



Nickel Industries Limited (ASX:NIC)  
Resource Acquisition Announcement  
August 2024

# Acquisition of World Class Nickel Portfolio

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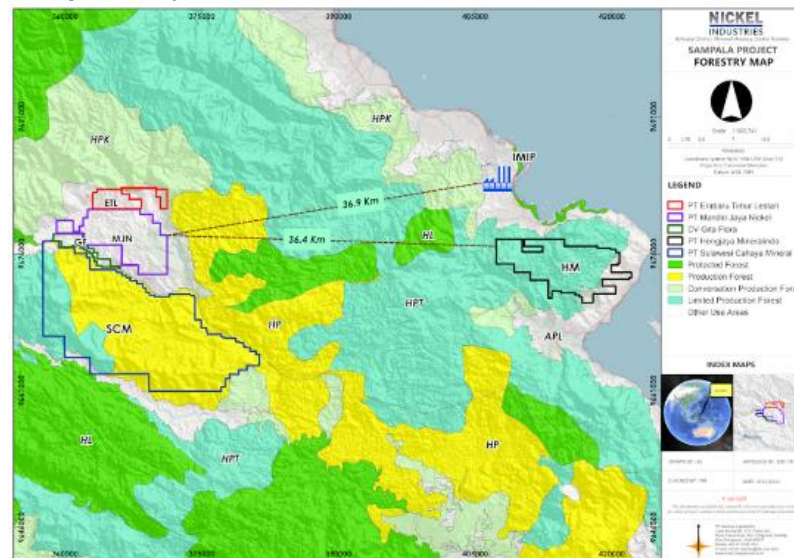
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# Sampala project overview

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
<b>Total Sampala Project area</b>		<b>6,654</b>	<b>Operation and Production</b>

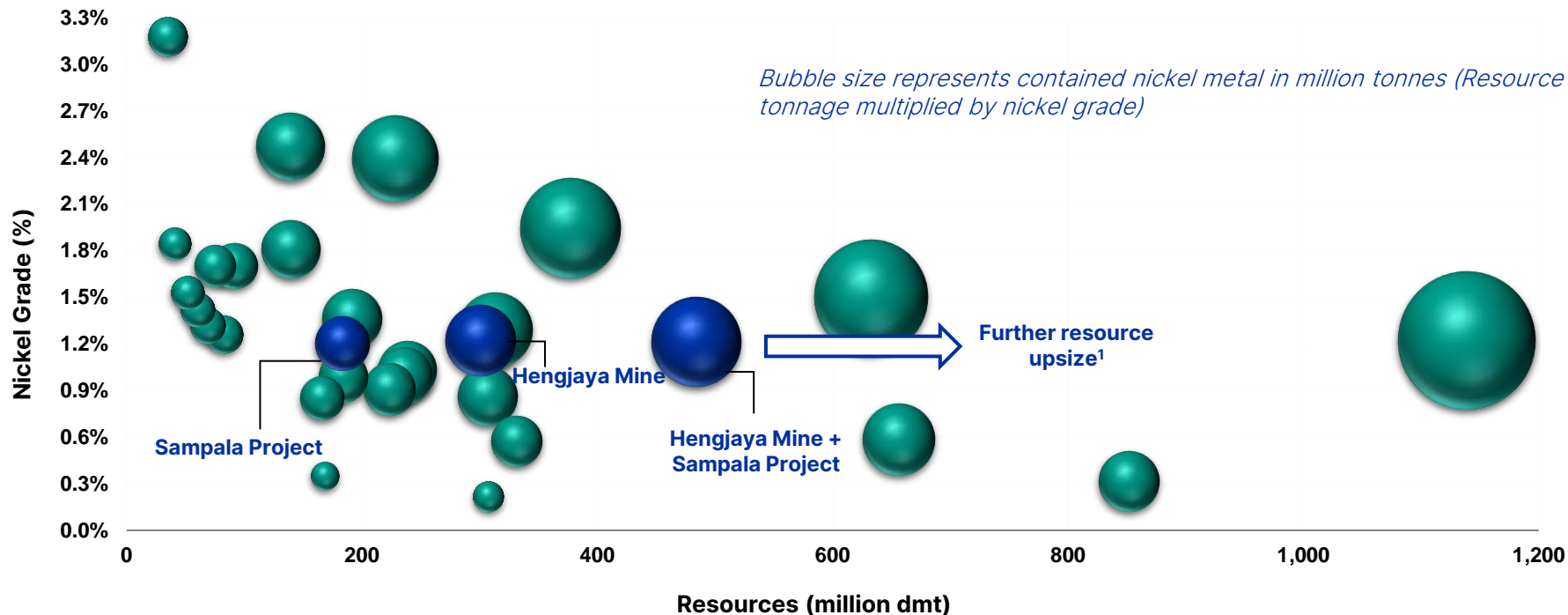
# Strategic rationale for the Sampala Project acquisition

## 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
- 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

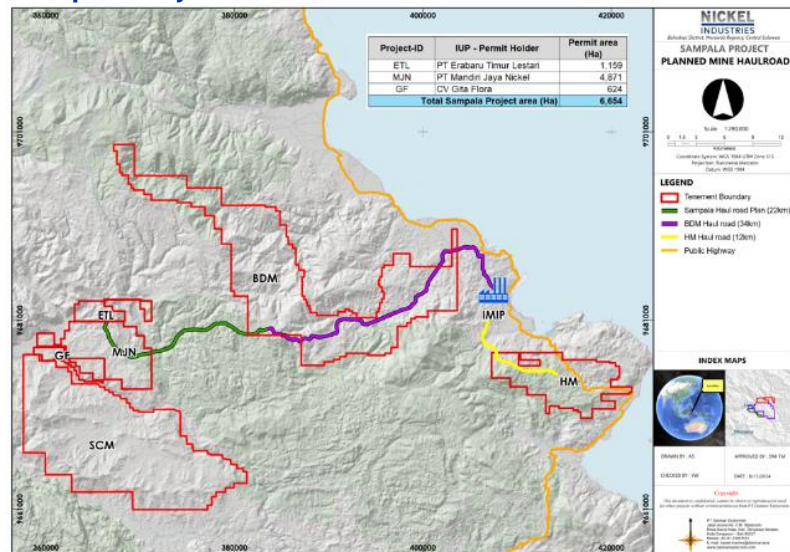


# Advanced project in close proximity to the Company's IMIP operations

## 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

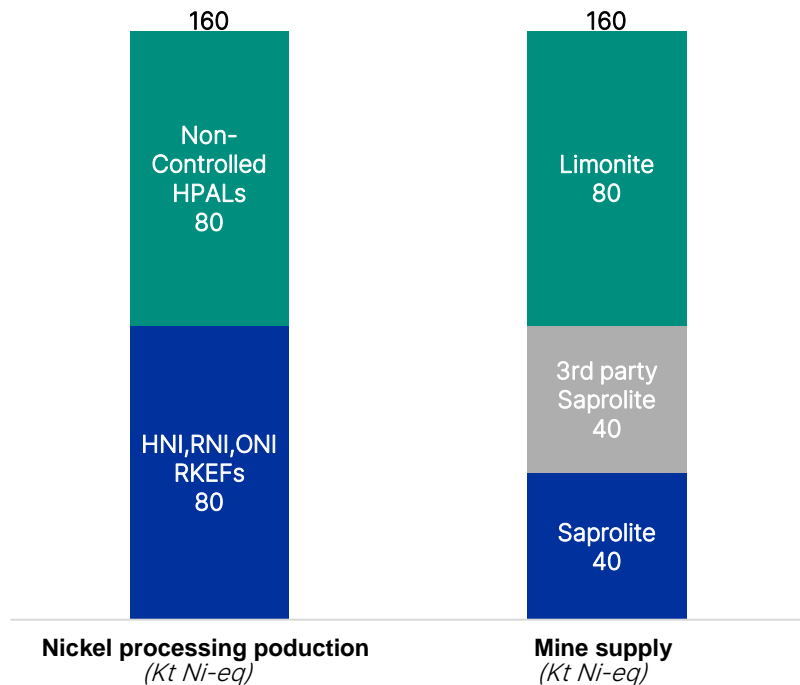
## Sampala Project location in relation to IMIP and BDM haul road



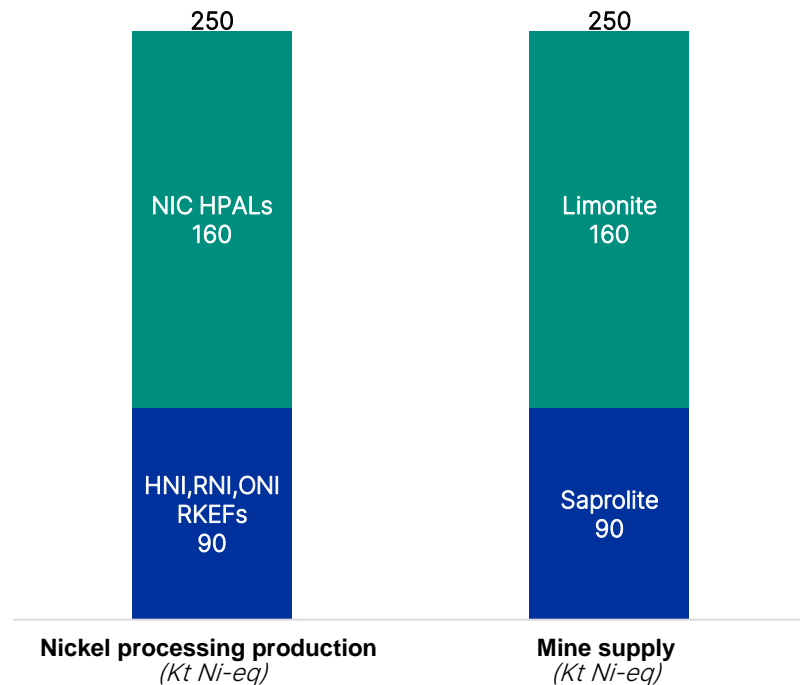
# Self sufficient and fully integrated nickel operations

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

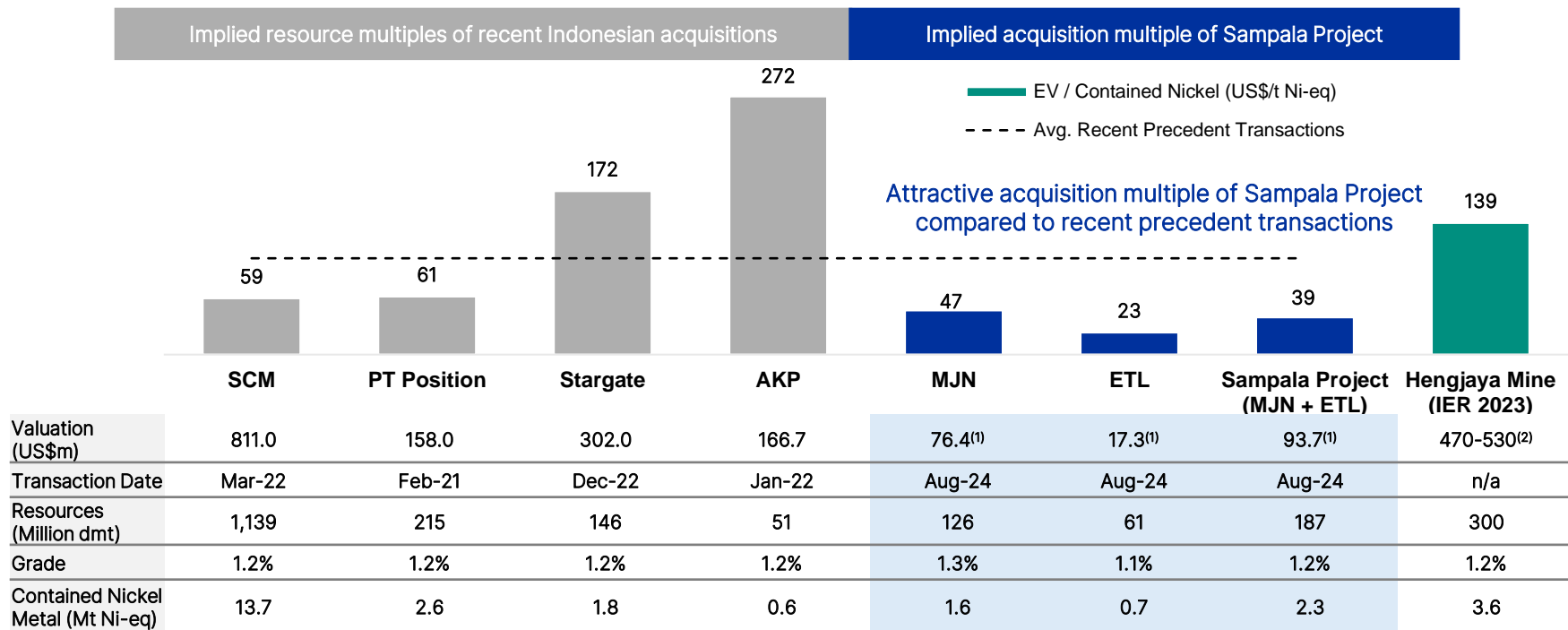


Future NIC IMIP annual processing production and mine supply mix



# Attractive acquisition price compared to recent nickel acquisitions

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



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

- 1) Implied valuation based on CSPA commercial terms and current JORC compliant Resource
- 2) Valuation of the Hengjaya Mine in the Independent Expert's Report prepared for NIC's June 2023 EGM



# 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 <sup>1</sup>	US\$50m <sup>2</sup>	~US\$170m <sup>3</sup>
Sampala Project	12 million wmt	<US\$50m	?

Notes

- 1) FY24 target production and Management has recently applied to increase the Hengjaya Mine Operating license to 22 million wmt per annum
- 2) Capex spend to date
- 3) Hengjaya Mine Q4'23 EBITDA of ~US\$42m annualised

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