



The background image shows a dark industrial setting, likely a nickel smelting plant. On the right side, a large, bright stream of molten metal flows down a sloped channel, glowing with intense orange and yellow light. On the left side, several workers in white protective suits and hard hats are visible, some appearing to be operating machinery or observing the process. The overall atmosphere is industrial and high-contrast due to the bright light from the molten metal against the dark surroundings.

**NICKEL**  
MINES LIMITED

**A NEW FORCE IN GLOBAL NICKEL**

Annual General Meeting  
28 November 2019

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Whilst we own a world class nickel laterite mine

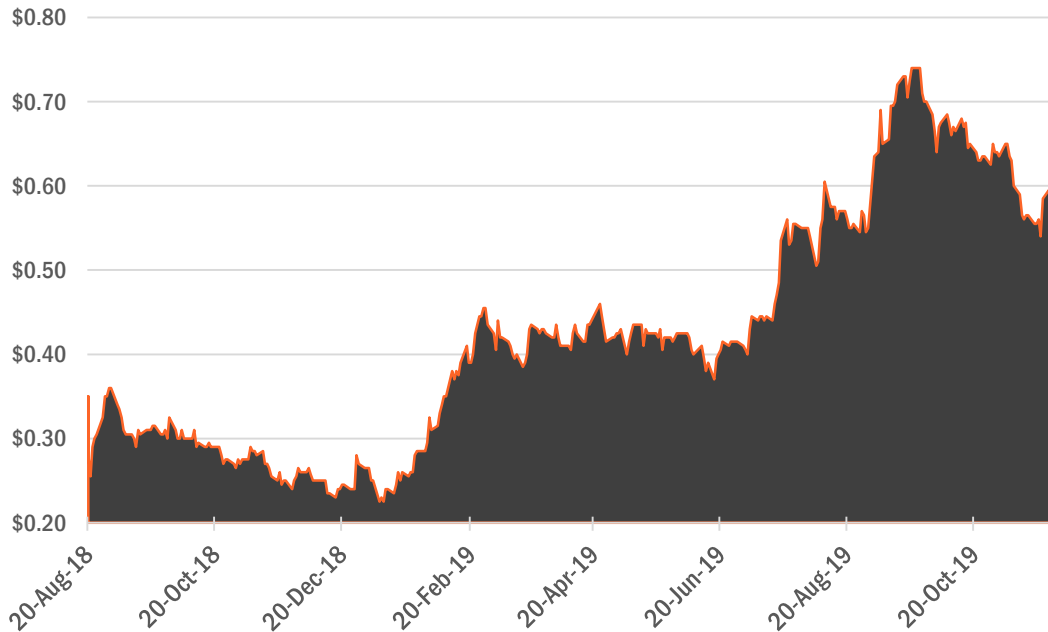
# THIS IS NOT A MINING STORY

It's a story about the production of the lowest capital intensive and most profitable nickel units in the global market in partnership with the world's largest stainless steel producer.

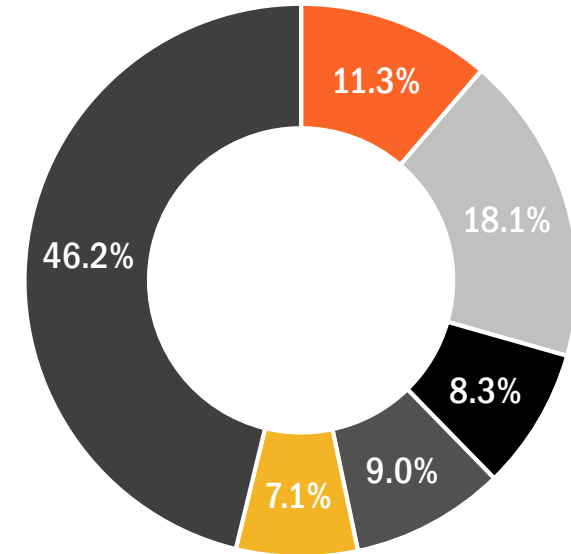
# Corporate Snapshot

TRADING INFORMATION		27 NOVEMBER 2019
ASX Code		NIC
Shares on Issue		1,665.4B
Share Price		A\$0.58
Range		A\$0.22 – A\$0.75
<b>Market Capitalisation</b>		<b>A\$965.9M</b>

Share Price Performance



- Directors and Management
- Shanghai Decent
- Blackrock
- Shanghai Wanlu
- Regal
- Other



## Substantial Shareholders

Shanghai Decent (SDI)	18.1%
Shanghai Wanlu	9.0%
Blackrock	8.3%
Norm Seckold	7.4%
Regal FM	7.1%

## Free Float

~1.385B shares or ~83.2% of issued capital

## Analyst Coverage

Bell Potter	Buy	Target Price	\$1.23
Canaccord	Buy	Target Price	\$1.25
Petra Capital	Buy	Target Price	\$1.50
BMO	Mkt	Target Price	\$1.40

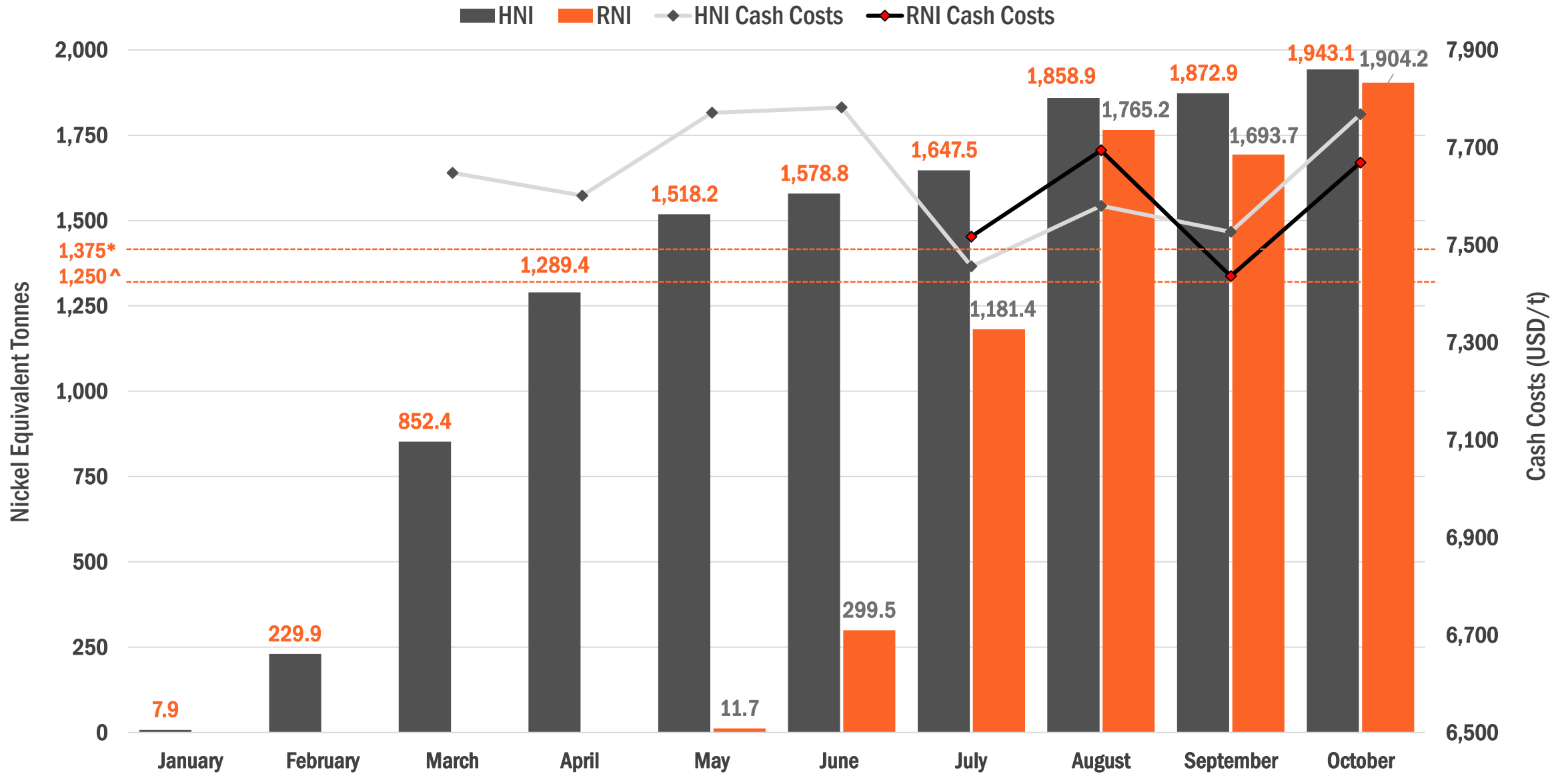
## Indexes

ASX All Ords / ASX 300

# REVIEW OF OPERATIONS

\* 16.5kt pa  
 ^ 15kt pa (design capacity)

# RKEF Production Ramp-up



# RKEF Operations

An Outstanding September Quarter

<b>HENGJAYA NICKEL</b>		<b>July</b>	<b>August</b>	<b>September</b>	<b>Qtr Total</b>	<b>June Qtr</b>
NPI Production	tonnes	12,713.1	13,405.7	13,451.6	39,570.4	31,256.4
NPI Grade	%	13.0	13.9	13.9	13.6	14.0
Nickel Metal Production	tonnes	1,647.5	1,858.9	1,872.9	5,379.3	4,386.3
Cash Costs	USD/t	7,456	7,580	7,527	7,523	7,725

<b>RANGER NICKEL</b>		<b>July</b>	<b>August</b>	<b>September</b>	<b>Qtr Total</b>	<b>June Qtr</b>
NPI Production	tonnes	8,058.3	12,389.1	12,375.2	32,822.6	2,477.1
NPI Grade	%	14.7	14.2	13.7	14.1	12.6
Nickel Metal Production	tonnes	1,181.4	1,765.2	1,693.7	4,640.3	311.2
Cash Costs	USD/t	7,517	7,694	7,436	7,552	n/a

<b>COMBINED OPERATIONS</b>		<b>July</b>	<b>August</b>	<b>September</b>	<b>Qtr Total</b>	<b>June Qtr</b>
NPI Production	tonnes	20,771.4	25,794.8	25,826.8	72,393.0	33,733.5
NPI Grade	%	13.6	14.0	13.8	13.8	13.9
Nickel Metal Production	tonnes	2,828.9	3,624.1	3,566.6	10,019.6	4,697.5

Production 33% above nameplate capacity.

EBITDA (100% basis)  
US\$50.2M.



# Hengjaya Mine Operations

Production summary		July	August	September	Qtr Total	June Qtr
Tonnes mined	Wmt	57,098	64,008	77,950	199,056	78,251
Overburden mined	BCM	115,359	150,827	165,856	432,042	117,484
Strip ratio	BCM/wmt	2.0	2.4	2.1	2.2	1.5
Tonnes sold	wmt	77,933	68,326	85,228	231,487	96,023
Average grade	%	1.90	1.88	1.91	1.90	1.84
Average price received	USD/t	26.62	25.52	30.50	27.72	23.42
Average cost of production	USD/t	28.31	23.81	23.18	24.85	44.11

- Record monthly production in September.
- Record sales in September.
- Mine expansion initiatives including haul road from central pit, jetty upgrade and new camp site well advanced.
- Planning and design of haul road to IMIP progressing well.



# FINANCIAL PERFORMANCE & OUTLOOK

# 30 June 2019 Full Year Results

<b>FY 2019</b>	<b>US\$M</b>
Reported Gross Profit	21.59
Equity Accounted Profit - HNI	2.62
Underlying Gross Profit	24.21
Directors Fees/Consultant Expenses	(2.64)
Other Expenses	(1.12)
EBITDA	20.45
Depreciations and Amortisation	(6.84)
EBIT	13.61

Reported Net Profit After Tax	71.83
Non-recurring items - revaluation adjustment	(57.34)
- FX gain	(0.73)
Underlying Net Profit After Tax	13.76
Interest Income	(0.21)
Income Tax Expense	0.07
EBIT	13.61

<b>FY 2019</b>	<b>US\$M</b>
Cash	49.0
Trade and receivables	43.7
Total current assets	108.2
Total Non-current assets	423.7
Total current liabilities	47.2
Total non current liabilities	29.9
Net Assets	454.8

- Maiden profit result having commenced RKEF operations in late January.
- HNI consolidated from 1 April 2019.
- FY result includes:
  - Only 4 months of commissioning production from HNI.
  - No financial contribution from RNI as first sales did not occur until July 2019.
- Financial year moving to 31 December year end.

## **December Quarter**

- All four RKEF lines running at steady state.
- Significant increase in NIC's attributable nickel units ( for half of September quarter NIC held only 17% of RNI).
- Material cash build as September receivables (US\$84M) and unsold NPI inventories (US\$10.7M) convert to cash at bank.

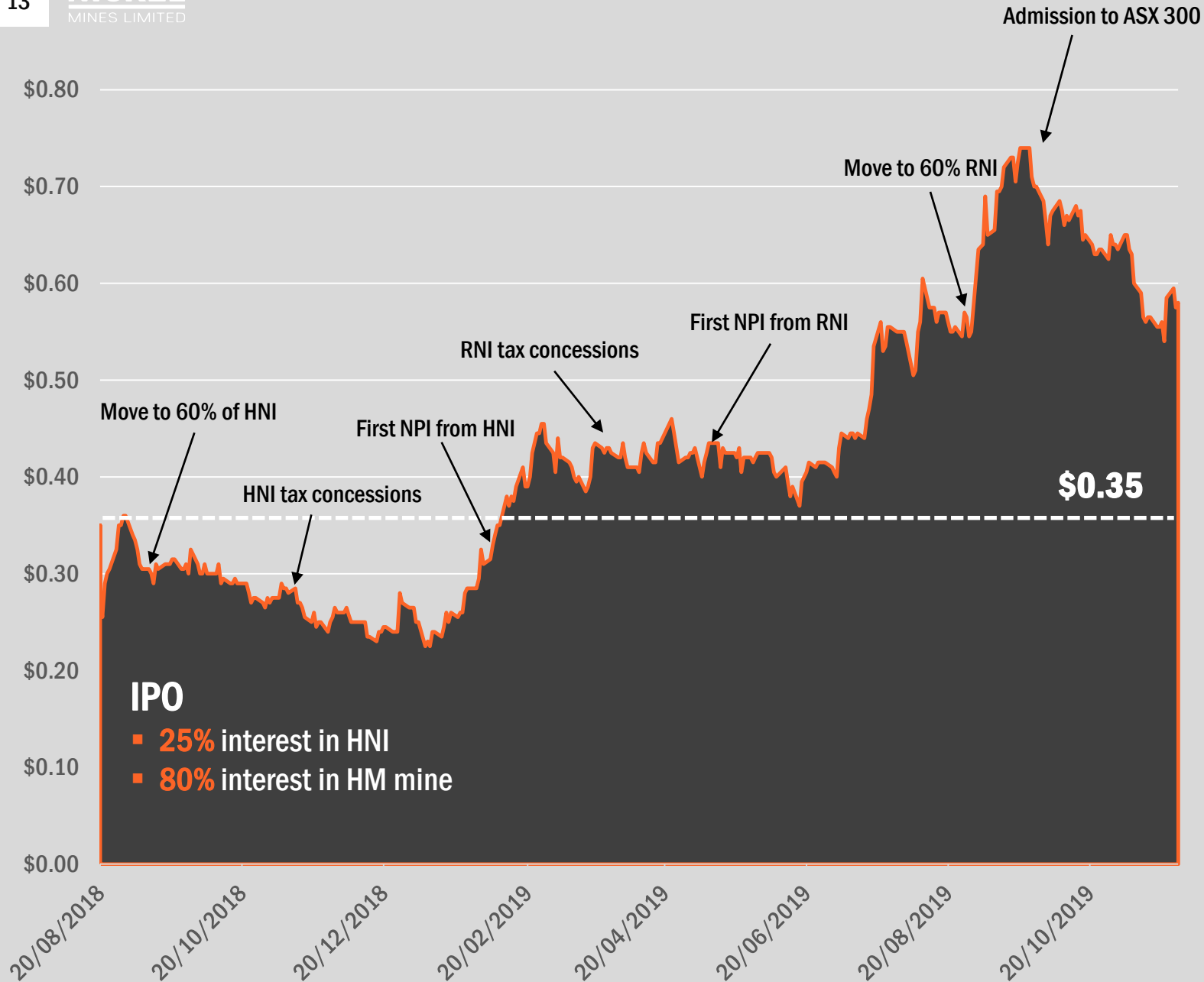
## **Looking ahead to 2020**

- Continued steady state production at or around current levels.
- Exercise of option to increase equity interests in Hengjaya Nickel and Ranger Nickel to 80%.
- Material expansion of HM Mine production as Central Pit commences mining.
- Commencement of construction design and permitting for direct haul road to the IMIP.
- Continued stockpiling of limonite ore ahead of readiness for delivery to IMIP HPAL plants.



# WHY INVEST





## 15 Months of Achievement Now Delivering Value

### 15 MONTHS ON FROM NIC'S IPO:

- **60%** interest in HNI and RNI.
- Both projects in production within 12 months of breaking ground.
- HNI and RNI production run rate well in excess of nameplate capacity.
  - +10,000 tonnes of combined nickel production in September quarter.
- Material income tax concessions for HNI and RNI.
- MOU to supply limonite ore to IMIP's HPAL plant.
- **80%** interest in HM mine.
- Admission to ASX All Ords / ASX 300 indices.
- \$1Bn+ market capitalisation.

# Investment Highlights

## Why You Need to Own Nickel Mines



### Strategic Partnership with Tsingshan

- Multi-faceted Collaboration Agreements to build and own nickel processing capacity within the IMIP.
- Potential to be a material supplier of limonite ore to IMIP's HPAL plants.
- NIC offers the only publicly available investment exposure to Tsingshan and its world class NPI operations.



### Established tenant within the IMIP

- Indonesia/IMIP are the epicentre of global nickel supply growth with NIC having established itself as an important strategic partner to the IMIP.
- The IMIP is the world's largest vertically integrated NPI/Stainless Steel operation, supported by world class infrastructure and logistics.



### RKEF Processing Technology

- Tsingshan have pioneered RKEF technology to produce NPI from lateritic ores.
- IMIP's RKEF operations are currently delivering the lowest capital intensive and among the most profitable nickel units in the global market.
- Built and commissioned <12 months.



### Strengthening Nickel Market Fundamentals

- LME stockpiles continue to fall with supply deficit looming for the foreseeable future.
- Re-implementation of export ban to consolidate Indonesian NPI producers competitive advantages over global peers.
- Will high-grade NPI attract premium pricing moving forward?



### Nickel price leverage

- Significant leverage to the nickel price without the normal mining-associated risks due to decoupling of processing assets from mining operations.
- Flat industrial-style cost base key to bottom quartile cost profile.



### Unique Growth Optionality

- Fixed price options to acquire additional nickel units in HNI and RNI.
- Limonite ore supply has potential to add material profitability to mining operations.
- Opportunities to potentially participate in other IMIP projects.



### Compelling Economics

- Industry leading payabilities, bottom quartile operating costs, minimal sustaining capex and material tax concessions to ensure industry leading levels of profitability and free cash flow generation per tonne of nickel production.



### World Class Nickel Resource

- High grade, large tonnage resource with significant expansion potential.
- Ability to supply limonite (HPAL) and saprolite (RKEF).
- Strategically valuable to the IMIP due to scale and proximity.

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