

A dark industrial setting where molten metal is being poured from a large ladle into a channel. Several workers in white protective suits and hard hats are visible in the background, some holding a metal rod. The scene is lit by the intense orange and yellow glow of the molten metal.

**NICKEL**  
MINES LIMITED

**QUARTERLY ACTIVITIES PRESENTATION**  
FOR THE PERIOD ENDED  
**30 JUNE 2020**

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## Key takeaways

- ❑ Another excellent quarter of production from both RKEF operations.
  - ❑ 10,103t nickel production remains well above nameplate capacity.
  - ❑ Cash costs steady at ~US\$7,400/t.
  - ❑ Nickel and stainless steel market fundamentals continue to improve.
  
- ❑ NIC's ownership interest in Hengjaya Nickel and Ranger Nickel increased from 60% to 80%.
  - ❑ Overwhelming support for the transaction highlighted by successful A\$231M Entitlements Offer.
  - ❑ NIC now positioned to become a globally significant nickel producer of ~34.5kt pa (materially higher than other ASX-listed peers).
  
- ❑ Unsold production from June quarter equates to a US\$12.5M increase in NPI inventory (carried at cost).
  - ❑ Material profit realisation upon sale in September quarter.
  
- ❑ IMIP has been exceptionally well managed throughout the COVID pandemic.
  - ❑ Many global mining operations have been shutdown/temporarily suspended.
  - ❑ No Covid-19 cases reported at any of the Company's operations.
  
- ❑ June quarter operations impacted by severe adverse weather conditions.
  - ❑ Central Pit now open and mining.
  - ❑ Hengjaya Mine now fully equipped to materially ramp up production.

## RKEF Operations

- ❑ June quarter production of **10,103.9** tonnes of nickel metal (100% basis).
- ❑ NIC attributable nickel production of **6,062.3** tonnes of nickel metal.
- ❑ RKEF June quarter cash costs:
  - ❑ Hengjaya Nickel: **US\$7,342/tonne**.
  - ❑ Ranger Nickel: **US\$7,392/tonne**.
- ❑ **8,423.9** tonnes of nickel metal sold (100% basis).
- ❑ RKEF June quarter sales of **US\$87.5M** (100% basis).
- ❑ RKEF June quarter EBITDA of **US\$24.0M** (100% basis).
- ❑ Lower EBITDA partly offset by **US\$12.5M** increase in NPI inventory carried at cost.

## Mining Operations

- ❑ Quarterly saprolite production from the Hengjaya Mine of **62,610 tonnes**.
  
- ❑ **182,730 tonnes** of limonite were stockpiled during the quarter. Limonite stockpiles now stand at **368,120 tonnes**.
  
- ❑ All operations affected by severe adverse weather.
  - ❑ Rainfall of 1,128mm (3.7 feet) was recorded at the Hengjaya Mine in June 2020, almost double the June 2016 - 2019 average.
  - ❑ Heavy rain and localised flooding materially impacted mining activities and caused delays to the planned ramp-up of operations at the Central Pit.
  
- ❑ Significant progress made on Haul road connecting Central Pit and Bete Bete pit.
  - ❑ Connected road system will enhance mining operation flexibility and logistical efficiencies.
  
- ❑ Expanded jetty capacity now in place.
  - ❑ 6,500 tonne and 10,000 tonne capacity barges will facilitate additional tonnage volumes to the IMIP.
  
- ❑ Construction of the mine camp and associated infrastructure now completed.
  - ❑ New infrastructure includes technical offices and workshops, community relations centre, safety, training and recreational buildings.
  
- ❑ Hengjaya Mine now fully equipped to materially ramp up production.

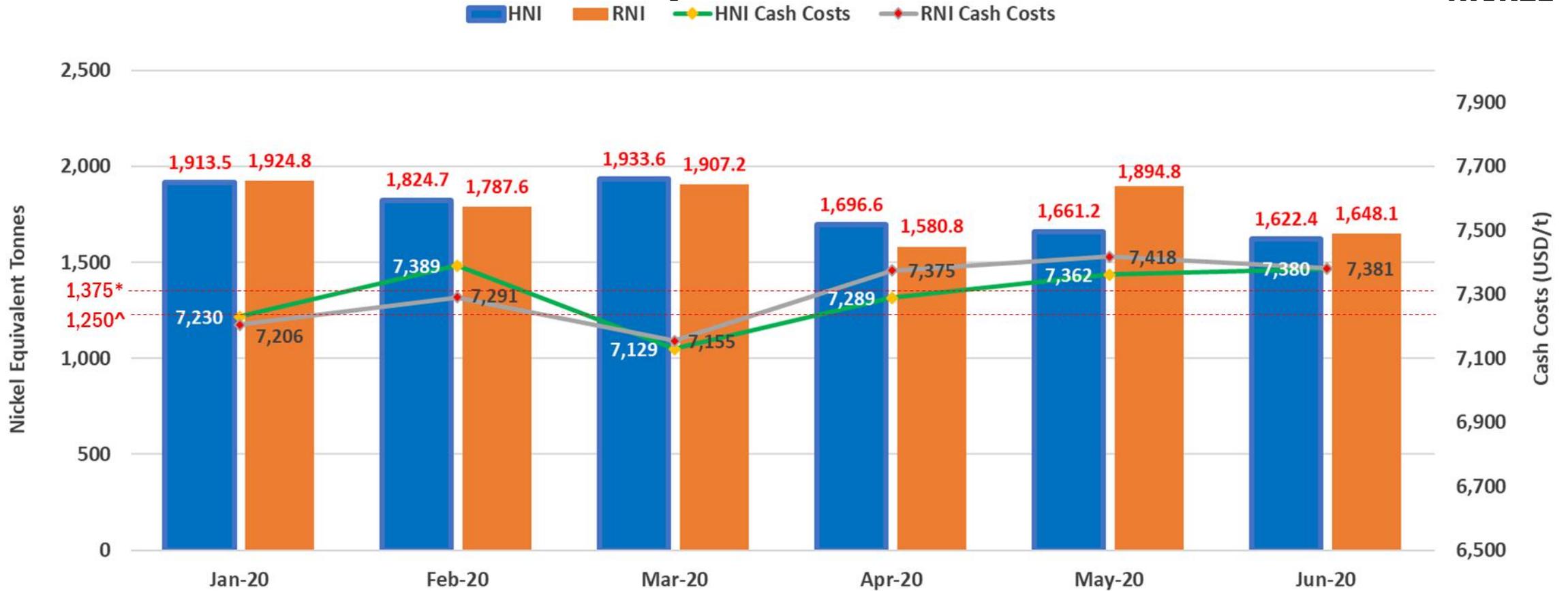
## Corporate

- ❑ Successful completion of 1 for 3.6 Entitlements Offer raising **A\$231M**.
- ❑ Increase in NIC's attributable interest in the Hengjaya Nickel and Ranger Nickel RKEF projects from **60% to 80%**.
- ❑ Additional **US\$10M** paid off Ranger Debt Facility leaving balance at **US\$55M**.
- ❑ Cash + receivables + inventory at quarter end of **US\$193.9M**.
- ❑ End of quarter cash balance of **US\$91.2M**.
- ❑ Mr Stephanus (Dasa) Sutantio appointed as a Non-Executive Director.
- ❑ **No Covid-19** cases reported at any of the Company's operations and no direct adverse operational impacts.

# RKEF Monthly Production Performance

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\* 16.5kt pa / 1,375t pm (Prospectus guidance)

^ 15.0kt pa / 1,250t pm (Design capacity)

COMBINED RKEF OPERATIONS		April	May	June	Quarter Total	March Quarter
NPI Production	tonnes	23,179.7	24,777.0	21,645.3	69,602.0	79,397.9
NPI Grade	%	14.1	14.4	15.1	14.5	14.2
Nickel Metal Production	tonnes	3,277.4	3,556.0	3,270.5	10,103.9	11,291.3

# Hengjaya Mine Operations

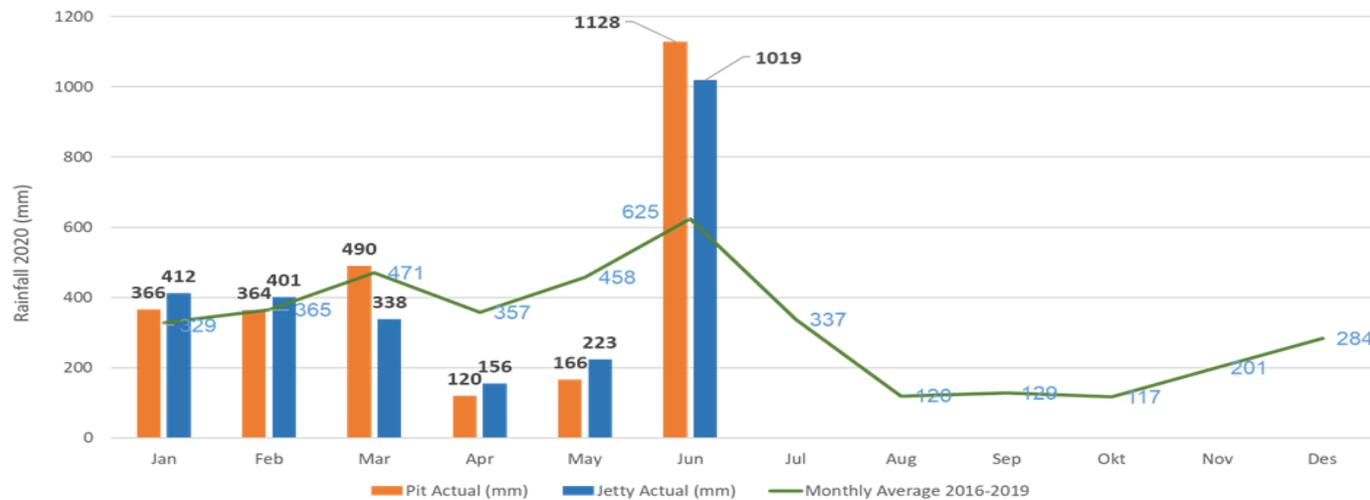
		April	May	June	Quarter Total	March Quarter
Tonnes mined	wmt	12,523	25,452	24,635	62,610	149,958
Overburden mined	BCM	81,367	59,450	10,000	150,817	179,524
Limonite mined	wmt	15,060	88,440	79,230	182,730	75,254
Strip ratio*	BCM/wmt	7.2	4.3	2.2	4.0	1.48
Tonnes sold	wmt	5,737	22,399	25,893	54,029	155,599
Average grade	%	1.79	1.83	1.78	1.80	1.83
Average price received	USD/t	21.08	26.24	22.26	23.79	24.32
Average cost of production <sup>5</sup>	CIF USD/t	53.58	43.34	41.67	44.73	29.70



Kendari Road – June 2020

\*Strip ratio includes limonite as overburden

## MONTHLY RAINFALL SUMMARY



Central Pit – July 2020



# Severe Adverse Weather – June 2020



Morowali Road



IMIP



Earthquakes that impacted IMIP



**Thank You**

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