

7 August 2023

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(6 pages by email)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ('**EGM**' or '**Meeting**') of Shareholders is to be convened at the offices of DLA Piper, Level 22, 1 Martin Place, Sydney, New South Wales on Friday 8 September 2023 at 11.00am (Sydney time).

This Notice of Extraordinary General Meeting ('**Notice of Meeting**') and the enclosed Explanatory Memorandum provide additional information on matters to be considered at the EGM, being held to seek Shareholder approval to:

- issue 857,000,000 Shares to PT Danusa Tambang Nusantara, a subsidiary of PT United Tractors Tbk, at an issue price of A\$1.10 per Share; and
- amend the constitution of Nickel Industries ('**Constitution**') to increase the maximum number of Directors on the Nickel Industries Board from ten to twelve.

The Directors have determined pursuant to regulations 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 6 September 2023 at 7.00pm (Sydney Time).

Terms and abbreviations used in the Notice of Meeting and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in the Glossary.

ASX takes no responsibility for the contents of this Notice of Meeting or the Explanatory Memorandum.

## AGENDA

### BUSINESS

#### Resolution 1: Approval to issue Shares to PT Danusa Tambang Nusantara

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

*'That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 857,000,000 new fully paid ordinary shares to PT Danusa Tambang Nusantara.'*

#### Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of:

- (a) PT Danusa Tambang Nusantara and any of its Associates; and
- (b) any person, and any Associate of those persons who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of this Resolution 1 by:

- (a) a person as proxy or attorney for a Shareholder who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chairperson as proxy or attorney for a Shareholder who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

#### Resolution 2 – Amendment to Constitution

To consider and, if thought fit, pass the following Resolution as a special resolution:

*'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, clause 15.1 of the Constitution of the Company is amended to increase the maximum of Directors that may be appointed to the Board from ten to twelve.'*

#### Voting Exclusion Statement

No voting exclusion statement applies to this Resolution 2.

Further information in relation to these Resolutions is set out in the Explanatory Memorandum **below**.

#### By order of the Board



**Richard Edwards**  
**Company Secretary**

7 August 2023

# EXTRAORDINARY GENERAL MEETING

TO BE HELD ON 8 SEPTEMBER 2023

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at an Extraordinary General Meeting to be held at the offices of DLA Piper, Level 22, 1 Martin Place, Sydney, New South Wales on Friday 8 September 2023 at 11.00am (Sydney Time).

### 1 Resolution 1: Approval to issue Shares to PT Danusa Tambang Nusantara

#### 1.1 Background

On 9 June 2023, Nickel Industries entered into a conditional share subscription agreement with PT United Tractors Tbk ('**UT**') through its subsidiary PT Danusa Tambang Nusantara ('**DTN**') ('**Subscription Agreement**') to issue 857,000,000 new fully paid ordinary shares ('**Placement Shares**') at A\$1.10 per Share raising proceeds of A\$943 million (~USD\$628 million) ('**DTN Proceeds**') ('**DTN Placement**').

Following issue, the Placement Shares will represent approximately 19.99% of the Company's issued share capital.

#### 1.2 DTN

DTN is a wholly owned subsidiary of UT and acts as a holding company for UT's mineral business. Currently, DTN's focus is to expand its business in gold and nickel commodities.

UT, which is known as the largest heavy equipment distributor in Indonesia, has been established since 1972. UT has five business pillars, namely Construction Machinery, Mining Contracting, Mining, Construction Industry, and Energy.

UT is a 59.5% subsidiary of PT Astra International Tbk, a well-established and one of the largest corporate groups in Indonesia with robust experience of serving various industries and sectors.

Entry into the Subscription Agreement with DTN represents the first stage of intended collaboration between Nickel Industries and the wider UT corporate group. UT is one of the largest heavy equipment distributors and mine operators in Indonesia and has a deep knowledge of the Indonesian mining landscape.

The collaboration with UT (and its broader corporate group) is significant in Nickel Industries' view, as it will enable Nickel Industries to partner with a large and influential mining and industrial company, to jointly pursue growth opportunities in Indonesian Nickel. UT has significant mining, power and infrastructure development and operating experience in Indonesia and will, in Nickel Industries' view add substantial value in assisting Nickel Industries develop into a leading global diversified nickel company.

#### 1.3 ENC Project<sup>1</sup>

Nickel Industries is well advanced with the feasibility study that will allow a final investment decision ('**FID**') to be made with respect to Stage 1 of the ENC Project. The ENC Project is a high pressure acid leach plant, with expected annual production of 72,000 metric tonnes of contained nickel equivalent metal in a mixed hydroxide precipitate, nickel sulphate or nickel cathode. The ENC Project is located within the Indonesia Morowali Industrial Park.

In addition to completion of the feasibility study, Nickel Industries' investment in the ENC Project is subject to Shareholder approval, completion of the HNC Placements<sup>2</sup> and execution of definitive ENC Project Documents.

DTN has the right to acquire a 20% interest in the ENC Project which is conditional on completion of the DTN Placement. If DTN elects to participate in the ENC Project, Nickel Industries will acquire a 55% interest in the ENC Project with the balance 25% held by an Associate of Shanghai Decent.

<sup>1</sup> Previously called the Dawn HPAL+ Project.

<sup>2</sup> The HNC Placements being the issue 381,365,628 Shares to Newstride Development Limited (or its nominee), 21,186,979 Shares to Shanghai Wanlu Investment Co. Ltd. (or its nominee) and 2,000,000 Shares to non-executive Director Mark Lochtenberg (or his nominee).

## 1.4 Overview of ASX Listing Rule 7.1

This Resolution 1 seeks Shareholder approval to issue the Placement Shares to DTN under the Subscription Agreement.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares on issue at the start of that period.

The DTN Placement is subject to Shareholder approval for the purpose of ASX Listing Rule 7.1 and so falls within ASX Listing Rule 7.2 (Exception 17).

Subject to ASX Listing Rule 7.2 (Exception 17), the DTN Placement does not fall within any of the exceptions to ASX Listing Rule 7.1 and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 7.1.

## 1.5 Information required by ASX Listing Rule 7.3

Under ASX Listing Rule 7.3, the following information must be provided to Shareholders in advance of seeking Shareholder approval under ASX Listing Rule 7.1:

- (a) 857,000,000 fully paid ordinary shares in the Company will be issued to DTN.
- (b) The Placement Shares will be issued on completion of the Subscription Agreement, due to occur 10 business days following satisfaction of all conditions precedent. Completion is expected to occur no later than 16 October 2023.
- (c) The Placement Shares are being issued at an issue price of A\$1.10 per Share, representing a 27.2% premium to the last traded price of A\$0.87 immediately prior to entry into the Subscription Agreement, with the total consideration being A\$943 million (~USD\$628 million).
- (d) Nickel Industries proposes to utilise the DTN Proceeds as follows:
  - (i) if Nickel Industries makes a positive FID in respect of the ENC Project, and other conditions including Shareholder approval are satisfied, the DTN Proceeds may be used to part fund the ENC Project acquisition price;
  - (ii) to strengthen the Company's balance sheet; and
  - (iii) to provide additional capital for general corporate purposes.
- (e) The Placement Shares are being issued pursuant to the Subscription Agreement which contains customary provisions and is subject to:
  - (i) completion of the HNC Placements, which occurred on 4 August 2023; and
  - (ii) Nickel Industries Shareholder approval, sought at this EGM.
- (f) The Subscription Agreement provides DTN with the right to appoint a non-executive director to the Board of Nickel Industries.
- (g) A voting exclusion statement applies to Resolution 1.

## 1.6 Consequences of Resolution 1

If Resolution 1 is passed Nickel Industries will be able to proceed with the DTN Placement.

In addition, the Placement Shares will be excluded from the calculation of the number of equity securities that Nickel Industries can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 1 is not passed, Nickel Industries may need to find alternative funding sources if it takes a positive FID to proceed with the ENC Project, and DTN will not have the right to participate in the ENC Project.

## 1.7 Board recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of Resolution 1.

The Chairman of the Meeting intends to vote undirected proxies **IN FAVOUR** of Resolution 1.

## 2 Resolution 2 – Amendment to Constitution

### 2.1 Background

As noted at Section 1.5 above, on completion of the DTN Placement, DTN will have the right to nominate for appointment to the Board of Nickel Industries one non-executive director. Nickel Industries currently has ten Directors appointed to its Board.

In order to accommodate the appointment of DTN's nominee to the Board, the Company intends to amend Rule 15.1 of its Constitution to permit the appointment of eleven Directors to the Board by increasing the maximum number of Directors permitted from ten to twelve. The increase to twelve Directors provides long term flexibility around Board skill composition, enabling the:

- appointment of the DTN nominee to the Board; and
- Board to fill any future Board skill gaps as the Company develops, without being required to sacrifice existing Directors' skill sets by requiring one or more to resign or be removed.

### 2.2 Approval sought under Resolution 2

This Resolution 2 seeks the approval of Shareholders to amend the Company's Constitution to amend the maximum number of Directors of Nickel Industries to from ten to twelve.

### 2.3 Consequences of Resolution 2

If Shareholder approval is obtained then Nickel Industries may proceed to appoint DTN's nominee director to the Board, without being required to make additional changes to the Board composition.

If Shareholder approval is not obtained, then Nickel Industries may only proceed to appoint DTN's nominee director to the Board of Nickel Industries if another Director resigns or is removed. Such resignation or removal of an existing Director will cause unnecessary disruption to the corporate governance of Nickel Industries.

### 2.4 Board Recommendation

The Directors recommend that Shareholders vote **IN FAVOUR** of Resolution 2.

The Chairman of the Meeting intends to vote undirected proxies **IN FAVOUR** of Resolution 2.

## GLOSSARY

<b>Associate</b>	has the meaning given to it in the Corporations Act.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.
<b>ASX Listing Rules</b>	means the official Listing Rules of the ASX as amended from time to time.
<b>Board</b>	means the board of Directors of Nickel Industries.
<b>Chairperson</b>	means the chair of the EGM elected from time to time.
<b>Company or Nickel Industries</b>	means Nickel Industries Limited (ACN 127 510 589).
<b>Constitution</b>	means the existing constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of Nickel Industries from time to time.
<b>DTN</b>	means PT Danusa Tambang Nusantara.
<b>DTN Placement</b>	means the issue of the Placement Shares for the DTN Proceeds under the Subscription Agreement.
<b>DTN Proceeds</b>	means A\$943 million (~USD\$628 million) representing an issue price of A\$1.10 per Share.
<b>EGM</b>	means the extraordinary general meeting of the Shareholders.
<b>ENC Project</b>	means the project known as the 'Excelsior Nickel Cobalt project' <sup>3</sup> to develop and construct, own, and operate a nickel sulphate high pressure acid leach plant, with expected annual production of 72,000 metric tonnes of contained nickel equivalent metal (and up to 144,000 metric tonnes, should a future expansion be pursued) of contained nickel equivalent metal in a mixed hydroxide precipitate, nickel sulphate or nickel cathode, within the Indonesia Morowali Industrial Park.
<b>Explanatory Memorandum</b>	means the explanatory memorandum that forms part of this Notice of Meeting.
<b>HNC Placements</b>	means the issue of 381,365,628 Shares to Newstride Development Limited (or its nominee), 21,186,979 Shares to Shanghai Wanlu Investment Co. Ltd. (or its nominee) and 2,000,000 Shares to non-executive Director Mark Lochtenberg (or his nominee).
<b>Notice of Meeting</b>	means the notice of extraordinary general meeting.
<b>Placement Shares</b>	means 857,000,000 new ordinary shares of Nickel Industries to be issued for the DTN Proceeds.
<b>Resolutions</b>	means the resolutions proposed in this Notice of Meeting.
<b>Shanghai Decent</b>	means Shanghai Decent Investment (Group) Co., Ltd.
<b>Shareholder</b>	means a holder of Shares in Nickel Industries.
<b>Shares</b>	means fully paid ordinary shares in capital of Nickel Industries.
<b>Subscription Agreement</b>	means a Subscription Agreement between the Company and DTN dated 9 June 2023 with respect to the DTN Placement.
<b>UT</b>	means PT United Tractors Tbk.

<sup>3</sup> Previously called the Dawn HPAL+ Project