

BUILDING A NICKEL EMPIRE

Bell Potter
Emerging Leaders Conference
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A defined growth path to becoming a top 10 global nickel producer

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A WORLD CLASS INDUSTRIAL PROCESSING BUSINESS

**PRODUCING SOME OF THE LOWEST CAPITAL INTENSIVE AND
MOST PROFITABLE NICKEL UNITS IN THE GLOBAL MARKET IN
PARTNERSHIP WITH TSINGSHAN – THE WORLD'S LARGEST
STAINLESS STEEL PRODUCER**



Nickel Industries – core investment thesis

1

Defined growth path to becoming an established top 10 global nickel producer

2

Established, mutually beneficial partnership with Tsingshan

3

Low-cost, long-life operations delivering consistent levels of production

4

Strong margins with high cash conversion supporting sustainable, robust profitability

5

Proven management track record of creating value for shareholders

Proven commissioning and production expansion track record

Recognised market leader in nickel and stainless steel markets

Downstream industrial processing assets with stable cost base and vertically integrated supply chain

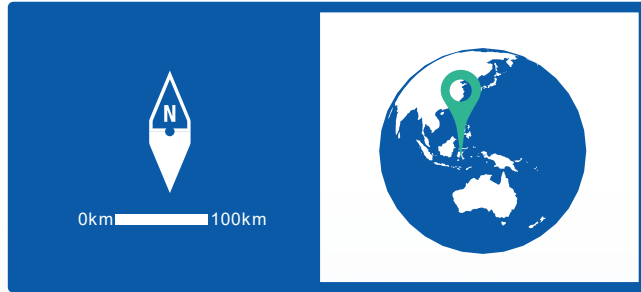
Underpinned by cost profile, material tax concessions and minimal levels of sustaining capex

Established footprint in the epicentres of new nickel supply – unrivalled potential to provide class 1 & class 2 nickel exposure

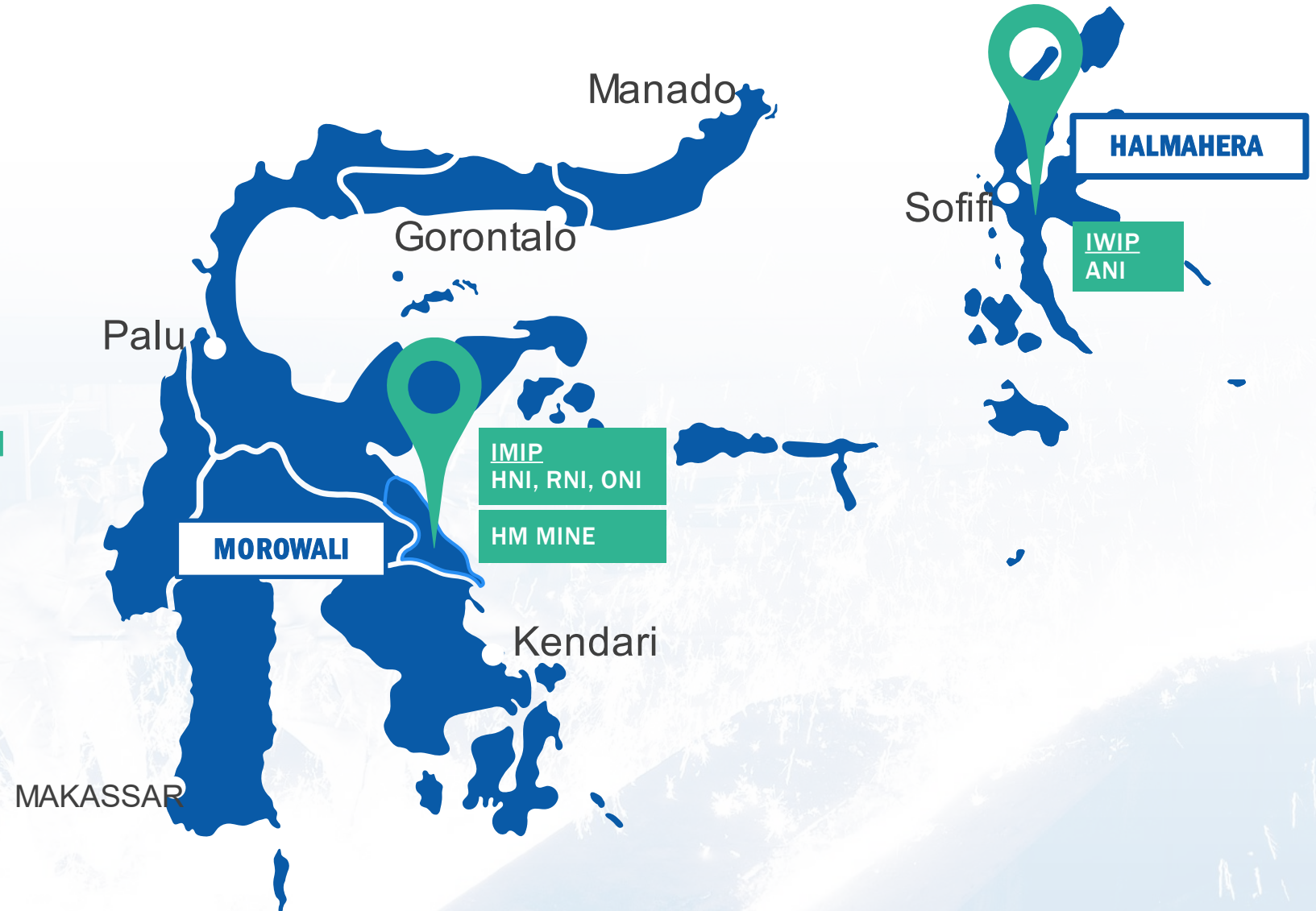
Nickel Industries overview



Indonesia – the epicentre of global nickel supply



Nickel Industries has established operating footprints in what are now two of the world's largest nickel production centres





Steel production capacity	3Mt stainless steel per annum
RKEF lines	44 operating RKEF lines (8 under construction)
Employees	~45,000 total (~40,000 locals)
NIC interest %	80% interest HNI/RNI – operating 70% interest ONI – under construction ⁽¹⁾
HPAL	HNC – operating at nameplate capacity QMB – Q2 2022



Steel production capacity	Currently no stainless steel capacity
RKEF lines	31 operating RKEF lines (17 under construction)
Employees	~35,000 total (~30,000 locals)
NIC interest %	80% interest ANI – operating

Two world class nickel production centres employing ~70,000 local workers

(1) Currently 30% interest acquired, with cumulative 70% interest to be acquired by 31 December 2022.

IMIP HNI

80%

OPERATING

Hengjaya Nickel Project (HNI)

2 RKEF lines

- nameplate capacity - 15ktpa
- FY 2021 production - **20,020 t Ni**
33.5% above nameplate

80% interest acquired for US\$180M

(all equity funded)

Material income tax concessions

7-year tax holiday (~3.5 years remaining) plus 2 additional years at @50% of corporate tax rate

Monthly repatriations of operating profits

IMIP RNI

80%

OPERATING

Ranger Nickel Project (RNI)

2 RKEF lines

- nameplate capacity - 15ktpa
- FY 2021 production - **20,390 t Ni**
35.9% above nameplate

80% interest acquired for US\$231M

(all equity funded)

Material income tax concessions

7-year tax holiday (~3.5 years remaining) plus 2 additional years at @50% of corporate tax rate

Monthly repatriations of operating profits

IWIP ANI

80%

OPERATING

Angel Nickel Project (ANI)

4 RKEF lines

- nameplate capacity - 36ktpa
- 380MW power station
- all 4 lines commissioned January - May 2022

80% interest acquired for

US\$557.6M (~50/50 debt and equity funded in 2021)

Material income tax concessions

10-year tax holiday plus 2 additional years at @50% of corporate tax rate

IMIP ONI

30%

UNDER CONSTRUCTION

Oracle Nickel Project (ONI)

4 RKEF lines

- nameplate capacity - 36ktpa
- 380MW power station
- commissioning expected to commence in October 2022

70% interest to be acquired for

US\$525M (to be funded from a combination of cash flows, equity and debt)

Material income tax concessions

10-year tax holiday plus 2 additional years at @50% of corporate tax rate

Illustrative business model

Mining business
FY 2021
US\$22M EBITDA



NICKEL
INDUSTRIES
Hengjaya Mine
~3MT pa

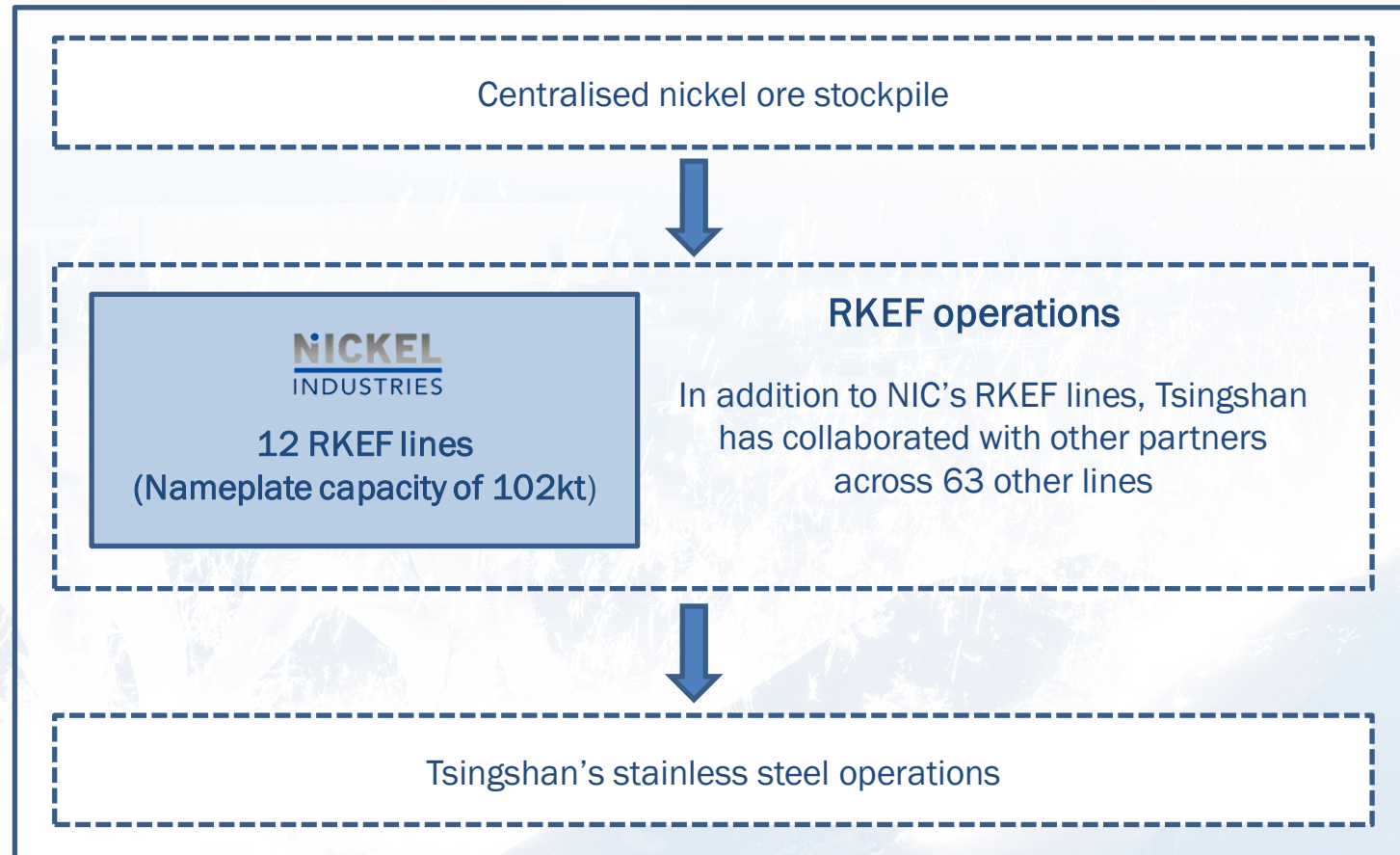
~80 other nickel ore suppliers from across Indonesia

Morowali and Weda Bay Industrial Parks



Industrial business
FY 2021
~US\$225M EBITDA

FY 2023 profile
~US\$800M EBITDA⁽¹⁾



(1) Assumes all RKEF projects operate at 30% above nameplate capacity (historic outperformance) and a US\$6,000/t cash operating margin is achieved.

Operational consistency

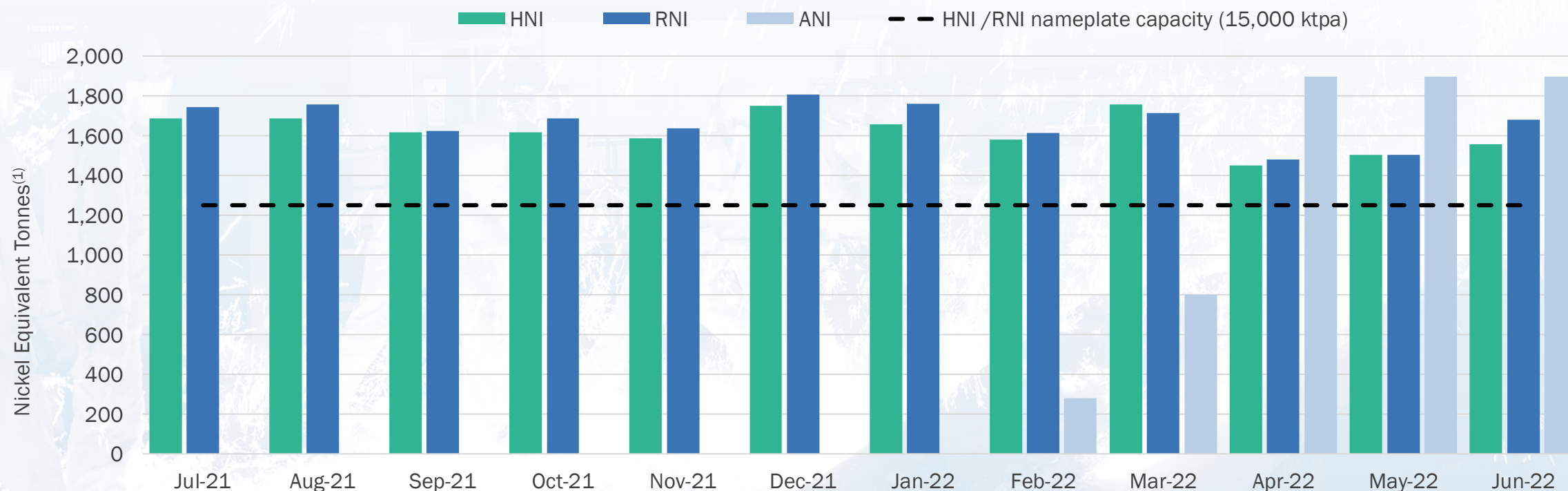


Operating consistency – a hallmark of our business

Consistent, industrial style production and cost base with production profile set to triple over the next 12 months

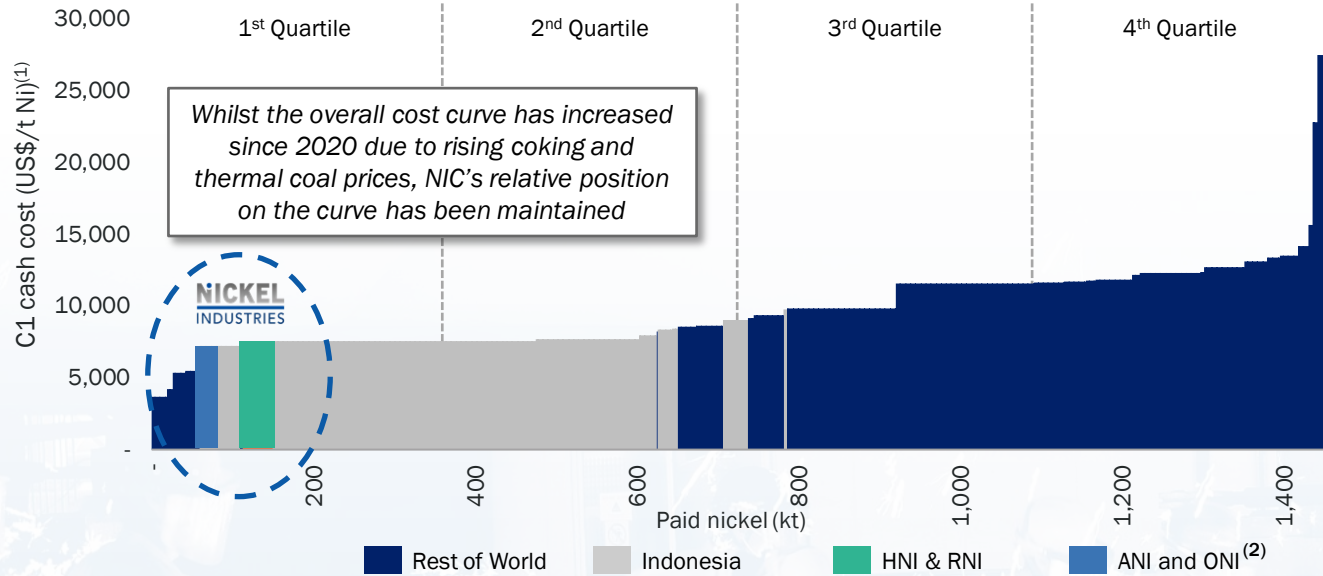
RKEF production		March Qtr	June Qtr	September Qtr	December Qtr	FY 2021	March Qtr	June Qtr
NPI production	tonnes	71,939	74,487	73,154	78,772	298,353	81,599	114,106
NPI grade	%	14.0	13.6	13.8	12.8	13.5	13.7	13.6
Nickel metal production	tonnes	10,068	10,143	10,113	10,087	40,410	11,166	15,567

RKEF – monthly production performance



(1) Ni Eq is nickel metal equivalent contained in nickel pig iron ("NPI").

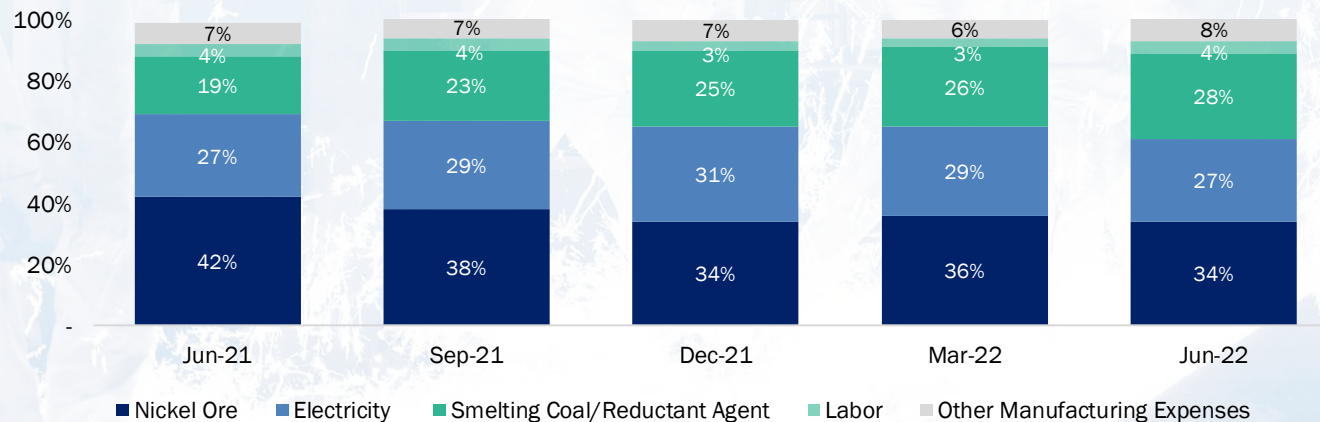
Wood Mackenzie NPI/FeNi cost curve (2020)



NIC is a low cost, bottom quartile producer of NPI

- Underpinning NIC's position on the cost curve is an "industrial style" cost base:
 - both the IMIP and IWIP operate under centralised procurement systems which provide economies of scale with regards to purchasing power
 - large stockpiles of key commodity inputs allow a smoothing of commodity price spikes
 - numerous logistical benefits from being part of a vertically integrated industrial supply chain
 - minimal "sustaining capex" (kiln re-lining and replacement of refractory bricks every 5 years)
 - everyday "maintenance capex" captured in OPEX

Operating cash costs composition – combined HNI and RNI



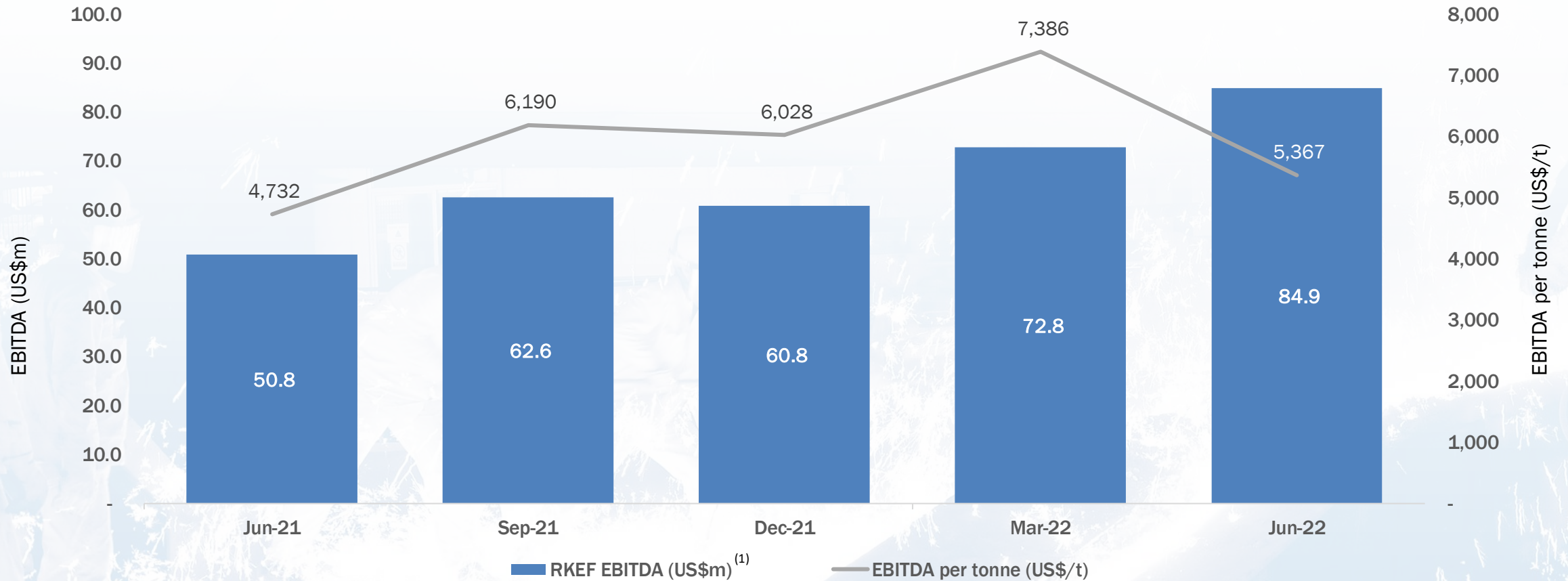
(1) C1 cash costs include direct costs incurred in mining and processing nickel (such as labor, power, reagents, materials) plus local general and administrative expenses.

(2) Reflects ANI and ONI illustrative cost curve positioning assuming commissioning. The ONI asset specifications will replicate those of the Company's ANI project but have not been independently assessed by Wood Mackenzie.

Strong, consistent EBITDA per tonne of nickel sold

Nickel Industries has maintained strong margins in all operating cost environments. Consistent production and stable margins highlight the “industrial nature” of the Company’s RKEF operations

RKEF EBITDA performance



(1) RKEF EBITDA is a non-IFRS measure.

Material tax concessions – by Decree of the Indonesian Government

	Existing production			Future production
	HNI	RNI	ANI	ONI
100% corporate income tax reduction (from the year of commercial production)	7 years (3.5 years remaining)	7 years (3.5 years remaining)	10 years (9.5 years remaining)	10 years (10 years remaining)
50% payable income tax reduction (from the end of the initial seven/ten-year period)	+2 years	+2 years	+2 years	+2 years

Strong operational performance at Hengjaya Mine

Production summary		March Qtr	June Qtr	September Qtr	December Qtr	FY 2021	March Qtr	June Qtr
Saprolite mined	wmt	456,487	574,791	579,156	847,260	2,457,694	810,324	792,630
Overburden mined	BCM	262,270	549,213	793,045	1,183,367	2,787,895	936,648	826,553
Limonite mined	BCM	402,557	349,373	257,448	152,222	1,161,600	263,201	520,862
Strip ratio ⁽¹⁾	BCM/wmt	1.5	1.56	1.81	1.81	1.60	0.87	0.63
Saprolite tonnes sold	wmt	424,410	542,384	568,692	634,486	2,169,972	710,136	673,664
Average grade	% Ni	1.77	1.78	1.74	1.75	1.76	1.72	1.74
Average price received	US\$/wmt	35.4	36.1	36.5	37.6	36.48	40.04	52.43
Average cost of production ⁽²⁾	US\$/wmt	22.8	23.5	24.6	25.0	24.2	25.13	26.02
Limonite tonnes sold	wmt	-	-	-	-	-	-	258,212
Average grade	% Ni	-	-	-	-	-	-	1.19
Average price received	US\$/wmt	-	-	-	-	-	-	14.69
Average cost of production	US\$/wmt	-	-	-	-	-	1.65	7.99



A record HY for Hengjaya Mine

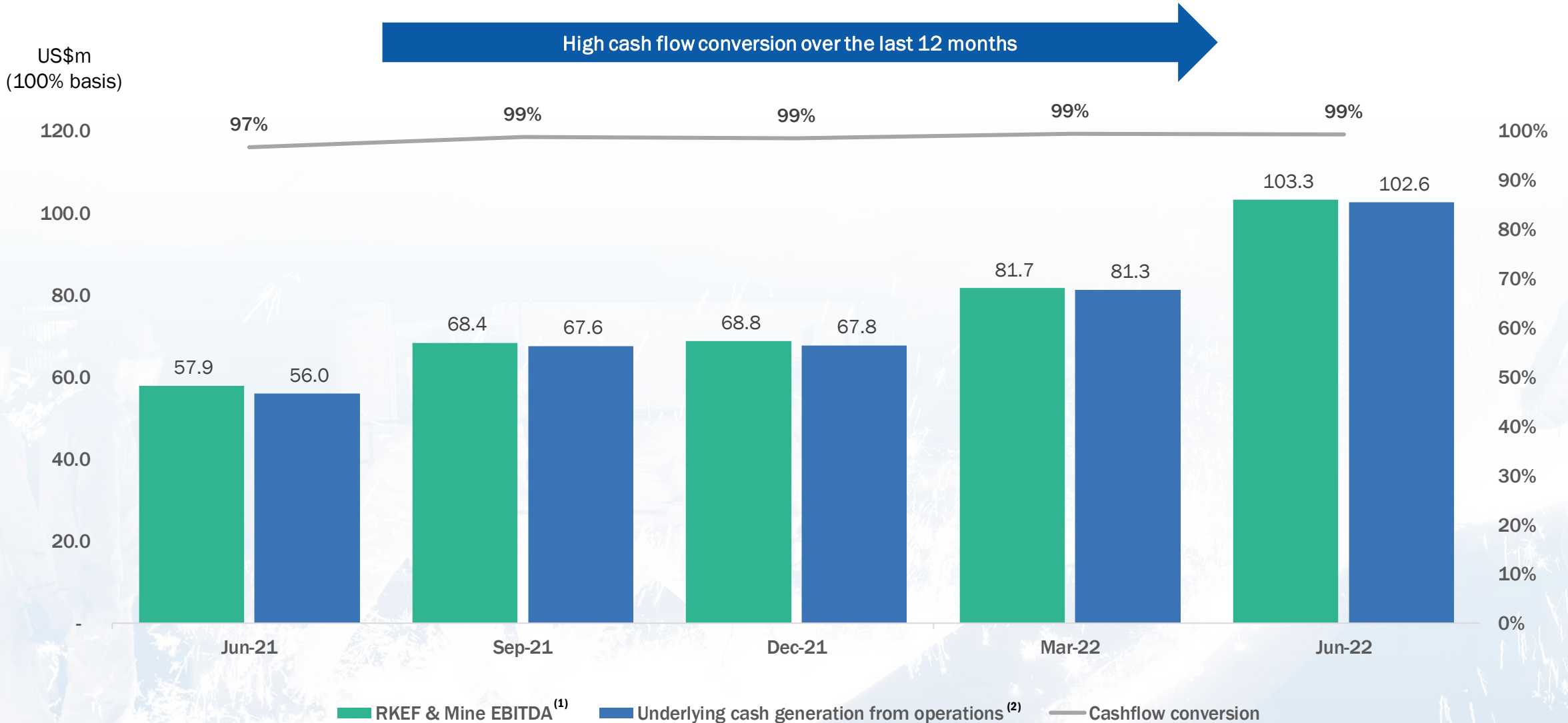
- ❑ Record half year production of 2,387,017 wmt
 - 1,602,954 wmt saprolite production
 - 784,063 wmt of limonite production
- ❑ Record half year EBITDA of US\$27.6M, an increase of 140% from the pcp resulting from higher realised ore prices and limonite ore sales
- ❑ Haul road under construction to further unlock HM's strategic value to the IMIP

(1) Strip ratio includes limonite as overburden.

(2) Monthly production costs are a six-month average of mining costs plus port/selling costs for the actual month.

High cash conversion supporting sustainable, robust profitability

Underpinned by cost profile, material tax concessions and minimal levels of sustaining capex



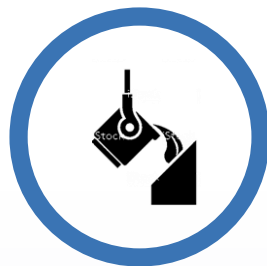
Note: Based on unaudited financials.

(1) Comprised of RKEF and Hengjaya Mine EBITDA as disclosed in the quarterly reports. RKEF EBITDA and Hengjaya Mine EBITDA are non-IFRS measures and exclude corporate costs.

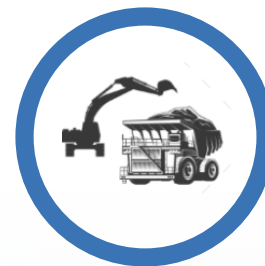
(2) Defined as EBITDA from operations less capex. EBITDA from operations is calculated beginning with profit for the period, and adjusting for (i) tax expenses, (ii) finance costs, (iii) depreciation and amortization and (iv) corporate costs.



- Gross Profit of US\$161.2M
- Operating Profit of US\$140.1M
- Profit after Tax of US\$118.4M
- Continued strong conversion of EBITDA to FCF
- Material corporate income tax concessions for both Angel Nickel ('ANI') and Oracle Nickel ('ONI') projects
- Declaration of A\$0.02 per share interim dividend



- 26,733 tonnes Ni production
- Attributable Ni production of 21,386 tonnes
- RKEF sales revenue of US\$511.3M
- RKEF EBITDA of US\$158.6M
- EBITDA margin of US\$6,122/t



- Mine production of >2.3M wmt
- HM EBITDA of US\$27.6M
- Recommencement of limonite ore sales to IMIP HPAL projects
- Haul road under construction to further unlock HM's strategic value to the IMIP



- Completion of US\$212M capital raising
- Successful commissioning and ramp-up of ANI
- Acquisition of initial 30% interest in ONI
- Acquisition of the Siduarsi Nickel-Cobalt Project
- Release of maiden Sustainability Report
- MoUs for 2 solar projects at IMIP and Hengjaya Mine
- Change of Company name to Nickel Industries Limited

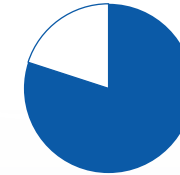
The next wave of growth

New capacity coming online to transform production profile

Angel Nickel ("ANI")



4 next generation RKEF lines
and a 380MW power plant



80% interest for
US\$560m

Capital cost guarantee

- Not to exceed US\$700m⁽¹⁾
- No cost overrun risk

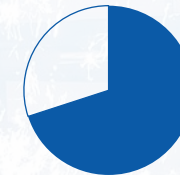
First production

- All 4 lines commissioned January – May 2022⁽²⁾ (lines 31 to 34 within IWIP)
- Now running at ~130% nameplate capacity

Oracle Nickel ("ONI")



4 next generation RKEF lines
and a 380MW power plant



70% interest for
US\$525m

Capital cost guarantee

- Not to exceed US\$750m⁽³⁾
- No cost overrun risk

First production

- Commissioning contracted to commence in 2023, with first line now expected in October 2022 (lines 45 to 48 within IMIP)

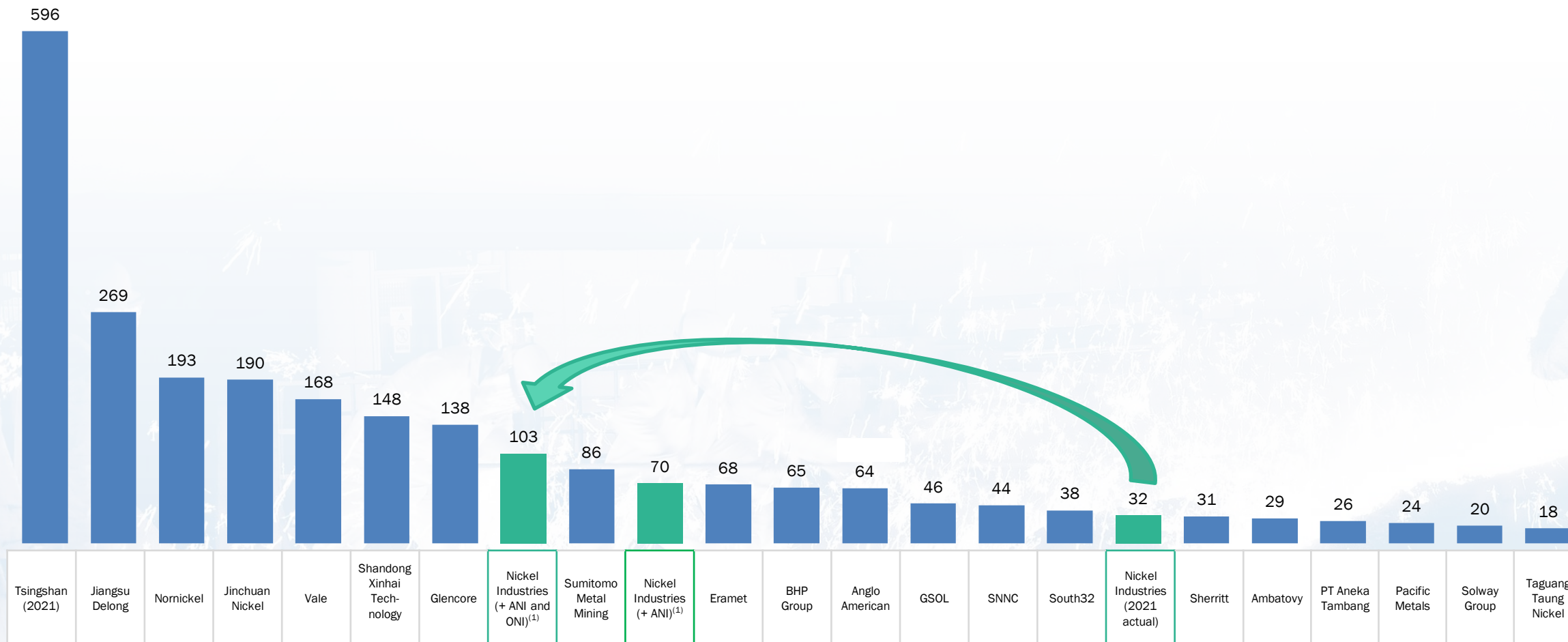
Consistent track record of delivery from Tsingshan ensures little to no commissioning risk

(1) Shanghai Decent has agreed to indemnify PT ANI (proposed operating company for ANI) for any construction costs exceeding US\$700m.
 (2) Contractual commissioning date originally scheduled for October 2022.
 (3) Shanghai Decent has agreed to indemnify PT ONI (proposed operating company for ONI) for any construction costs exceeding US\$750m.

Establishing Nickel Industries as a top 10 global nickel producer

ONI acquisition to add significant scale, while diversifying Nickel Industries' production footprint

2021 Processed nickel production (kt)



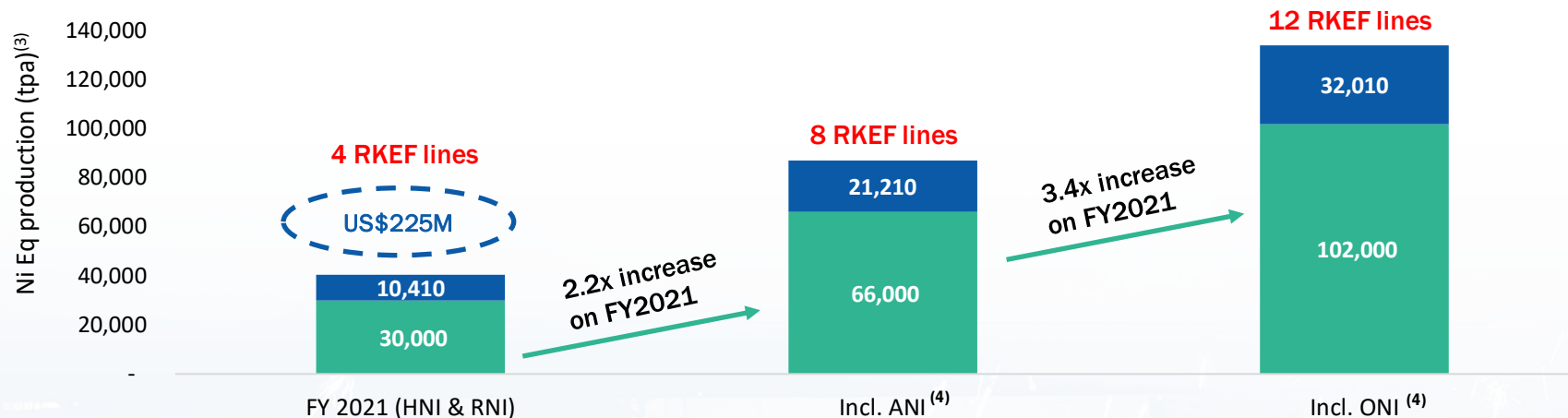
Source: Broker Research, Company data.

Note: Production data reflects 2021 figures unless stated otherwise.

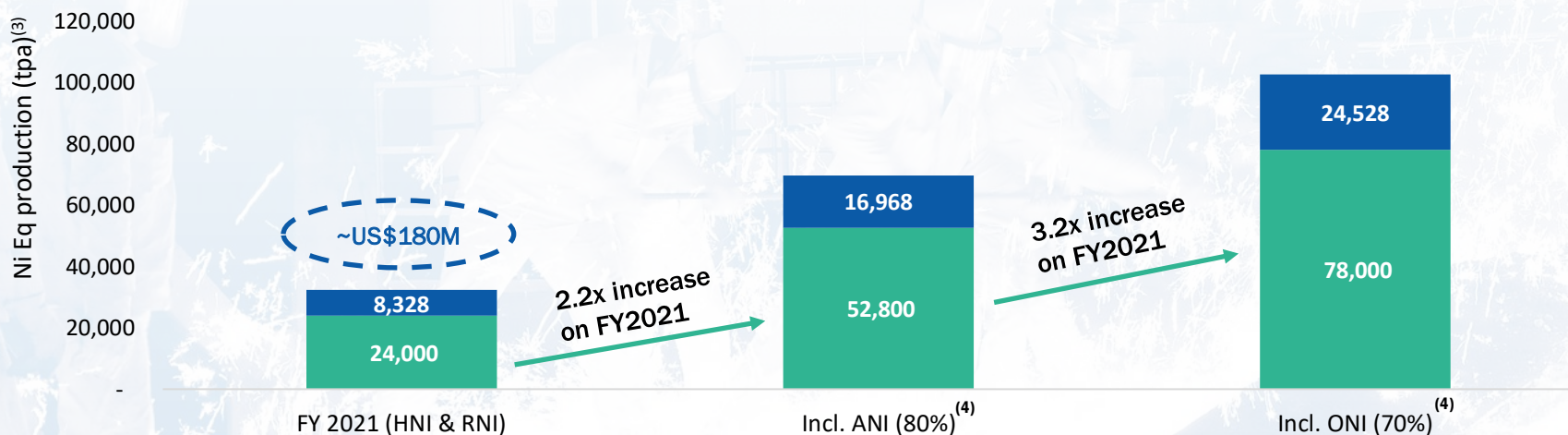
(1) NIC numbers represent actual attributable production in 2021 plus the attributable nameplate nickel capacity (including an assumed 30% outperformance vs nameplate capacity) for ANI and ONI (consistent with the ~30% outperformance vs nameplate capacity achieved by HNI and RNI in 2021).

ANI and ONI expected to be transformative to NIC's production and financial profile

Consolidated production (100% basis)



NIC attributable production



■ Nameplate⁽¹⁾
■ Attributable production above nameplate⁽²⁾
 RKEF EBITDA (unaudited, sum of the quarterly disclosed EBITDA figures)

Existing operations demonstrate consistent performance of 30%+ above nameplate capacity

ANI and ONI ...

- expand the Company's RKEF operations from 4 lines to 12 lines (Tsingshan has constructed over 75 lines across its Indonesian industrial parks)
- provide a clearly defined growth path towards 100kt pa of attributable Ni metal production
- are expected to deliver a similar level of outperformance above nameplate capacity as existing operations

... in addition, ANI and ONI ...

- have a 20% larger nameplate capacity than the existing HNI and RNI operations
- are expected to deliver an ~20% saving on electricity costs by virtue of "owning" their own power

Note: These figures of future nickel production levels are indicative only and are not financial guidance or forecasts.

(1) Nameplate production levels at its various ownership levels, based on nameplate nickel metal capacities of 15ktpa for HNI and RNI and 36ktpa for ANI and ONI (once fully commissioned).

(2) Actual production figures reflect annualised production performance over time against nameplate capacity at various ownership levels at HNI and RNI.

(3) Ni Eq is nickel metal equivalent contained in nickel pig iron ("NPI").

(4) Assumes ANI and ONI operating at nameplate capacity for a full year, with a 30% outperformance over nameplate capacity (consistent with the >30% outperformance vs nameplate capacity achieved by HNI and RNI in 2021).



THANK YOU