

ANALYST

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NICKEL INDUSTRIES LIMITED (NIC)

Brimstone or bust?

RECOMMENDATION (unchanged)

BUY

*See key risks on Page 4.

PRICE

A\$0.88

TARGET (12 MONTHS)

A\$1.45 (unchanged)

Expected return

Capital growth	64.8%
Dividend yield	4.5%
Total expected return	69.3%

Sector

Diversified Metals & Mining

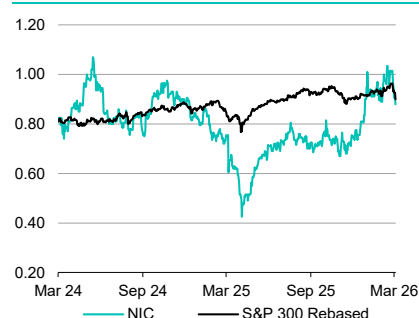
Capital structure & trading data

Enterprise value	\$5,052m
Market cap	\$3,821m
Issued capital	4,342m
Free float	55%
Avg. daily val. (52wk)	\$10.5m
12 month price range	A\$0.42-1.06

Price performance

	(1m)	(3m)	(12m)
Price (A\$)	0.93	0.74	0.75
Absolute (%)	-5.4	18.9	17.3
Rel market (%)	-2.2	18.9	9.0

Share price (A\$/sh) vs. XKO



Source: IRESS

Sulphur price risk considerations

We note reports of increased sulphur pricing and potential supply constraints emerging due to the conflict in the Middle East. Primarily produced as a by-product of petroleum and natural gas refining, approximately 25% of global production is sourced from the region. Production disruptions and shipping restrictions (much of exported supply is shipped through the Strait of Hormuz) have led to supply concerns and price spikes from ~US\$250/t to US\$500/t. Sulphuric acid (produced from sulphur) is a substantial input into the High Pressure Acid Leach (HPAL) nickel production process, requiring ~8-10t of sulphur per tonne of nickel produced. NIC produces its own acid on site, from elemental sulphur, accounting for ~40% of HPAL production costs. We understand NIC's HPAL operations have ~2-3 months of sulphur stocks on site.

Earnings impact limited by diversification, leverage

On our prior modelled assumptions, incorporating a doubling of the sulphur price into our CY26 forecasts results in a ~15% (US\$100m) cut to our consolidated EBITDA forecast, to US\$571m. We still forecast that NIC would meet its debt service obligations and have capacity to pay a (reduced) dividend. NIC continues to benefit from its diversified nickel production base, with the Hengjaya Mine (HM) and the Rotary Kiln Electric Furnace (RKEF) operations not exposed to sulphur input costs. There is scope for input cost inflation here (via diesel and Indonesian thermal coal) but to a lesser extent, as price increases have been more moderate and subject to mitigating factors including fuel subsidies and adequate supply.

We point out that if we include a positive response (5%) in the nickel price that may flow from production constraint concerns, this would more than offset higher sulphur costs. When incorporated into our high sulphur price scenario, it results in a net 4% increase in EBITDA (attr.) compared with our prior base case.

Investment thesis: TP \$1.45 (unchanged)

While the conflict in the Middle East is resulting in an immediate market impact to key input costs and the duration is uncertain, we form the view that while margins may be impacted, NIC is insulated due to its diversified nickel product suite. There is also a potential offset from higher nickel prices to which NIC has strong leverage. We retain our Buy recommendation and leave our \$1.45/sh Target Price unchanged.

Earnings estimates

Year ending 31 December	2025	2026e	2027e	2028e
Sales (US\$m)	1,649	2,203	2,902	3,082
EBITDA (US\$m)	238	637	966	1,072
NPAT (reported) (US\$m)	(57)	246	551	652
NPAT (adjusted) (US\$m)	(88)	367	799	931
EPS (adjusted) (US¢ps)	(1.8)	8.4	18.4	21.4
EPS growth (%)	nm	nm	118%	17%
P/E (x)	nm	10.4	4.8	4.1
FCF Yield (%)	6%	17%	28%	32%
EV/EBITDA (x)	14.9	5.6	3.7	3.3
Dividend (A¢ps)	-	4.0	10.0	11.0
Yield (%)	0.0%	4.5%	11.4%	12.5%
Franking (%)	0%	0%	0%	0%

Source: Bell Potter Securities estimates

Brimstone or bust?

We have noted reports on increased sulphur pricing and potential supply constraints emerging as a result of the current conflict in the Middle East and considered the potential earnings impact of higher prices. We find that:

- incorporating a doubling of the sulphur price into our CY26 forecasts results in a ~15% (US\$100m) cut to our consolidated EBITDA forecast, to US\$571m; and
- this is more than offset by a 5% increase in the nickel price and when incorporated into our high sulphur price scenario, it results in a net 4% (US\$25m) increase in EBITDA (attr.) compared with our prior base case.

Figure 1: Attributable EBITDA variance on 100% sulphur price increase CY26

Base Case	Mar-26	Jun-26	Sep-26	Dec-26	CY26
RKEF (cons.)	\$78.0	\$66.1	\$80.5	\$100.3	\$324.8
HM (cons.)	\$41.3	\$42.1	\$53.4	\$53.1	\$189.9
HPAL (attr.)	\$18.9	\$32.8	\$54.9	\$60.1	\$166.8
Total	\$138.2	\$141.0	\$188.8	\$213.5	\$681.5
High sulphur price					
RKEF (cons.)	\$78.0	\$66.1	\$80.5	\$100.3	\$324.8
HM (cons.)	\$41.3	\$42.1	\$53.4	\$53.1	\$189.9
HPAL (attr.)	\$9.7	\$8.8	\$23.7	\$25.0	\$67.1
Total	\$129.0	\$116.9	\$157.5	\$178.4	\$581.8
Variance					
RKEF (cons.)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
HM (cons.)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
HPAL (attr.)	-\$9.2	-\$24.1	-\$31.2	-\$35.2	-\$99.7
Total	-\$9.2	-\$24.1	-\$31.2	-\$35.2	-\$99.7

Source: Bell Potter Securities Estimates – excluding corporate & other

Figure 2: Attributable EBITDA variance on 100% sulphur price increase CY26, +5% Ni price

Base Case	Mar-26	Jun-26	Sep-26	Dec-26	CY26
RKEF (cons.)	\$78.0	\$66.1	\$80.5	\$100.3	\$324.8
HM (cons.)	\$41.3	\$42.1	\$53.4	\$53.1	\$189.9
HPAL (attr.)	\$18.9	\$32.8	\$54.9	\$60.1	\$166.8
Total	\$138.2	\$141.0	\$188.8	\$213.5	\$681.5
High sulphur price					
RKEF (cons.)	\$98.2	\$85.8	\$101.0	\$122.0	\$407.0
HM (cons.)	\$45.3	\$46.1	\$58.8	\$58.5	\$208.8
HPAL (attr.)	\$11.9	\$14.2	\$31.4	\$33.6	\$91.1
Total	\$155.4	\$146.1	\$191.2	\$214.1	\$706.8
Variance					
RKEF (cons.)	\$20.2	\$19.7	\$20.5	\$21.6	\$82.1
HM (cons.)	\$4.0	\$4.1	\$5.4	\$5.4	\$18.9
HPAL (attr.)	-\$7.0	-\$18.6	-\$23.5	-\$26.6	-\$75.7
Total	\$17.2	\$5.1	\$2.5	\$0.5	\$25.3

Source: Bell Potter Securities Estimates – excluding corporate & other

While the conflict in the Middle East is resulting in an immediate market impact to key input costs and the duration is uncertain, we form the view that while margins may be impacted, NIC is insulated due to its diversified nickel product suite. There is also a potential offset from higher nickel prices to which NIC has strong leverage.

Changes to our forecasts

With this update we make an allowance for higher sulphur prices, incorporating a doubling of prices for 1HCY26. We make no changes to our nickel price forecasts.

These changes result in a 6% cut to our forecast CY26 EBITDA (attr.) and 10% cut to consolidated EPS.

The changes have no impact on our (rounded) NPV-based target price, which remains \$1.45/sh.

Our updated forecasts are summarised in the table below:

Figure 3: Changes to our earnings estimates

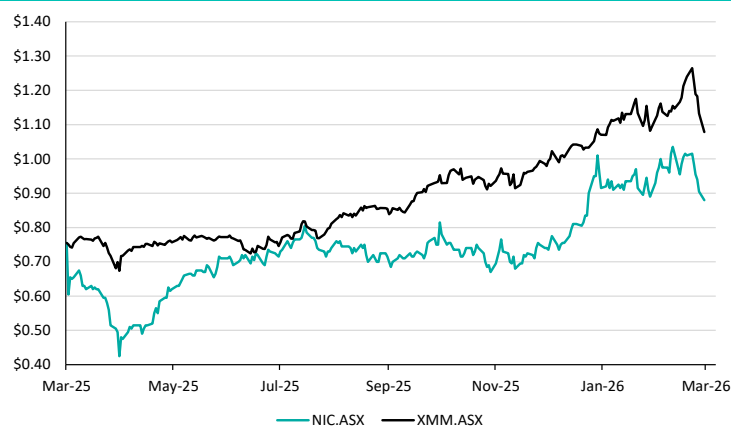
Year ending 30 June	Previous			New			Change		
	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e
Prices & currency									
Nickel price (US\$/t)	16,755	20,393	21,584	16,755	20,393	21,584	0%	0%	0%
US\$/A\$	0.67	0.69	0.70	0.67	0.69	0.70	0%	0%	0%
Production & costs									
Ore mined (t)	14,300	17,200	17,200	14,300	17,200	17,200	0%	0%	0%
RKEF NPI production (t)	107,476	112,628	112,628	107,476	112,628	112,628	0%	0%	0%
Contained nickel (t)	10,470	11,755	12,154	10,587	11,755	12,154	1%	0%	0%
Contained nickel (t, attributable)	31,717	46,062	46,062	31,717	46,062	46,062	0%	0%	0%
Cash costs (US\$/t Ni)	8,376	8,586	9,331	9,934	8,586	9,331	19%	0%	0%
Earnings & valuation									
Revenue (consolidated, US\$m)	2,203	2,902	3,082	2,203	2,902	3,082	0%	0%	0%
EBITDA (consolidated, US\$m)	671	966	1,072	637	966	1,072	-5%	0%	0%
EBITDA (attributable, US\$m)	568	842	933	534	842	933	-6%	0%	0%
NPAT (consolidated, US\$m)	348	640	757	314	641	757	-10%	0%	0%
NPAT (attributable, US\$m)	279	551	652	246	551	652	-12%	0%	0%
EPS (reported) (Acps)	9.6	18.4	21.5	8.4	18.4	21.4	-12%	0%	0%
PER (x)	16.6	4.3	4.1	10.4	4.8	4.1	(6.2)	0.5	0.0
EPS growth (%)	nm	92%	17%	nm	118%	17%	nm	26%	0%
DPS (Acps)	4.0	10.0	11.0	4.0	10.0	11.0	0%	0%	0%
Yield	5.3%	13.2%	13.2%	4.5%	11.4%	12.5%	-1%	-2%	-1%
NPV (A\$/sh)	1.31	1.45	1.62	1.30	1.44	1.61	-1%	-1%	-1%
Price Target (\$/sh)		1.45			1.45			0%	

Source: Bell Potter Securities

Share price performance vs ASX Mining Index

Relative performance chart below:

Figure 4: NIC relative share price performance vs XMM



Source: IRESS, Bell Potter Securities

Nickel Industries Limited (NIC)

BUSINESS OVERVIEW

Nickel Industries Limited (NIC) was formed in 2007 and listed on the ASX in 2018 as Nickel Mines Ltd. It is a vertically integrated nickel producer with production assets spanning nickel ore mining, Nickel Pig Iron (NPI) production and nickel Mixed Hydroxide Precipitate (MHP) production. This is via several Rotary Kiln Electric Furnace (RKEF) processing lines across two Industrial Parks (the IMIP and IWIP) in Indonesia. It also has a 10% interest in the Huayue Nickel Cobalt (HNC) High Pressure Acid Leach (HPAL) project which is in production and a 46% interest in the Excelsior Nickel Cobalt (ENC) HPAL project which will commence production in 2026.

VALUATION METHOD

Our 12-month forward equity valuation for NIC incorporates DCF models of its attributable interests in the Hengjaya laterite nickel ore mine (HM), its 80% interests in the Hengjaya, Ranger, Angel and Oracle Nickel Rotary Kiln Electric Furnace (RKEF) lines. We also include an NPV-based valuation for NIC's 10% interest in the HNC HPAL plant and a risk-adjusted NPV-based valuation for the ENC HPAL plant, which is currently under construction and in which NIC will hold a 46% interest. We also include a notional value for other exploration and development projects, an estimate of corporate overhead costs and NIC's last reported net cash position. Our valuation is calculated on a fully diluted basis.

RISKS

Risks to an investment in NIC include but are not limited to:

Funding and capital management risks: Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.

Operating and development risks: Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.

Pandemic risks: Mining companies rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures that could be put in place to combat a pandemic could pose risks to these conditions.

Operating and capital cost fluctuations: The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.

Commodity price and exchange rate fluctuations: The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.

Resource growth and mine life extensions: The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.

Regulatory changes risks: Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.

NIC's assets are located in Sulawesi, Indonesia, which has in the past implemented regulatory changes related to mining project ownership, fiscal terms and mineral export requirements.

Geopolitical risks: Mining companies' assets are subject to geopolitical risks, arising from events in, and outside, the jurisdictions they operate in.

Sovereign risks: Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating. NIC's assets are in Indonesia, a G20 country with one of the largest economies in SE Asia. Its sovereign debt is rated investment grade by the major ratings agencies.

Corporate/M&A risks: Risks associated with M&A activity including differences between the entity's and the market's perception of value associated with completed transactions. NIC is the junior partner co-investing in production assets with a large, privately owned Chinese company. The strength and cohesiveness of this relationship over the long term has the potential to both add and reduce value to the partnership. A mitigating factor in this respect has been the +20% holding in NIC equity.

RECOMMENDATION (unchanged)

PRICE

TARGET (12 MONTHS)

Buy

A\$0.88

A\$1.45 (unchanged)

Table 1: Financial summary

Date	9/03/2026					Bell Potter Securities
Price	\$0.88					David Coates (dcoates@bellpotter.com.au) +61 2 8224 2887
Target price:	\$1.45					
PROFIT AND LOSS						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
Revenue	US\$m	1,744.5	1,649.1	2,203.4	2,902.0	3,082.0
Expense	US\$m	(1,447.6)	(1,411.2)	(1,566.1)	(1,936.2)	(2,009.9)
EBITDA	US\$m	296.8	237.9	637.3	965.8	1,072.1
Depreciation	US\$m	(128.0)	(115.3)	(144.4)	(141.8)	(135.1)
EBIT	US\$m	168.8	122.6	492.9	824.0	937.0
Net interest expense	US\$m	(78.5)	(98.7)	(99.8)	(86.6)	(70.3)
Unrealised gains (Impairments)	US\$m	(236.6)	(8.1)	-	-	-
Other	US\$m	(27.2)	(22.5)	(30.1)	(34.8)	(43.7)
PBT	US\$m	(173.5)	(6.7)	363.0	702.6	823.0
Tax expense	US\$m	(16.3)	(34.5)	(48.5)	(61.5)	(66.4)
Consolidated profit (loss) for the year	US\$m	(189.8)	(41.2)	314.5	641.1	756.7
Non-Controlling Interest	US\$m	(21.2)	15.9	68.7	89.9	105.1
Attributable NPAT (reported)	US\$m	(168.6)	(57.1)	245.7	551.2	651.6
NPAT (attributable, underlying)	US\$m	68.0	(49.0)	245.7	551.2	651.6
CASH FLOW						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
OPERATING CASHFLOW						
Receipts	US\$m	1,805.7	1,682.6	2,182.7	2,797.2	3,055.0
Payments	US\$m	(1,481.8)	(1,477.3)	(1,494.0)	(1,862.2)	(1,995.2)
Tax	US\$m	(55.3)	(23.2)	(64.6)	(83.4)	(105.2)
Net interest	US\$m	14.2	6.4	(99.8)	(86.6)	(70.3)
Other	US\$m	(1.5)	(0.6)	-	-	-
Operating cash flow	US\$m	281.4	187.9	524.3	765.1	884.3
INVESTING CASHFLOW						
Property, plant and equipment	US\$m	(54.2)	(14.0)	(100.6)	(34.8)	(34.8)
Mine development	US\$m	(3.7)	(2.1)	-	-	-
Exploration & evaluation	US\$m	(18.4)	(21.9)	-	-	-
Other	US\$m	(212.6)	(2.1)	-	-	-
Investing cash flow	US\$m	(288.9)	(40.2)	(100.6)	(34.8)	(34.8)
Free Cash Flow	US\$m	(7.5)	147.8	423.7	730.3	849.5
FINANCING CASHFLOW						
Share issues/(buy-backs)	US\$m	-	-	-	-	-
Debt proceeds	US\$m	454.8	780.9	-	-	-
Debt repayments	US\$m	(252.7)	(627.1)	(101.0)	(101.0)	(113.0)
Distributions to non-controlling interests	US\$m	(31.4)	(32.7)	-	-	-
Dividends	US\$m	(142.7)	(17.0)	(116.3)	(299.5)	(334.3)
Other	US\$m	(91.9)	(134.8)	-	-	-
Financing cash flow	US\$m	(64.0)	(30.7)	(217.3)	(400.5)	(447.3)
Change in cash	US\$m	(71.5)	117.0	206.4	329.8	402.3
BALANCE SHEET						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
ASSETS						
Cash & short term investments	US\$m	222.5	356.8	563.2	892.9	1,295.2
Accounts receivable	US\$m	395.1	349.0	369.7	474.4	501.4
Property, plant & equipment	US\$m	1,572.7	1,484.1	1,440.2	1,333.2	1,232.9
Mine development expenditure	US\$m	-	-	-	-	-
Exploration & evaluation	US\$m	56.2	77.4	77.4	77.4	77.4
Other	US\$m	1,649.8	1,997.2	2,015.3	2,015.3	2,015.3
Total assets	US\$m	3,896.2	4,264.4	4,465.7	4,793.3	5,122.3
LIABILITIES						
Accounts payable	US\$m	194.8	241.1	313.2	387.2	402.0
Income tax payable	US\$m	21.6	16.5	48.5	61.5	66.4
Borrowings	US\$m	1,054.6	1,226.1	1,125.1	1,024.1	911.1
Other	US\$m	77.1	322.2	322.2	322.2	322.2
Total liabilities	US\$m	1,348.0	1,805.9	1,809.1	1,795.1	1,701.7
SHAREHOLDER'S EQUITY						
Share capital	US\$m	2,035.2	2,059.4	2,059.4	2,059.4	2,059.4
Reserves	US\$m	19.1	19.8	19.8	19.8	19.8
Retained earnings	US\$m	61.7	(36.1)	93.3	345.0	662.4
Total equity to NIC holders	US\$m	2,116.0	2,043.1	2,172.5	2,424.2	2,741.5
Non-controlling interest	US\$m	432.2	415.4	484.2	574.0	679.1
Total equity	US\$m	2,548.2	2,458.5	2,656.6	2,998.2	3,420.6
Weighted average shares	m	4,286.9	4,334.9	4,340.9	4,340.9	4,340.9
CAPITAL STRUCTURE						
Shares on issue	m	4,341.9				
Other	m	0.0				
Total shares on issue	m	4,341.9				
Share price	A\$/sh	0.880				
Market capitalisation	A\$m	3,820.9				
Net cash	A\$m	-1,234.9				
Enterprise value (undiluted)	A\$m	5,055.8				
Options outstanding (m)	m	(wtd avg ex. price \$0.00 per share) 8.2				
Options (in the money)	m	8.2				
Issued shares (diluted for options)	m	4,350.2				
Market capitalisation (diluted)	A\$m	3,828.1				
Net cash + options	A\$m	-1,234.9				
Enterprise value (diluted)	A\$m	5,063.0				
MAJOR SHAREHOLDERS						
Shareholder				%	m	
Shanghai Decent (SDI)				21.7%	942.5	
PT United Tractors (conditional placement)				19.7%	857.0	
L1 Capital				9.1%	393.5	
BlackRock Investment Management				5.0%	217.1	
Tanito Group (PT Kanunia)				4.3%	187.6	
FINANCIAL RATIOS						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
VALUATION						
Attributable NPAT	US\$m	(168.6)	(57.1)	245.7	551.2	651.6
Attributable NPAT	A\$m	(255.5)	(88.5)	366.8	798.9	930.9
Reported EPS	US\$/sh	1.6	(1.1)	5.7	12.7	15.0
Reported EPS	Ac/sh	(6.0)	(2.0)	8.4	18.4	21.4
Adjusted EPS	Ac/sh	2.4	(1.8)	8.4	18.4	21.4
EPS growth	%	-211%	nm	nm	nm	118%
PER ¹	x	nm	nm	10.4x	4.8x	4.1x
DPS	Ac/sh	4.0	-	4.0	10.0	11.0
Franking	%	0%	0%	0%	0%	0%
Yield	%	4.5%	0.0%	4.5%	11.4%	12.5%
FCF/share	Ac/sh	(0.3)	5.3	14.6	24.4	28.0
FCF yield	%	0%	6%	17%	28%	32%
P/FCFPS	x	-331.3x	16.6x	6.0x	3.6x	3.1x
EV/EBITDA	x	11.9x	14.9x	5.6x	3.7x	3.3x
EBITDA margin	%	17%	14%	29%	33%	35%
EBIT margin	%	10%	7%	22%	28%	30%
Return on assets	%	-5%	-1%	7%	14%	15%
Return on equity	%	-8%	-2%	15%	28%	29%
LIQUIDITY & LEVERAGE						
Net debt (cash)	\$m	832	869	686	255	(260)
ND / E	%	39%	43%	32%	11%	-9%
ND / (ND + E)	%	28%	30%	24%	10%	-10%
Attr. EBITDA / Interest	x	3.5x	2.2x	5.4x	9.7x	13.3x
ATTRIBUTABLE DATA - NICKEL MINES LTD						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
Revenues	US\$m	1,581.1	1,511.0	2,193.0	2,898.6	3,052.8
EBITDA	US\$m	276.1	216.6	534.4	841.7	933.1
NPAT	US\$m	(168.6)	(57.1)	245.7	551.2	651.6
Net distributable cash flow	US\$m	(64.4)	105.3	185.8	296.8	362.1
EV/EBITDA	x	12.1	15.1	6.3	4.1	3.8
PER	x	nm	nm	10.4	4.8	4.1
P/FCF	x	nm	nm	nm	8.9	7.4
ORE RESERVE AND MINERAL RESOURCE						
Hengjaya Nickel Mine (HM)			Mdmt	% Ni	t Ni	
Mineral Resources						
Measured			20,000	1.30%	260,000	
Indicated			109,000	1.30%	1,417,000	
Inferred			56,000	1.30%	728,000	
Total			185,000	1.30%	2,405,000	
ASSUMPTIONS - Prices						
Year ending 31 Dec. (avg)	Unit	2024a	2025a	2026e	2027e	2028e
Nickel	US\$/lb	\$7.40	\$6.88	\$7.60	\$9.25	\$9.79
Nickel	US\$/t	\$16,321	\$15,166	\$16,755	\$20,393	\$21,584
Currency						
AUD:USD		0.66	0.64	0.67	0.69	0.70
ASSUMPTIONS - Production & costs						
Year ending 31 Dec.	Unit	2024a	2025a	2026e	2027e	2028e
Hengjaya Mine						
Ore mined	Mwmt	9,377	9,903	14,300	17,200	17,200
Ore grade	% Ni	1.7%	1.8%	1.8%	1.8%	1.8%
Nickel in ore	t Ni	99,060	84,859	122,400	129,600	129,600
Nickel in ore (attributable)	t Ni	79,248	67,887	97,920	103,680	103,680
RKEF + HPAL ops						
NPI production	t	1,046,625	1,060,000	1,060,000	1,064,000	1,064,000
NPI nickel (attributable)	t Ni	110,151	108,476	107,476	112,628	112,628
HPAL nickel (attributable)	t Ni	8,341	8,503	31,717	46,062	46,062
Costs						
RKEF costs	US\$/t Ni	\$10,243	\$10,025	\$10,587	\$11,755	\$12,154
HPAL costs	US\$/t Ni	\$8,949	\$7,820	\$9,934	\$8,586	\$9,331
VALUATION						
Ordinary shares (m)					4,341.9	
Options in the money (m)					8.2	
Total shares diluted (m)					4,350.2	
Valuation						
	Current	+12 months		+24 months		
Sum-of-the-parts	A\$m	A\$/sh	A\$m	A\$/sh	A\$/sh	
IMIP RKEF (NPV12)	587.0	0.14	657.4	0.15	688.2	
ANI RKEF (NPV12)	1,215.9	0.28	1,298.7	0.30	1,311.6	
ONI RKEF (NPV12)	1,174.8	0.27	1,245.5	0.29	1,260.1	
Hengjaya Mine (NPV12)	997.5	0.23	1,094.0	0.25	1,099.8	
HNC HPAL (NPV12)	763.2	0.18	773.8	0.18	805.7	
ENC HPAL (NPV12)	2,490.5	0.57	2,490.5	0.57	2,490.5	
Other exploration	550.0	0.13	550.0	0.13	550.0	
Corporate overheads	(891.6)	(0.21)	(975.9)	(0.22)	(1,062.6)	
Subtotal (EV)	6,887.2	1.59	7,134.0	1.64	7,143.3	
Net cash (debt)	(1,234.9)	(0.28)	(869.4)	(0.20)	(131.2)	
Total (undiluted)	5,652.4	1.30	6,264.6	1.44	7,012.1	
Dilutive effect of options	(0.00)			(0.00)	(0.00)	
Add cash from options	-	-	-	-	-	
Total (diluted)	5,652.4	1.30	6,264.6	1.44	7,012.1	

**RECOMMENDATION
STRUCTURE**

BUY	Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.
HOLD	Expect total return between -5% and 15% on a 12 month view.
SELL	Expect <-5% total return on a 12 month view.

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