship recipients, selected for their academic excellence and potential, will pursue degrees in various fields, including Engineering, Accounting and Law. The welcoming ceremony at Hasanuddin University was attended by university officials, representatives from Nickel Industries, and scholarship recipients. The event marked the beginning of a transformative journey for the students, which would not only involve gaining academic knowledge but also developing the values of integrity, sustainability, and innovation.



The ten recipients of Nickel Industries' inaugural university scholarship program at Hasanuddin University in Makassar, along with staff and faculty members

CSR and Social Responsibility Awards

The Company's Hengjaya Mine's HOPE program (Hengjaya Supports Local People's Health) has been recognised at the Nusantara CSR Awards 2024. The program aims to improve the health of local communities by supporting nutritional, facilities and health infrastructure. Additionally, the Company's Managing Director Justin Werner was named as a recipient of the Sustainable Business Transformation Leader award for his commitment and leadership in driving the Company's sustainability agenda.



Manager of External Relations and CSR of PT Hengjaya Mineralindo, Firman Setiawan and Managing Director Justin Werner

Furthermore, Nickel Industries won an IDX Channel ESG Award 2024. The IDX Channel Anugerah ESG assessment was carried out by independent panellists regarding four main aspects in the implementation of ESG and innovation in Sustainable Finance. This award reflects the Company's commitment to supporting the nickel industry in Indonesia, as an environmentally and socially friendly leader. The Hengjaya Mine has also won several prestigious awards in Indonesia related to environmental and social innovation at the ENSIA Awards event held by PT Sucofindo Indonesia in July 2024. The ENSIA trophies in 2024 were given for the Hengjaya Mine's sustainability initiatives in energy efficiency (Silver), hazardous waste management (Gold), water reduction (Platinum), domestic waste management (Gold), emission reduction (Silver), social innovation (Platinum), and biodiversity protection (Silver).



IDX Channel ESG Award and ENSIA Award Ceremonies in the 3rd quarter of 2024

These recent achievements helped Nickel Industries improve its S&P Global ESG scores from 31 in 2023 to 37 in 2024. The average score for Mining and Metals companies worldwide, according to the rating agency, is 29 (as at September 2024). In addition, the Hengjaya Mine has been formally included as a Green PROPER recipient candidate in 2024, which if received, will be the third year in a row, paving the way for a Gold PROPER candidacy in the future.

Best Climate Reporting and Transparency Award

Subsequent to quarter end, the Company was honoured with the “Best Climate Reporting & Transparency Award” at the 2024 ESG GRIT Awards held on 28 October 2024. This prestigious accolade recognises the Company's outstanding commitment to transparency in environmental reporting and its comprehensive approach to climate action.

The Award's judging panel was particularly impressed with the Company's adherence to globally recognised reporting frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). These frameworks, combined with the Company's thorough carbon reduction roadmap, demonstrate a structured approach to transparency and accountability, aligning with global best practices in climate-related disclosures.

Nickel Industries' dedication to decarbonisation and energy efficiency initiatives has set an impressive standard in the mining industry with the Company having shown a strong commitment to mitigating environmental impacts while maintaining transparent and responsible governance.

Additionally, the panel noted the Company's strong focus on ethical business practices and stakeholder engagement reflecting the Company's genuine commitment to inclusivity, responsiveness, and ethical integrity, which are key elements in building trust with both stakeholders and the broader community.

RKEF operations (80% indirect interest held by Nickel Industries)

Production		HNI	RNI	ANI	ONI	Total
NPI production	tonnes	38,204	34,931	80,707	100,985	254,827
NPI grade	%	11.8	12.3	12.5	12.1	12.2
Total nickel production	tonnes	4,452	4,220	9,909	12,082	30,663
- June quarter	tonnes	4,444	4,356	11,118	12,057	31,975

Sales and contracts		HNI	RNI	ANI ¹	ONI	Total
Wtd avg contract price	US\$	11,899	11,907	11,742	11,609	11,840
- June quarter	US\$	11,534	11,461	11,278	11,463	11,408
Tonnes sold	tonnes	4,452	4,220	10,512	12,082	31,266
- June quarter	tonnes	4,564	4,356	11,296	12,057	32,273
Sales revenue	US\$M	51.6	50.2	124.7	143.6	370.1
- June quarter	US\$M	52.6	49.9	127.3	138.2	368.1

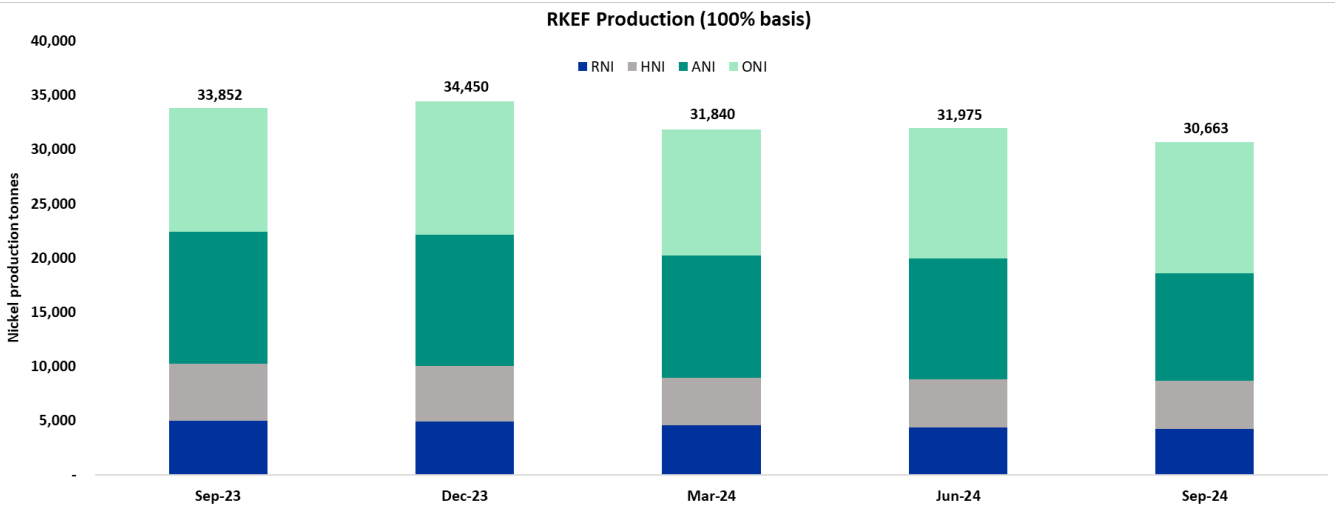
Costs and margins		HNI	RNI	ANI ¹	ONI	Total
Cash costs	US\$/t	11,629	11,794	10,785	10,367	10,882
- June quarter	US\$/t	11,131	11,309	9,071	9,914	9,980
EBITDA²	US\$M	5.3	4.8	16.2	33.6	60.0
- June quarter	US\$/M	(0.9)	(1.2)	25.7	18.2	41.8
EBITDA/tonne sold	US\$/t	1,828	1,141	1,542	2,784	1,919
- June quarter	US\$/t	(200)	(273)	2,276	1,510	1,296

Summary RKEF metrics		June quarter	September quarter	% movement
Production	tonnes	31,975	30,663	(4.1)
Tonnes sold	tonnes	32,273	31,266	(3.1)
Sales revenue	US\$M	368.1	370.1	0.5
EBITDA	US\$M	41.8	60.0	43.5
EBITDA/tonne sold	US\$/t Ni	1,296	1,919	48.1

¹ 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.

² 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. During the period, EBITDA from the Company's RKEF operations was materially increased by the rise in IDR against the USD, reversing FX losses through the first six months of 2024. FX gains during the quarter totalled \$24.2M (June quarter: \$10.2M loss) equating to US\$775 per tonne of nickel sold. Removing this FX effect from EBITDA/t calculations results in an underlying EBITDA/t margin for the September quarter of \$1,144/t. Underlying EBITDA/t in the June quarter was US\$1,614/t against a reported EBITDA/t of US\$1,296/t. FX movements included both FX on cash and FX from the translation of accounts required to be settled in IDR for domestic business due to Indonesian government regulations. The net impact of FX movements at the Company's RKEF operations in 2024 is a \$6.2M gain.

RKEF production



Overall RKEF production of 30,663 tonnes of nickel metal was down 4.1% from the June quarter (31,975 tonnes).

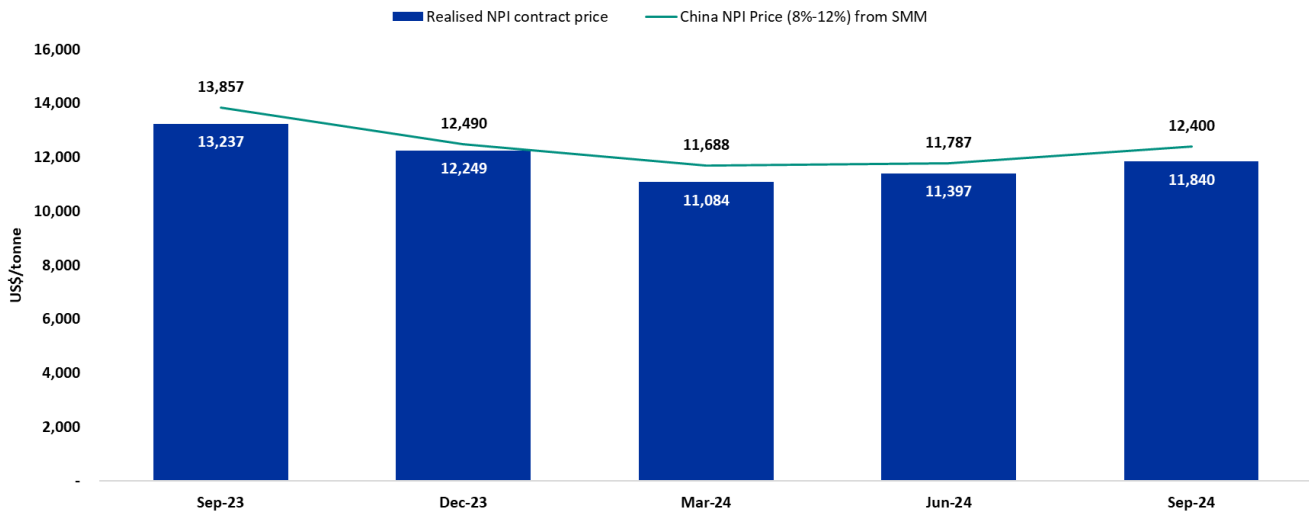
Production at RNI was negatively impacted by 8 days of scheduled maintenance in July where the Project ran at approximately 60% of normal daily volumes. Daily output promptly returned to normal levels post this maintenance with RNI performing well throughout August and September.

ANI production levels (9,909 tonnes of nickel metal) were 10.9% lower than the 11,118 tonnes of nickel metal produced in the June quarter. Ongoing RKAB licence-related delays in Halmahera continue to negatively impact normal ore supplies into the IWIP which in turn have negatively impacted production levels and led to higher unit cash costs (+18.9% from June quarter).

Combined cash operating costs were ~9% higher quarter on quarter, predominantly driven by higher nickel ore prices, with higher ore prices being reflective of the current environment in Indonesia. With RKAB license renewals ongoing, ore shortages have resulted in an increase in imported ore (largely lower grade ore from the Philippines) at a premium to the Indonesian HPM ore benchmark price.

All of Hengjaya Mine’s saprolite ore is used solely by HNI, RNI and ONI, reducing reliance on IMIP ore stockpiles, and providing a partial hedge for the Company against the increasing nickel ore prices. Additionally, the recent Sampala acquisition will ensure the Company is 100% self-sufficient in the years ahead and largely protected from external supply issues.

China NPI price (8%-12%) v NPI contract price³



Realised NPI contract price of \$11,840/t for the quarter was 3.9% higher than the June quarter. Whilst modest, the price increased each month of the quarter, and this trajectory has continued in the December quarter.

EBITDA for the quarter of US\$60M was 43.5% higher than the US\$41.8M reported in the June quarter. This improved result was due to a US\$24.2M FX gain resulting from the IDR’s appreciation against the USD throughout the quarter, equating to a US\$775/t boost to reported margins. Removing this FX gain from EBITDA/t calculations results in an underlying EBITDA/t margin for the September quarter of US\$1,144/t, down 29% from underlying EBITDA/t of US\$1,614/t in the June quarter. The US\$470/t decrease in underlying margins reflects realised contract prices for the quarter (up US\$432/t) being insufficient to offset the US\$902/t increase in operating cash costs.

³ Realised NPI contract prices of \$11,397/t in June are lower than the combined weighted average contract price for both NPI and nickel matte of \$11,408/t in June due to HNI selling 122t of nickel in matte.

HPAL operations

Huayue Nickel Cobalt Project (10% indirect interest held by Nickel Industries)

During the quarter, the HNC Project produced 21,248 tonnes of nickel and 2,017 tonnes of cobalt in mixed hydroxide precipitate (MHP). Nickel Industries’ attributable share of HNC production was 2,125 tonnes of nickel and 207 tonnes of cobalt.

Whilst HNC undertakes its own sales of MHP, offtake is also distributed to Tsing Creation for sale. The underlying EBITDA of HNC for the quarter on a 100% basis (with Nickel Industries holding a 10% interest) was \$90.3M and the EBITDA for Tsing Creation (with Nickel Industries holding a 100% interest) was \$2.1M⁴, giving a combined EBITDA of \$11.2M (June quarter \$13.0M).

HPAL construction

Excelsior Nickel Cobalt Project (44% indirect interest currently held by Nickel Industries)⁵

During the quarter, there was continued strong progress at the ENC project with the site now fully prepped for the arrival of key long lead items and critical process equipment that has been sourced and procured from leading componentry equipment manufactures from around the world including Australia, China, Germany, Netherlands and the United States.

On 24 October several members of the Company’s senior management team attended a ceremony on site to mark the arrival of the first of three autoclaves with the first autoclave now installed.



Senior management team representatives attend a ceremony to mark the arrival of the first autoclave at the ENC project site

⁴ The Company is equity accounting its 10% interest in HNC and therefore will report in its financials its 10% share of the net profit of HNC, including any amortisation on the fair value of the acquisition. Tsing Creation is a Hong Kong entity through which the Company holds its 10% interest in HNC.

⁵ The Company will move to a 55% equity interest in ENC by 1 October 2025.

Mining operations

Hengjaya Mine (80% interest held by Nickel Industries)

Key reporting metrics		June quarter	September quarter
Saprolite mined	wmt	879,280	1,468,914
Limonite mined	wmt	2,090,072	4,280,938
Nickel ore mined	wmt	2,969,352	5,749,852
Overburden mined	BCM ⁶	370,204	634,851
Strip ratio	BCM/wmt	0.12	0.11
Tonnes sold	wmt	2,077,144	2,971,415
Saprolite EBITDA	\$M	11.8	26.6
Limonite EBITDA	\$M	12.8	10.7

Production and sales increased significantly during the quarter. The improved weather conditions, haulage, barging and mining operations delivered additional ore to HPAL users and direct to the NIC RKEF plants, resulting in combined ore sales of approximately 2.97 million tonnes, compared with 2.08 million tonnes in the June quarter.

The haul truck fleets are fully commissioned, providing the Hengjaya Mine with a full contingent of 175 x 50 tonne payload haul trucks now operating at the mine site. The Company has already commenced additional road improvements and surfacing to allow haulage hours to improve during the future wet periods. The benefits of these construction / improvements continued with haulage and barging tonnage during the quarter equivalent to 12 million tonnes per annum. This included increases in deliveries of limonite to the IMIP HPAL plants and of saprolite ore to the Company's three RKEF plants. Additional trucks including additional EV trucks will be commissioned during the next quarter to meet future additional production targets.

⁶ BCM represents 'bank cubic metres'.

Acquisition of the Sampala Project

In September the Company announced it had signed CSPA's for the acquisition of the Sampala Project - three highly prospective, advanced and contiguous, nickel-cobalt projects totalling 6,654ha in combined size, namely ETL, MJN and GF. The Sampala Project has an initial JORC 2012 compliant Mineral Resource of 187 million dry metric tonnes (dmt) of 1.2% nickel and 0.09% cobalt (2.3 million tonnes of contained nickel metal and 0.2 million tonnes of cobalt). This Resource is located in just 900ha, with over 4,700ha of mapped prospective laterite. The Sampala Project is located only 36.9km from the IMIP, where the Company's existing RKEF and HPAL operations are located.

Project-ID	IUP Permit Holder	Permit area (ha)	IUP Permit Status
ETL	PT Erabaru 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

Commercial terms of the acquisition

MJN and ETL IUPs

- Nickel Industries to acquire 60% of the control and economic rights in each of MJN and ETL.
- Refundable commitment fee of US\$3.0 million for each of MJN and ETL (US\$5.9 million in total) (**Commitment Fee**), which has been paid.
- Following the issuance of a positive due diligence notice, Nickel Industries will carry out an agreed Initial Exploration Program (**IEP**) within 18 months and for the purpose of determining the purchase consideration payable to the vendor at completion.
- After the IEP, Nickel Industries shall pay to the Vendor the purchase consideration, calculated as:

60% * the JORC Resource⁷ * US\$2.50 per dmt above 1.70% nickel.
- Nickel Industries will provide an exclusive financing commitment (**EFC**) in the form of interest-bearing loans, repayable prior to any dividend distributions.
- Nickel Industries shall receive an agency fee from the first production from the IUPs, as compensation for the Commitment Fee.

GF IUP

- Nickel Industries 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);
 - 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.
- Nickel Industries will provide an EFC in the form of interest-bearing loans, repayable prior to any dividend distributions.
- 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.

⁷ Measured, indicated and inferred in dmt.

Exploration program

The Company has developed a 2,800 hole, 50,000m diamond drilling program on 100m spacing covering ~3,000ha of mapped prospective laterite areas identified by mapping and Ultra GPR surveys. There are 8 drill rigs currently mobilised at site and drilling will commence once all necessary approvals have been received. This will allow for the full potential resource of the Sampala Project to be delineated over a 12-18 month period to allow calculation of the final acquisition payment for 60% of both MJN and ETL.

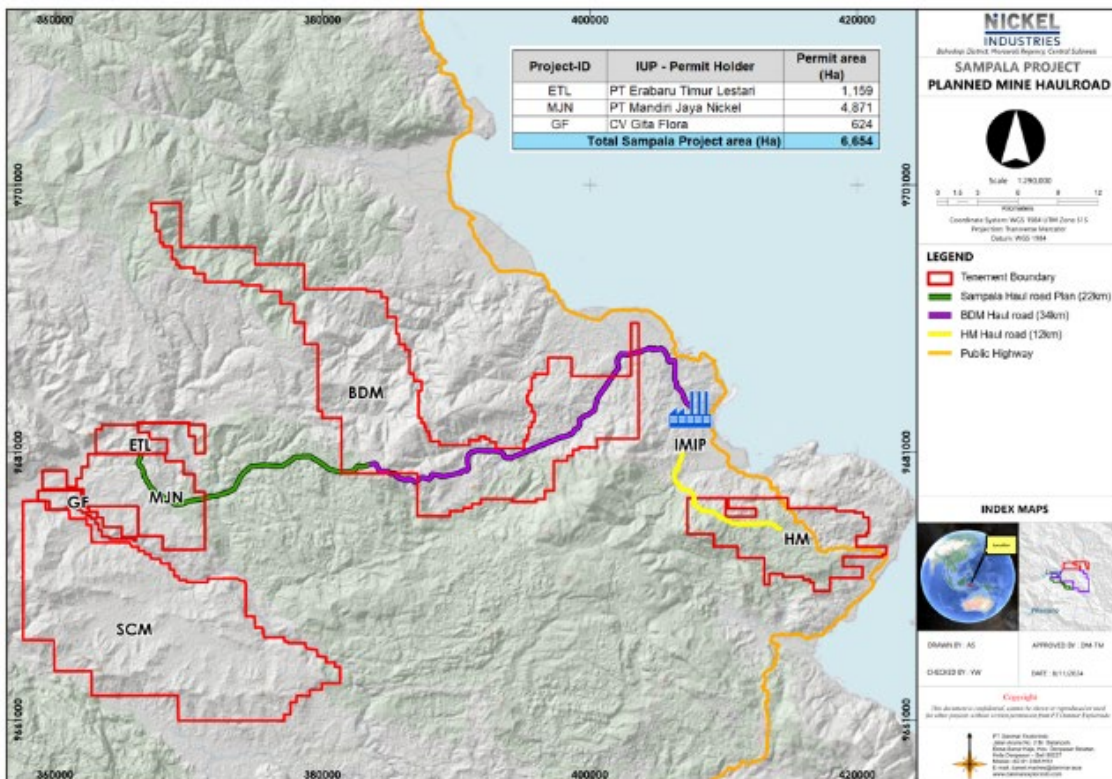
Mine development

The Sampala Project is well advanced with 7,192ha of land already acquired and considerable progress towards mine development already completed within the ETL IUP, including preliminary geological models and pit designs along with metallurgical test work that has confirmed the suitability of the Sampala Project’s limonite ore for HPAL processing and saprolite ore for RKEF processing.

A proposed 22km haul road has been designed which is planned to connect with an existing haul road within the Bintang Delapan Mine (**BDM**), which is 49% owned by Shanghai Decent, will allow the Company to leverage an existing 34km internal BDM haul road directly into the IMIP. Associated ground, geotechnical survey works and construction design of the new haul road has already been completed.

The necessary permits to allow ETL to commence mining operations and construction of the proposed haul road are well advanced with approval of a RKAB already granted for 2024 to the end of 2026, as well as an AMDAL and feasibility studies submitted for approval.

A number of historical community projects have been delivered which will continue and be expanded including improvements of local roads, education facilities, medical and cultural projects.



Map showing Sampala haul road to be built connecting to the BDM haul road

Further details on the Sampala acquisition can be found on the Company’s website ([ASX Announcement – 17 September 2024](#))

Siduarsi Project

In September, the Company completed the acquisition of an initial 51% interest (increasing to 100%) in the Siduarsi Project for four million shares in Nickel Industries, in-line with the MoA signed in September 2021.

Initial JORC Mineral Resource

Over 167km of ground penetrating radar (UltraGPR) with 200m spacing, covering 1,850ha has been completed to date. The considerable exploration has indicated an average limonite thickness of 3.2m (maximum 18m) and average saprolite thickness of 9.4m (maximum 32m).

In September, the Company announced a JORC-compliant Mineral Resource of 52 million dmt at 1.1% nickel and 0.1% cobalt (561 thousand tonnes of contained nickel metal and 31 thousand tonnes of cobalt) within a 1,614ha area has been estimated, comprising 28 million dmt of saprolite at 1.1% nickel and 24 million dmt of limonite at 1.0% nickel. See [ASX Announcement – 23 September 2024](#).

There has been 31,066m of drilling in 2,078 holes completed and 33,182 sample assays received from the Siduarsi CoW. The drilled areas include peak grades of 3.7% nickel and 0.8% cobalt.

Project-ID	Lithology	Mineral Resource Category	M wmt	M dmt	Ni (%)	Co (%)	Fe (%)
Siduarsi Project CoW (CoG 0.8%)	Limonite	Indicated	11.9	7.0	1.1%	0.1%	43.9%
		Inferred	28.5	16.8	1.0%	0.1%	42.9%
		Total	40.5	23.9	1.0%	0.1%	43.2%
	Saprolite	Indicated	13.4	8.7	1.2%	0.0%	12.2%
		Inferred	29.9	19.4	1.1%	0.0%	12.2%
		Total	43.3	28.1	1.1%	0.0%	12.2%
	Total	Indicated	25.3	15.7	1.1%	0.1%	27.2%
		Inferred	58.4	36.3	1.1%	0.1%	27.2%
Total		83.7	52.0	1.1%	0.1%	27.2%	

Initial Mineral Resource at the Siduarsi Project

Finance⁸

Balance sheet

As at 30 September 2024, the Group held:

- Cash and cash equivalents: US\$193.1M (30 June 2024 - US\$358.1M);
- Trade receivables: US\$311.1M (30 June 2024 - US\$266.2M); and
- Inventories: US\$193.6M (30 June 2024 - US\$174.2M).

Cash and cash equivalents of US\$193.1M were held by Group companies as follows:

- US\$74.2M held by Nickel Industries;
- US\$82.8M held by the Indonesian RKEF entities and their related entities (Nickel Industries interest: 80%);
- US\$25.8M held by Hengjaya Mine (Nickel Industries interest: 80%); and
- US\$10.3M held by Tsing Creation (Nickel Industries interest: 100%).

Trade receivables of US\$311.1M were held by Group companies as follows:

- US\$245.8M held by the RKEF entities;
- US\$52.6M held by Hengjaya Mine⁹; and
- US\$12.7M held by Tsing Creation.

Inventories (valued at the lower of cost or net realisable value) of US\$193.6M were held by Group companies as follows:

- US\$127.7M held by the RKEF entities, being NPI of US\$0.7M and raw materials of US\$127.0M; and
- US\$65.9M of nickel ore held by Hengjaya Mine.

The Hengjaya Nickel, Ranger Nickel, Angel Nickel and Oracle Nickel projects distributed dividends, interest and loan repayments, net of withholding tax, during the September quarter to Nickel Industries and Shanghai Decent (and its associates), in proportion to the respective ownership interests. Nickel Industries received US\$25.0M and Shanghai Decent received US\$7.6M.

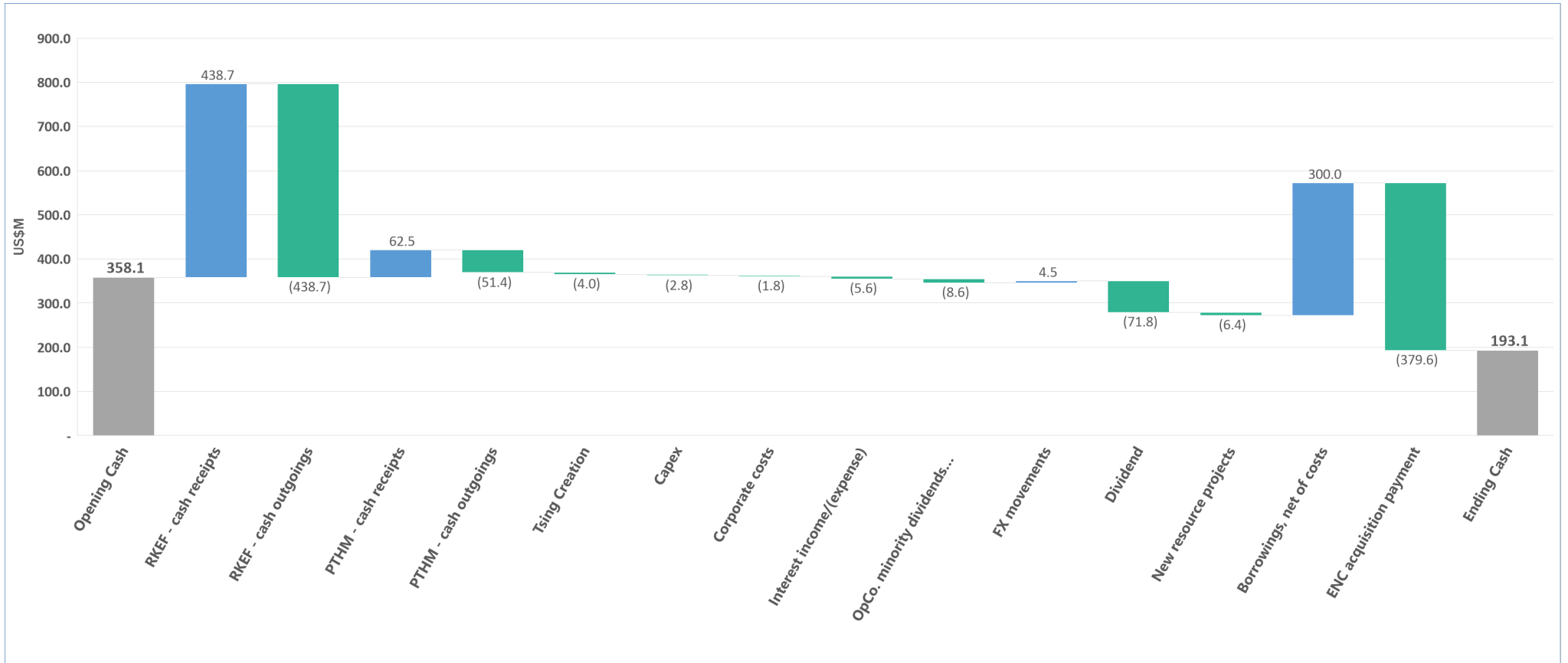
Additionally, during the quarter PT Hengjaya Mineralindo (**PTHM**), the operator of the Hengjaya Mine, distributed a maiden dividend to its shareholders, following it having repaid all intercompany loans. Nickel Industries received \$4.0M, and its Indonesia partner \$1.0M, prior to withholding tax.

⁸ Unaudited numbers from monthly operating entity financial reporting.

⁹ 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 September 2024 quarter.



Cash flow waterfall – September 2024 quarter

Expenditures

Expenditure on mine production and development activities at the Hengjaya Mine during the quarter totalled US\$43.4M, of which US\$1.0M was capex.

Expenditure on exploration activities undertaken at the Hengjaya Mine during the quarter totalled \$0.7M. Additional expenditures shown in the waterfall above by PTHM relate to administration costs and taxes paid.

Exploration expenditure at the Siduarsi project totalled \$0.9M. Expenditure on the Sampala project was \$5.1M, of which \$0.1M was exploration expenditure and \$5.0M were development loans. Additional exploration expenditure across other potential new resource project opportunities totalled US\$0.4M.

Related party expenditures

During the quarter, the aggregate amount of payment to related parties and their associates totalled US\$636,966, comprising US\$571,551 of payments to Directors or Director-related entities for Directors' consulting fees and US\$65,415 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

Syndication of US\$250m loan facilities

The Company successfully syndicated the US\$250M term loan facility, jointly provided by tier-1 banks PT Bank Negara Indonesia (Persero) Tbk (BNI) and DBS Bank Ltd (DBS).

The facility was syndicated across a mix of banking institutions from Asia, Europe, the Middle East and India, with this broad-based support indicative of the Company's growing regional reputation and established status as a leading diversified global nickel producer.

Northvolt executive appointed as ENC HPAL Manager

Mr. Simon Miller joined the Company as HPAL Manager for the ENC Project currently under construction within the IMIP in Central Sulawesi, Indonesia.

Mr. Miller was most recently the Senior Director of Northvolt's Raw Materials division, where he was responsible for developing and overseeing Northvolt's raw materials procurement strategy reporting to the COO and co-founder and more recently to the Chief Supply Chain Officer. In this role, Simon established a strong understanding of the global EV supply chain, in addition to building valuable relationships across numerous global battery makers and OEMs. Before being promoted to lead Northvolt's Raw Material division, Simon served as Director of Cathode Materials.

Prior to his career at Northvolt, Simon held several purchasing manager and project manager roles at Boliden, one of the world's largest zinc producers and the third largest copper producer in Europe, with copper, zinc and nickel mines and smelters in Sweden, Finland, Norway and Ireland. These roles saw Simon develop a strong understanding of smelting/HPAL process flowsheets, a skillset that will be invaluable to the successful ongoing operations of ENC's MHP, sulphate and cathode lines.

In addition to his highly technical/processing background, Simon also brings strong commercial/analytical skills attained in past roles at Newcrest Mining, Glencore Xstrata, Linfox and Boeing.

Simon holds a diploma in Logistics from the Victoria University of Technology, Bachelor Degrees in Engineering Technology (Electronics) and Commerce (Economics) and a Master of Commerce (International Trade and Finance) from Deakin University.

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