BELL POTTER

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Recommendation Buy (unchanged) Price \$0.625 Target (12 months) \$1.20 (previously \$1.23)

GICS Sector

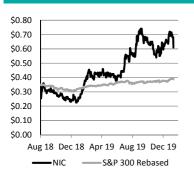
Materials

Expected Return	
Capital growth	92.0%
Dividend yield	0.0%
Total expected return	92.0%
Company Data & Ratios	
Enterprise value	\$1,087m
Market cap	\$1,041m
Issued capital	1,665.5m*
Free float	56%
Avg. daily val. (52wk)	\$2.1m
12 month price range	\$0.28-\$0.75

* Includes 280.3m escrowed shares

Image: Price Performance (1m) (3m) (12m) Price (A\$) 0.64 0.63 0.26 Absolute (%) -3.9 -3.2 134.6 Rel market (%) -6.9 -8.0 114.6

Absolute Price



SOURCE: IRESS

BELL POTTER SECURITIES LIMITED ACN 25 006 390 7721 AFSL 243480

Nickel Mines Ltd (NIC)

Preferred nickel exposure

First quarter at full production and 60% ownership

NIC has released its December 2019 quarter report. This saw the first full quarter at full production rates, producing 80,015t of NPI grading 13.7% Ni for 10,968t contained Ni (vs BPe 9,800t Ni, 100%-basis), with 6,581t Ni attributable to NIC. Consolidated cash costs were US\$7,879/t, up 5% qoq (vs BPe US\$7,657/t). Total production represented a 9% increase in Ni production qoq and a 28% increase in Ni production attributable to NIC, on the first entire quarter of 60% ownership of all four RKEF lines. We estimate ytd Ni production attributable to NIC at 11,741t. Our estimate (not reported by NIC) of weighted average cash costs ytd is US\$7,728/t. EBITDA of US\$56.8m was reported for the December quarter (100%-basis, September quarter US\$50.2m). Cash on hand increased from US\$33.0m to US\$49.8m.

No production disruptions anticipated

NIC also released an update regarding current travel restrictions being implemented in response to the Coronavirus outbreak. These are self-imposed site access controls for Chinese nationals working at the Indonesia Morowali Industrial Park (IMIP). This affects 17 of 1,392 employed at NIC's operations there. In essence, those on site will remain on site and those in China will remain in China. As a result, at this point, we do not expect any material impact on operations. Speculation around this issue, however, has had a material impact on macro sentiment. In our view, operating fundamentals remain intact and we make no changes to our outlook as a result of this factor.

Investment thesis –Buy retained, TP \$1.20/sh (from \$1.23/sh)

The lower Ni in NPI price realisation assumption is the key driver behind the 8% reduction of our forecast FY20 earnings. This is partially offset by higher Ni in NPI grades, which have remain consistently above ore base-case forecasts. FY21 and FY22 earnings are essentially unchanged. Our target price is lowered 2% to \$1.20/sh. Now at full production and steady state operations, NIC remains one of our top picks for CY20 and our preferred nickel exposure.

Year ending 30 June	2019a	2020e	2021e	2022e
Sales (US\$m)	65	587	677	718
EBITDA (US\$m)	20	241	336	368
Attributable NPAT (reported) (US\$m)	66	126	186	211
Attributable NPAT (adjusted) (US\$m)	7	126	186	211
EPS (adjusted) (A¢ps)	0.8	11.4	16.0	17.3
EPS growth (%)	nm	62%	40%	8%
PER (x)	8.8	5.5	3.9	3.6
FCF Yield (%)	-24%	18%	44%	48%
EV/EBITDA (x)	36.0	3.0	2.2	2.0
Dividend (A¢ps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	37%	55%	55%	46%

SOURCE: BELL POTTER SECURITIES ESTIMATES

DISCLAIMER: THIS REPORT MUST BE READ WITH THE DISCLAIMER ON PAGE 8 THAT FORMS PART OF IT. DISCLOSURE: BELL POTTER SECURITIES ACTED AS LEAD MANAGER TO THE \$200M IPO OF AUGUST 2018 AND LEAD MANAGER TO THE \$55M PLACEMENT OF JUNE 2019 AND RECEIVED FEES FOR THAT SERVICE.

Preferred nickel exposure

First quarter at full production and 60% ownership

NIC has released its December 2019 quarter report. The December quarter saw a continued strong operational performance from all four Rotary Kiln Electric Furnace (RKEF) lines at the Hengjaya and Ranger Nickel Projects at the Indonesia Morowali Industrial Park (IMIP) in Sulawesi. The first full quarter at full production rates produced 80,015t of NPI grading 13.7% Ni for 10,968t contained Ni (vs BPe 9,800t Ni), with 6,581t Ni attributable to NIC. Consolidated cash costs were US\$7,879/t, up 5% qoq (vs BPe US\$7,657/t). The increase in costs was driven by a short-term spike in the month of December, as ore blend variations were trialled at the Ranger lines, resulting in increased power consumption.

Total production represented a 9% increase in Ni production qoq and a 28% increase in Ni production attributable to NIC on the first entire quarter of 60% ownership of all four RKEF lines. We estimate ytd Ni production attributable to NIC at 11,741t. Our estimate (not reported by NIC) of weighted average cash costs ytd is US\$7,728/t.

The December quarter total comprised NPI production from the Hengjaya project (NIC 60%) of 40,911t at 13.6% Ni for 5,577t Ni contained. Cash-Costs were US\$7,778/t. NPI production from the Ranger project (NIC 60%) was 39,105t at 13.8% Ni for 5,390t Ni contained. Cash-Costs were US\$7,886/t.

EBITDA of US\$56.8m was reported for the December quarter (100%-basis, September quarter US\$50.2m). Net of US\$12.8m CAPEX, \$21.1m reduction in working capital liabilities (including US\$6m in inter-company loan repayments to SDI – now fully repaid), US\$2.0m in interest and corporate costs and a US\$2.2m increase in trade receivables, cash on hand increased from US\$33.0m to US\$49.8m.

Overall, production has continued to increase and is sitting above our steady state assumptions, NPI grades have been maintained and cash costs are coming in in-line with our steady-state assumptions.

Production and sales from the Hengjaya Mine (NIC 80%) remain elevated, at 196kt (BPe 230kt). This was partially offset by higher grades of 1.99% Ni (BPe 1.8% Ni) for 3,918t Ni contained in ore (BPe 4,140). Despite high operating costs at the mine, margins lifted from US\$3/t to US\$11/t and exceeded our US\$8/t forecast due to higher prices received.

	Dec-18 Actual	Mar-19 Actual	Jun-19 Actual	Sep-19 Actual	Dec-19 Actual	Dec-19 BP est.	Variance qoq %	Variance vs BPe %
Hengjaya Mine								
Ore sales (t)	139,707	142,918	96,023	231,487	196,895	230,000	-15%	-14%
grade (% Ni)	2.02%	1.92%	1.84%	1.84%	1.99%	1.80%	8.2%	10.6%
Contained nickel (t Ni)	1,778	1,729	1,113	4,259	3,918	4,140	-8%	-5%
Mine OPEX (US\$/t)	\$25.55	\$26.02	\$44.11	\$24.85	\$26.27	\$19.38	6%	36%
Avg price received (US\$/t)	\$31.78	\$27.51	\$23.42	\$27.72	\$37.59	\$27.50	36%	37%
RKEF NPI production								
NPI production (t)	-	8,372	33,734	72,393	80,015	70,000	11%	14%
NPI grade (% Ni)	-	13.0%	13.9%	13.8%	13.7%	14.0%	-1%	-2%
Contained nickel (t)	-	1,090	4,698	10,020	10,968	9,800	9%	12%
Contained nickel (t, attributable)	-	654	2,684	5,160	6,581	5,880	28%	12%
Costs								
Cash costs (US\$/t Ni)	\$0	\$7,648	\$7,725	\$7,536	\$7,879	\$7,657	5%	3%

Key production metrics are summarised below:

Payabilities and realised nickel price - we estimate 85%

If there were any negatives in the December quarterly they revolved around the payability of Ni in NPI, which we calculate at 85%. This is below the contractual 90% minimum price realisation. NIC has, at this stage, decided not to enforce the minimum payability given the delivery of the Hengjaya and Ranger RKEF lines ahead of schedule and actual production rates running ~30% above nameplate. Given the long-term nature of the relationship with SDI, we can understand the strategic goodwill in this decision. However, we had also expected payability terms to improve with a dropping nickel price.

While this is negative relative to expectations, NIC's price realisation is well above its peers. We expect that this will continue to rise and fall dependent upon market conditions and it is something the market will factor in over time. For now, we reduce our assumed payability to 90% for the balance of FY20 (in-line with average payabilities to date) and this contributes to a reduction in our earnings and valuation. We point out at the same time though, significant upside remains to our \$1.20/sh target price.

Changes to our forecasts

Beyond updating our forecasts for the December 2019 quarterly report, we have made the following changes to our modelled assumptions:

- Lifted our assumed Ni in NPI grade from 13.0% to 13.5% for the remainder of FY20, based on the consistent outperformance of NPI grades compared with our base case forecasts;
- Marginally increased our forecast cash costs to reflect actual performance;
- Lowered our Ni in NPI price realisation assumption for FY20 to 90%, reflecting the average realisation received to date; and
- Pushed back our production ramp-up forecasts for the Hengjaya Mine into FY21.

The net impact of these changes are summarised in the table below:

	Previous			New			Change		
Year end 30 September	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22
Prices & currency									
Nickel price (US\$/t)	15,735	16,424	17,306	15,788	16,424	17,306	0%	0%	0%
US\$/A\$	0.68	0.70	0.73	0.69	0.70	0.73	1%	0%	0%
Production & costs									
Ore mined (t)	1,171,487	1,560,000	1,560,000	1,028,382	1,560,000	1,560,000	-12%	0%	0%
Nickel in ore (t)	21,179	28,080	28,080	18,978	28,080	28,080	-10%	0%	0%
RKEF NPI production (t)	294,701	304,615	304,615	304,716	304,615	304,615	3%	0%	0%
Contained nickel (t)	39,620	39,600	39,600	41,549	39,600	39,600	5%	0%	0%
Contained nickel (t, attributable)	21,868	23,760	23,760	24,078	23,760	23,760	10%	0%	0%
Cash costs (US\$/t Ni)	7,662	7,873	8,070	7,746	7,873	8,070	1%	0%	0%
Earnings & valuation									
Revenue (attributable, US\$m)	338	411	429	347	408	429	3%	-1%	0%
EBITDA (attributable, US\$m)	152	204	219	142	201	219	-7%	-1%	0%
NPAT (reported, attributable, US\$m)	137	190	212	126	186	211	-8%	-2%	0%
EPS (reported) (Acps)	13	16	17	11	16	17	-9%	-2%	0%
PER (x)	5.0	3.8	3.6	5.5	3.9	3.6	0.5	0.1	0.0
EPS growth (%)	79%	29%	7%	62%	40%	8%	-17%	11%	2%
DPS (Acps)	-	-	-	-	-	-	na	na	na
Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
NPV (A\$/sh)	1.23	1.42	1.55	1.20	1.40	1.53	-3%	-1%	-1%
Price Target (A\$/sh)	1.23			1.20			-2%		

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 2 - Changes to our FY forecasts

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The lower Ni in NPI price realisation assumption reduces our forecast FY20 earnings by 8%. FY21 and FY22 earnings estimates are largely unchanged. The lower production and higher costs at the Hengjaya Mine also contribute to the earnings reduction. Our NPV-based valuation is lowered 2% to \$1.20/sh (from \$1.23/sh). With upside of 92.0% from the last closing price, we retain our Buy recommendation.

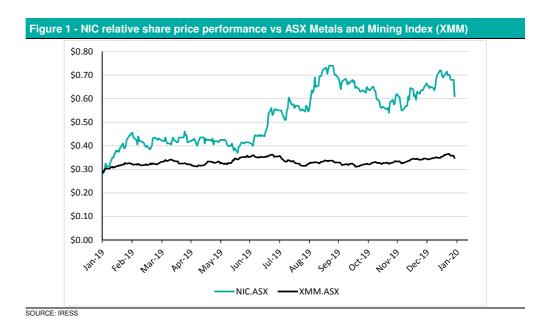
NIC continues to trade on a relatively low FY20 P/E of just 5.5x - in our view good value for what is in many respects a high growth industrial story.

Upcoming catalysts

Upcoming catalysts for NIC include:

- Ongoing production updates from the Hengjaya and Ranger Nickel RKEF lines. Both projects have now achieved full production above nameplate and ongoing updates will reinforce the sustainability of these production levels;
- Updates on Ni in NPI pricing and payabilities, following the reporting of lower than expected rates in the December 2019 quarter;
- The release of NIC's 1HFY20 financial statements, which will cover the ramp-up period and achievement of full production rates across all four RKEF lines;
- The release of NIC's March 2020 quarterly production and cost report, expected in late April 2020;
- Indications on the timing of the acquisition of a further 20% interest (to lift ownership to 80%) in the Hengjaya and Ranger projects;
- Progress on the potential mining and sale of limonite ore from the Hengjaya Mine to the proposed High Pressure Acid Leach (HPAL) project at the IMIP; and
- Updates on the ownership levels of the 80%-owned Hengjaya Mine, which is subject to Indonesia's compulsory divestment laws.

NIC vs the ASX Metals and Mining Index



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Nickel Mines Limited (NIC)

Company description: high grade, steady state producer

Nickel Mines Limited ('Nickel Mines' or 'NIC') is a newly listed ASX company, formed in 2007. Its operations are focused in Central Sulawesi, Indonesia, where it holds a 60% interest two Rotary Kiln Electric Furnace (RKEF) lines (the Hengjaya lines) and a 17% interest in a further two RKEF lines (the Ranger lines) with Shanghai Decent Investments (SDI) a subsidiary of Tsingshan Group, the world's largest stainless steel producer. The RKEF lines are located in an existing, fully integrated stainless steel production facility, the Indonesian Morowali Industrial Park (IMIP), in Central Sulawesi, Indonesia. First production from the Hengjaya Lines was achieved on 31 January 2019 and these exceeded their nameplate production run-rate of 16ktpa nickel in NPI (100% basis) during the September quarter 2019. The Ranger Lines commenced production during the September quarter 2019.

NIC also holds an 80% interest in Hengjaya Mine ('HM'), a high-grade, long-life nickel laterite deposit, also in Central Sulawesi in close proximity to the IMIP. The balance of the asset is owned by NIC's local Indonesian partner. The HM produces Direct Shipping Ore (DSO), the bulk of which is sold into the IMIP facility for the production of Nickel Pig Iron (NPI), a key input into stainless steel production.

Investment thesis -Buy retained, TP \$1.20/sh (from \$1.23/sh)

The lower Ni in NPI price realisation assumption is the key driver behind the 8% reduction of our forecast FY20 earnings. This is partially offset by higher Ni in NPI grades, which have remain consistently above ore base-case forecasts. FY21 and FY22 earnings are essentially unchanged. Our target price is lowered 2% to \$1.20/sh. Now at full production and steady state operations, NIC remains one of our top picks for CY20 and our preferred nickel exposure.

Valuation: \$1.20/sh

Our 12-month forward NIC valuation incorporates DCF models of its attributable interests in the Hengjaya laterite nickel ore mine (HM), a 60% interest in the two Hengjaya Nickel RKEF lines and a 60% interest in the two Ranger Nickel RKEF lines.

We have constructed a discounted cash flow (DCF) model for NIC's attributable interest in these RKEF lines that are in production at Tsingshan's IMIP facility and a DCF calculation for NIC's current 80% interest (declining to 49% from FY2023) in the Hengjaya laterite nickel ore mine.

We also include a notional value for exploration and development projects, an estimate of corporate overhead costs and NIC's last reported net debt position. Our valuation is calculated on a fully diluted basis. Following the latest update, our valuation stands at \$1.20/sh.

Risks

Key risks to our investment case 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.
- **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.
- 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. One of the key mitigating factors in this respect has been the investment of a combined US\$50m by SDI and Wanlu Investments (US\$26m and US\$24m respectively) into NIC equity.

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Nickel Mines Ltd as at 29 January 2020

RecommendationPrice\$Target (12 months)

Buy \$0.625

\$1.20

Table 3 - Financial summary

PROFIT AND LOSS						
Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e
Revenue	US\$m	13.6	64.9	586.6	677.2	717.6
Expense	US\$m	(15.1)	(44.5)	(345.1)	(341.5)	(350.0)
EBITDA	US\$m	(1.6)	20.4	241.5	335.7	367.6
Depreciation	US\$m	(0.1)	(6.8)	(18.5)	(18.6)	(18.6)
EBIT	US\$m	(1.6)	13.6	223.0	317.1	349.0
Net interest expense	US\$m	(0.7)	(0.0)	(3.9)	(1.4)	4.9
Unrealised gains (Impairments)	US\$m	-	58.3	-	-	-
Other	US\$m	-	-	-	-	-
PBT	US\$m	(2.3)	71.9	219.1	315.8	353.9
Tax expense	US\$m	(0.7)	(0.1)	(1.4)	(3.5)	(3.7)
Consolidated profit (loss) for the year	US\$m	(2.9)	71.8	217.7	312.2	350.2
Non-Controlling Interest	US\$m	0.4	6.3	91.9	125.8	139.3
Attributable NPAT (reported)	US\$m	(3.3)	65.5	125.9	186.4	210.9
NPAT (underlying)	US\$m	(3.3)	7.2	125.9	186.4	210.9

CASH FLOW						
Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e
OPERATING CASHFLOW						
Receipts	US\$m	13.5	33.4	571.6	668.2	713.6
Payments	US\$m	(21.5)	(28.4)	(301.1)	(342.4)	(347.9)
Tax	US\$m	-	(1.2)	0.1	(1.4)	(3.5)
Net interest	US\$m	0.1	0.2	(3.9)	(1.4)	4.9
Other	US\$m	(0.3)	-	(0.4)	-	-
Operating cash flow INVESTING CASHFLOW	US\$m	(8.2)	4.1	266.4	323.0	367.0
Property, plant and equipment	US\$m	(0.7)	(19.5)	(139.1)	(2.9)	(2.9)
Mine development	US\$m	-	-	-	-	-
Exploration & evaluation	US\$m	-	-	(0.5)	(0.4)	(0.4)
Other	US\$m	(50.0)	(121.1)	-	-	-
Investing cash flow	US\$m	(50.7)	(140.6)	(139.6)	(3.3)	(3.3)
Free Cash Flow	US\$m	(58.9)	(136.5)	126.8	319.7	363.7
FINANCING CASHFLOW						
Share issues/(buy-backs)	US\$m	73.9	183.6	39.3	-	-
Debt proceeds	US\$m	-	-	80.0	-	-
Debt repayments	US\$m	(13.2)	(2.0)	-	(16.0)	(21.3)
Distributions to non-controlling interests	US\$m		15.0	(90.9)	(121.9)	(134.4)
Dividends	US\$m	-	-	-	-	-
Other	US\$m	(1.8)	(10.8)	-	-	-
Financing cash flow	US\$m	59.0	185.8	28.5	(137.9)	(155.7)
Change in cash	US\$m	0.0	49.3	155.3	181.8	208.0

BALANCE SHEET	Linia	0010-	0010-	0000-	0001+	0000-
	Unit	2018a	2019a	2020e	2021e	2022e
ASSETS						
Cash & short term investments	US\$m	0.8	49.0	204.3	386.1	594.1
Accounts receivable	US\$m	0.4	43.7	58.7	67.7	71.8
Property, plant & equipment	US\$m	76.6	340.1	461.1	445.7	430.4
Mine development expenditure	US\$m	-	-	-	-	-
Exploration & evaluation	US\$m	-	-	0.1	0.1	0.1
Other	US\$m	1.6	99.2	99.2	99.2	99.2
Total assets	US\$m	79.4	531.9	823.3	998.8	1,195.6
LIABILITIES						
Accounts payable	US\$m	2.9	42.2	86.3	85.4	87.5
Income tax payable	US\$m	0.7	0.3	1.4	3.5	3.7
Borrowings	US\$m	-	4.2	84.2	68.2	46.8
Other	US\$m	0.8	30.4	30.4	30.4	30.4
Total liabilities	US\$m	4.3	77.2	202.3	187.5	168.5
SHAREHOLDER'S EQUITY						
Share capital	US\$m	103.1	275.9	315.3	315.3	315.3
Reserves	US\$m	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Retained earnings	US\$m	(29.3)	36.3	162.1	348.5	559.4
Total equity to NIC holders	US\$m	73.2	311.6	476.8	663.2	874.1
Non-controlling interest	US\$m	1.9	143.2	144.2	148.1	153.0
Total equity	US\$m	75.1	454.8	621.0	811.3	1,027.1
Weighted average shares	m	461.8	1,324.4	1,595.5	1,665.5	1,665.5

CAPITAL ST	

Shares on issue	m		1,385.1	Total shares dil Valuation
Total shares on issue	m	(add 280.3m escrow and placement shares)	1,665.5	Sum-of-the-part
Share price	A\$/sh		0.625	RKEF (NPV12)
Market capitalisation	A\$m		1,040.9	Hengjaya Mine (I
Net cash	A\$m		-46.2	Other exploration
Enterprise value (undiluted)	A\$m		1,087.1	Corporate overhe
Options outstanding (m)	m		0.0	Subtotal (EV)
Options (in the money)	m		0.0	Net cash (debt)
Issued shares (diluted for options)	m		1,665.5	Total (undiluted
Market capitalisation (diluted)	A\$m		1,040.9	Dilutive effect of
Net cash + options	A\$m		-46.2	Add cash from o
Enterprise value (diluted)	A\$m		1,087.1	Total (diluted)

MAJOR SHAREHOLDERS		
Shareholder	%	m
Shanghai Decent (SDI)	18.1%	301.7
BlackRock Investment Management	9.7%	161.7
Shanghai Wanlu	9.0%	149.3
Directors and Management	8.3%	137.9
Regal FM	7.1%	118.0

FINANCIAL RATIOS						
Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e
VALUATION						
Attributable NPAT	US\$m	(3.3)	65.5	125.9	186.4	210.9
Attributable NPAT	A\$m	(4.4)	93.6	182.4	266.3	288.9
Reported EPS	Ac/sh	(0.9)	7.1	11.4	16.0	17.3
Adjusted EPS	Ac/sh	(0.9)	0.8	11.4	16.0	17.3
EPS growth	%	nm	nm	62%	40%	8%
PER	X	nm	8.8x	5.5x	3.9x	3.6>
DPS	Ac/sh %	- 0%	- 0%	- 0%	- 0%	0%
Franking Yield	%	0%	0%	0%	0%	0%
FCF/share	Ac/sh	(16.9)	(14.7)	11.5	27.4	29.9
FCF yield	%	-27%	-24%	18%	44%	48%
P/FCFPS	76 X	-2778 -3.7x	-4.2x	5.4x	2.3x	2.1
EV/EBITDA	x	-473.2x	36.0x	3.0x	2.2x	2.0
EBITDA margin	%	470.2x	31%	41%	50%	51%
EBIT margin	%	nm	21%	38%	47%	49%
Return on assets	%	-5%	23%	32%	34%	329
Return on equity	%	-8%	37%	55%	55%	46%
LIQUIDITY & LEVERAGE						ññá
Net debt (cash)	\$m	-		(120)	(318)	(547
ND / E	%	0%	0%	-25%	-48%	-63%
ND / (ND + E)	%	0%	0%	-34%	-92%	-1679
EBITDA / Interest	x	-2.4x	569.2x	62.3x	248.1x	nn
ATTRIBUTABLE DATA - NICKEL M		2010-	00104	2000-	0004	20226
Year ending 30 June Revenues	Unit US\$m	2018a 10.8	2019a 52.0	2020e 347.2	2021e 407.7	428.
EBITDA	US\$m	(1.2)	13.5	141.9	201.3	219.
NPAT	US\$m	(3.3)	65.5	125.9	186.4	210.9
Net distributable cash flow	US\$m	0.0	44.4	139.7	163.7	187.
EV/EBITDA	x	nm	57.6	5.3	3.8	3.0
PER P/FCF	x x	nm nm	8.8 nm	5.5 nm	3.9 4.5	3.0 4.0
1/101			100		4.0	4.
ORE RESERVE AND MINERAL RE	SOURCE					
Hengjaya Nickel Mine (HM)				Mdmt	% Ni	t N
Mineral Resources Measured				0 700	1 000/	10.600
Indicated				0.700 15.000	1.80% 1.90%	12,600 285,000
Inferred				22.000	1.80%	396.000
Inferred Total				22.000 38.000	1.80% 1.80%	396,000 678,000
Total ASSUMPTIONS - Prices	Unit	2018a	2019a			678,00
Total	Unit	2018a	2019a	38.000	1.80%	678,00
Total ASSUMPTIONS - Prices	Unit US\$//b	2018 a \$5.65	2019a \$5.60	38.000	1.80%	678,000 2022
Total ASSUMPTIONS - Prices Year ending 30 June avg				38.000 2020e	1.80% 2021e	678,000 2022 \$7.8
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel	US\$/lb	\$5.65	\$5.60	38.000 2020e \$7.16	1.80% 2021e \$7.45	678,000 2022 \$7.8
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel	US\$/lb	\$5.65	\$5.60	38.000 2020e \$7.16	1.80% 2021e \$7.45	678,00 2022 \$7.8 \$17,30
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency	US\$/lb	\$5.65 \$12,456	\$5.60 \$12,343	38.000 2020e \$7.16 \$15,788	1.80% 2021e \$7.45 \$16,424	678,000 2022 \$7.8 \$17,300
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency	US\$/lb US\$/t	\$5.65 \$12,456	\$5.60 \$12,343	38.000 2020e \$7.16 \$15,788	1.80% 2021e \$7.45 \$16,424	678,000 2022 \$7.8 \$17,300
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD	US\$/lb US\$/t	\$5.65 \$12,456	\$5.60 \$12,343	38.000 2020e \$7.16 \$15,788	1.80% 2021e \$7.45 \$16,424	678,000 2022 \$7.89 \$17,300 0.73
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos	US\$/lb US\$/t	\$5.65 \$12,456 0.78	\$5.60 \$12,343 0.72	38.000 2020e \$7.16 \$15,788 0.69	1.80% 2021e \$7.45 \$16,424 0.70	678,000 2022 \$7.89 \$17,300 0.73
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June	US\$/lb US\$/t	\$5.65 \$12,456 0.78	\$5.60 \$12,343 0.72 2019a	38.000 2020e \$7.16 \$15,788 0.69 2020e	1.80% 2021e \$7.45 \$16,424 0.70	678,00 2022 \$7.8 \$17,30 0.7 2022
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine	US\$/lb US\$/t sts Unit	\$5.65 \$12,456 0.78 2018a	\$5.60 \$12,343 0.72 2019a	38.000 2020e \$7.16 \$15,788 0.69 2020e	1.80% 2021e \$7.45 \$16,424 0.70 2021e	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined	US\$/lb US\$/t sts Unit wmt	\$5.65 \$12,456 0.78 2018a 391,362	\$5.60 \$12,343 0.72 2019a 484,268	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade	US\$/Ib US\$/It sts Unit % Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1%	\$5.60 \$12,343 0.72 2019a 484,268 2.0%	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9%	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8%	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore	US\$/Ib US\$/I US\$/T Unit % Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5,977	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore Nickel in ore Nickel in ore (attributable)	US\$/Ib US\$/I US\$/T Unit % Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5,977	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08 15,72
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency ADD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP)	US\$/Ib US\$/I US\$/I Unit % Ni t Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5,977 4,782	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (MIP) NPI production	US\$/Ib US\$/Ib US\$/I UNIt % Ni t Ni t Ni t Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4,782 42,106	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ⁹ 28,08 15,72 304,61 39,60
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cor Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore Nickel in ore Nickel in ore(attributable) RKEF (IMIP) NPI production Contained nickel	US\$/Ib US\$/I US\$/I Unit % Ni t Ni t Ni t Ni t Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600	678,000 2022: \$7.84 \$17,300 0.75 2022: 1,560,000 1.89 28,084 15,725 304,611 39,600
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore Nickel in ore Nickel in ore Contained nickel Contained Contai	US\$/Ib US\$/I US\$/I Unit % Ni t Ni t Ni t Ni t Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel (attributable) Costs	US\$/Ib US\$/Ib US\$/I UNIt % Ni t Ni t Ni t Ni t Ni t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549 24,078	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760	678,000 2022 \$7.8 \$17,300 0.7 2022 1,560,000 1.89 28,080 15,72 304,611 39,600 23,760 \$8,070
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Costs Cash costs	sts US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni t Ni t Ni t Ni t	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76 \$8,07
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel (attributable) Costs Cash costs Al-in-Costs (AIC)	sts US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni t Ni t Ni t Ni t	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76 \$8,07
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel (attributable) Costs Cash costs Al-lin-Costs (AIC)	sts US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni t Ni t Ni t Ni t	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ⁹ 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m)	US\$/Ib US\$/I US\$/I Unit Vi t Ni t Ni t Ni t Ni t Ni t Ni t Ni t N	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 17,690 304,615 39,600 23,760 23,760 \$7,873 \$7,998	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665.
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Contained nickel Costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m)	US\$/Ib US\$/I US\$/I Unit Vi t Ni t Ni t Ni t Ni t Ni t Ni t Ni t N	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,766 \$7,863	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 17,690 304,615 39,600 23,760 23,760 \$7,873 \$7,998	678,000 2022: \$7.83 \$17,300 0.77 2022: 1,560,000 1.89 28,080 15,723 304,611 39,600 23,766 \$8,070 \$8,070 \$8,070
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Costs Cash costs All-in-Costs (AIC) YALUATION Ordinary shares (m)	US\$/Ib US\$/I US\$/I Unit Vi t Ni t Ni t Ni t Ni t Ni t Ni t Ni t N	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 17,690 304,615 39,600 23,760 23,760 \$7,873 \$7,998	678,000 2022: \$7.83 \$17,300 0.73 2022: 1,560,000 1.89 28,080 15,723 304,611 39,600 23,760 23,760 23,760 \$8,070 \$8,070 \$8,070 \$8,070 \$8,070 \$1,665.5
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Contained nickel Costs Alk-in-Costs (AIC) YALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m)	US\$/Ib US\$/I WI WI VNi t Ni t Ni t Ni t Ni t Ni US\$/I Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3,339 \$7,710 \$8,125	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998	678,000 2022: \$7.84 \$17,300 0.77 2022: 1,560,000 1.87 28,084 15,724 39,600 23,764 \$8,074 \$8,074 \$8,194 1,665. 1,665.
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore (attributable) RKEF (MIP) NPI production Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Valuation	sts US\$/Ib Wmt % Ni t Ni t Ni t Ni t Ni US\$/t Ni US\$/t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6.450 - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,0111 0,0011	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665. 1,665. nths A\$/s
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts	sts US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni t Ni t Ni US\$/I Ni US\$/I Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062 6,450 - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A\$m	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,47,746 \$7,863 0,09 0,07 0,09 0,07 0,09 0,	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665. 1,665.
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Contained nickel Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-Of-the-parts RKEF (NPV12)	US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni US\$/I Ni US\$/I Ni VS\$/I Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3,339 \$7,710 \$8,125 +12 m A\$m 1,804,2	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1.9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,746 \$7,863 \$7,16 \$7,16 \$7,16 \$15,788 \$7,16 \$15,788 \$14,606 \$15,788 \$14,606 \$15,788 \$14,606 \$10,716 \$14,549 \$15,5466 \$15,5466 \$15,5466 \$15,5466 \$15,54666 \$15,5466	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 *7,978	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.89 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665. 1,665. 1,665. nths A\$/s
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjav Mine Ore mined Ore mined Ore grade Nickel in ore (attributable) RKEF (MIP) NPI production Contained nickel Contained nickel (attributable) Costs Cash costs AlL-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengjava Mine (NPV12) Other exploration	US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6.450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A\$m 1.804.2 66.8 25.0	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,04 1.08 0,04 0,02	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 +24 f A\$m 1,939.5 7,2.9 2,5.0	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665 . 1,665 . 1,665 . 1,665 . 1,665 .
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel (attributable) Costs Cash costs AlL-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengjaya Mine (NPV12) Other exploration Corporate overheads	US\$/Ib US\$/I Wmt % Ni t Ni t Ni t Ni t Ni US\$/I Ni US\$/I Ni US\$/I Ni US\$/I Ni	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8,062 6,450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A\$m 1.804.2 66.8 2.5.0 (18.8)	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,4 1,08 0,04 0,02 (0.01)	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,873 \$7,998 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,875 \$7,998 \$7,875 \$7,998 \$7,999 \$7,999 \$7,998 \$7,999 \$7,99	678,00 2022 \$7.8 \$17,30 0.7 2022 1,560,00 1.8 ³ 28,08 15,72 304,61 39,60 23,76 \$8,07 \$8,19 1,665. \$8,07 \$8,19 1,665. 1,665. 1,665. 0,00 0,001
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel (attributable) Costs Cash costs Alk-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengjaya Mine (NPV12) Other exploration Corporate overheads Subtotal (EV)	US\$/Ib US\$/I US\$/I US\$/I Wmt % Ni t Ni t Ni t Ni t Ni US\$/I Ni US\$/I Ni Vor A\$m 1,513.5 55.4 25.0 (18.6) 1,575.3	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6.450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3,339 \$7,710 \$8,125 *12 *12 m A \$m 1,804.2 66.8 25.0 (18.8) 1,877.2	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0.0118 A\$/sh 1.08 0.04 0.02 (0.01) 1.13	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 +24 r 1,939.5 72.9 25.0 (18.9) 2,018.5	678,000 2022: \$7.83 \$17,300 0.77 2022: 1,560,000 1.89 28,084 15,722 304,614 39,600 23,766 \$8,077 \$8,070 \$8,077 \$8,070 \$8,077 \$8,070 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,100 0,000 1,11 1,200 1,2
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (MIP) NPI production Contained nickel Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengjaya Mine (NPV12) Other exploration Corporate overheads Subtotal (EV) Net cash (debt)	US\$/Ib US\$/Ib US\$/I Wmt % Ni t S S54 No A\$m 1,513.5 55.4 25.0 (18.6) 1,575.3 (46.2)	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A §m. 1,804.2 66.8 25.0 (18.8) 1,877.2 120.1	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,04 0,05 0,014 1.08 0,02 (0,01) 1,13 0,07	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 *7,978 \$7,979 \$7,979 \$7,979 \$7,979 \$1,999 \$1,998 \$1,99	678,000 2022c \$7.88 \$17,306 0.77 2022c 1,560,000 1.8% 28,080 15,725 39,600 23,760 \$8,070 \$8,070 \$8,190 1,665.5 1,
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengiaya Mine Ore mined Ore mined Ore grade Nickel in ore (attributable) RKEF (IMP) NPI production Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengiaya Mine (NPV12) Other exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted)	US\$/Ib US\$/I US\$/I US\$/I Wmt % Ni t Ni t Ni t Ni t Ni US\$/I Ni US\$/I Ni Vor A\$m 1,513.5 55.4 25.0 (18.6) 1,575.3	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6.450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3,339 \$7,710 \$8,125 *12 *12 m A \$m 1,804.2 66.8 25.0 (18.8) 1,877.2	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0.0118 A\$/sh 1.08 0.04 0.02 (0.01) 1.13	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 +24 r 1,939.5 72.9 25.0 (18.9) 2,018.5	678,000 2022: \$7.88 \$17,300 0.77 2022: 1,560,000 1.89 28,080 15,729 304,619 39,600 23,760 \$8,070 \$1,065.5 \$1,000 \$0,0000 \$0,000 \$0,0000 \$0,
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengjaya Mine Ore mined Ore grade Nickel in ore Nickel in ore (attributable) RKEF (IMIP) NPI production Contained nickel Contained nickel Contained nickel (attributable) Costs Cash costs Al-in-Costs (AIC) VULUTION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-Or-the-parts RKEF (NPV12) Hengjaya Mine (NPV12) Other exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options	US\$/Ib US\$/Ib US\$/I Wmt % Ni t S S54 No A\$m 1,513.5 55.4 25.0 (18.6) 1,575.3 (46.2)	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A §m. 1,804.2 66.8 25.0 (18.8) 1,877.2 120.1	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,04 0,05 0,014 1.08 0,02 (0,01) 1,13 0,07	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 *7,978 \$7,979 \$7,979 \$7,979 \$7,979 \$1,999 \$1,998 \$1,99	678,000 2022: \$7.88 \$17,300 0.77 2022: 1,560,000 1.89 28,080 15,729 304,619 39,600 23,760 \$8,070 \$1,065.5 \$1,000 \$0,0000 \$0,000 \$0,0000 \$0,
Total ASSUMPTIONS - Prices Year ending 30 June avg Nickel Nickel Currency AUD:USD ASSUMPTIONS - Production & cos Year ending 30 June Hengiaya Mine Ore mined Ore mined Ore grade Nickel in ore (attributable) RKEF (IMP) NPI production Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m) Total shares diluted (m) Valuation Sum-of-the-parts RKEF (NPV12) Hengiaya Mine (NPV12) Other exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted)	US\$/Ib US\$/Ib US\$/I Wmt % Ni t S S54 No A\$m 1,513.5 55.4 25.0 (18.6) 1,575.3 (46.2)	\$5.65 \$12,456 0.78 2018a 391,362 2.1% 8.062 6,450 - - - - - - - - - - - - - - - - - - -	\$5.60 \$12,343 0.72 2019a 484,268 2.0% 5.977 4.782 42,106 5.788 3.339 \$7,710 \$8,125 +12 m A §m. 1,804.2 66.8 25.0 (18.8) 1,877.2 120.1	38.000 2020e \$7.16 \$15,788 0.69 2020e 1,028,382 1,9% 18,978 14,606 304,716 41,549 24,078 \$7,746 \$7,863 0,04 0,05 0,014 1.08 0,02 (0,01) 1,13 0,07	1.80% 2021e \$7.45 \$16,424 0.70 2021e 1,560,000 1.8% 28,080 17,690 304,615 39,600 23,760 \$7,873 \$7,998 *7,978 \$7,979 \$7,979 \$7,979 \$7,979 \$1,999 \$1,998 \$1,99	678,000 2022(\$7.83 \$17,306 0.73 2022(1,560,000 1.8% 28,080 15,725 304,611 39,600 23,760 23,760 \$8,070 \$8,070 \$8,070 \$8,070 \$8,070 \$8,070 \$8,196 1,665.5 1,665.5 1,665.5 1,665.5 1,665.5 1,16 0,002 0,001 1,12 1,2022(1,500,000 1,8% 2,8,080 1,5,000 1,8% 2,8,080 1,5,000 1,8% 2,8,080 1,5,000 1,8% 2,8,080 1,5,000 1,8% 2,8,080 1,5,000 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 2,3,760 1,665.5 1,665.5 1,665.5 1,100 1,

SOURCE: BELL POTTER SECURITIES ESTIMATES

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

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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