BÉLL POTTER

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Nickel Mines Ltd (NIC)

Full production achieved

Recommendation

Buy (unchanged)
Price
\$0.64
Target (12 months)
\$1.23 (previously \$1.24)

GICS Sector

Materials

Rel market (%

\$0.10

Expected Return	
Capital growth	92.2%
Dividend yield	0.0%
Total expected return	92.2%
Company Data & Ratios	
Enterprise value	\$1,112m
Market cap	\$1,066m
Issued capital	1,665.5m
Free float	56%
Avg. daily val. (52wk)	\$1.5m
12 month price range	\$0.22-\$0.75

Price Performance (1m) (3m) (12m) Price (A\$) 0.70 0.56 0.28 Absolute (%) -7.9 16.2 134.5

Absol	ute Price
\$0.80	
\$0.70	
\$0.60	
\$0.50	
\$0.40	Wayburk
\$0.30 \$0.20	Maria . J
\$0.20	444

Aug 18 Nov 18 Feb 19 May 19 Aug 19

----S&P 300 Rebased

SOURCE: IRESS

September 2019 quarter

NIC has released its September 2019 quarter report. A continued strong operational performance saw the completion of the ramp-up phase at the Hengjaya and Ranger Nickel Projects at the Indonesia Morowali Industrial Park (IMIP) in Sulawesi. All four Rotary Kiln Electric Furnace (RKEF) lines are now in full production, achieved within 21 months of construction commencing and one quarter ahead of an already accelerated schedule. Production of Nickel Pig Iron (NPI) and contained nickel more than doubled compared with the June 2019 quarter. This resulted in total production across both projects of 72.4kt NPI at 13.8% Ni for 10,019t Ni contained, with 5,161t attributable to NIC (vs BPe 68.5kt NPI @ 14.0% Ni for 9,590t Ni contained and 3,932t Ni attributable). Cash costs were US\$7,536/t, down 2% gog (vs BPe US\$7,710/t).

Already paying down debt

NIC's operational performance is already flowing through to the balance sheet, even before the first full quarter of both 60% ownership and full production has been completed. While cash dropped from US\$49m to US\$33m and debt increased from nil to US\$65m at end June, the period featured the drawdown of a US\$80m debt facility offset by the early repayment of US\$15m and a working capital build from US\$45m to US\$85m in sold NPI trade receivables – noting the June balance was paid in full.

Payabilities of Ni in NPI were also a feature of the result and we estimate NIC received 88% of the LME nickel price. We also estimate this metric stands at ~95% for the project to date and lower our assumption to this level for the balance of FY20.

Investment thesis -Buy retained, TP \$1.23/sh (from \$1.24/sh)

NIC continues to build an excellent operational track record and offer exposure to the nickel price. The lower Ni in NPI price realisation assumption reduces our forecast FY20 earnings by 11%. The lower production and higher costs at the Hengjaya Mine also contribute to the earnings reduction. FY21 and FY22 earnings are unchanged. Our NPV-based valuation is effectively unchanged at \$1.23/sh (from \$1.24/sh).

Earnings Forecast							
Year ending 30 June	2019a	2020e	2021e	2022e			
Sales (US\$m)	65	525	682	718			
EBITDA (US\$m)	20	242	341	368			
Attributable NPAT (reported) (US\$m)	66	137	190	212			
Attributable NPAT (adjusted) (US\$m)	7	137	190	212			
EPS (adjusted) (A¢ps)	0.8	12.6	16.3	17.4			
EPS growth (%)	nm	79%	29%	7%			
PER (x)	9.1	5.1	3.9	3.7			
FCF Yield (%)	-23%	19%	45%	47%			
EV/EBITDA (x)	37.7	3.2	2.3	2.1			
Dividend (A¢ps)	-	=	=	=			
Yield (%)	0%	0%	0%	0%			
Franking (%)	0%	0%	0%	0%			
ROE (%)	37%	55%	55%	45%			

SOURCE: BELL POTTER SECURITIES ESTIMATES

September 2019 quarter report

Strong operational track record continues

NIC has released its September 2019 quarter report. A continued strong operational performance saw the completion of the ramp-up phase at the Hengjaya and Ranger Nickel Projects at the Indonesia Morowali Industrial Park (IMIP) in Sulawesi. All four Rotary Kiln Electric Furnace (RKEF) lines are now in full production, within 21 months of construction commencing and one quarter ahead of an already accelerated schedule. Production of NPI and contained nickel more than doubled compared with the June 2019 quarter.

NPI production from the Hengjaya project (NIC 60%) was 39,570t at 13.6% Ni for 5,379t Ni contained. Cash-Costs were US\$7,523/t. NPI production from the Ranger project (NIC 60%, increased from 17% effective 15 August 2019) was 32,823t at 14.1% Ni for 4,640t Ni contained. Cash-Costs were US\$7,552/t. This resulted in total production of 72.4kt NPI at 13.8% Ni for 10,019t Ni contained across both projects, with 5,161t attributable to NIC. Consolidated cash costs were US\$7,536/t, down 2% qoq (vs BPe US\$7,710/t).

Overall, production has continued to increase, NPI grades have been maintained and cash costs are coming in lower than our steady-state assumptions. This resulted in an impressive financial performance. While cash dropped from US\$49m to US\$33m and debt increased from nil to US\$65m at end June, the period featured:

- The drawdown of US\$80m debt facility from Shanghai Decent (SDI, NIC's operating partner at the IMIP) to partially fund the acquisition of an additional 43% interest in the Ranger Project, for US\$121.4m;
- The early repayment of US\$15m of this facility, leaving a balance of US\$65m; and
- A working capital build in Trade Receivables (largely NPI sold to SDI on 60-day terms) to US\$85m from US\$45m at end June. Note that the June balance has subsequently been paid in full.

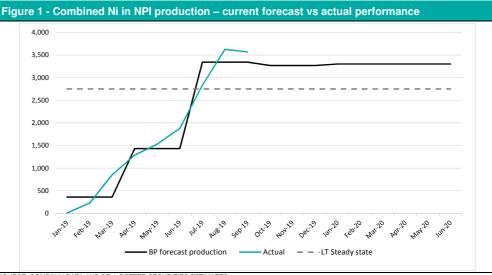
Meanwhile, production and sales from the Hengjaya Mine (NIC 80%) improved materially compared to the rain-affected June quarter. Ore sales increased 141% to 231kt and beat our 200kt forecast. Operating costs are still high, at US\$25/t, though this was offset by a higher ore sales price. The mine sold 231.5kt of laterite nickel ore at 1.84% Ni for 4,259 contained Ni tonnes.

Key production metrics are summarised below:

	Dec-18 Actual	Mar-19 Actual	Jun-19 Actual	Sep-19 Actual	Sep-19 BP est.	Variance qoq %	Variance vs BPe %
Hengjaya Mine							
Ore sales (t)	139,707	142,918	96,023	231,487	200,000	141%	16%
grade (% Ni)	2.02%	1.92%	1.84%	1.84%	1.80%	0.0%	2.29
Contained nickel (t Ni)	1,778	1,729	1,113	4,259	3,600	283%	18%
Mine OPEX (US\$/t)	\$25.55	\$26.02	\$44.11	\$24.85	\$19.28	-44%	29%
Avg price received (US\$/t)	\$31.78	\$27.51	\$23.42	\$27.72	\$25.61	18%	89
RKEF NPI production							
NPI production (t)	0	8,372	33,734	72,393	68,500	115%	69
NPI grade (% Ni)	0.0%	13.0%	13.9%	13.8%	14.0%	-1%	-19
Contained nickel (t)	0	1,090	4,698	10,020	9,590	113%	49
Costs							
Cash costs (US\$/t Ni)	\$0	\$7,648	\$7,725	\$7,536	\$7,710	-2%	-29
AIC (US\$/t Ni)	\$0	\$8,246	\$8,198	\$7,656	\$7,835	-7%	-29

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The combined production from the Hengjaya and Ranger Nickel Projects continues to exceed our forecasts, as show in the chart below:



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Payabilities and realised nickel price - we estimate US\$13,630/t (88% payability)

Included in the NIC quarterly was commentary relating to an NPI pricing disconnect following the sharp increase in the LME nickel price during the quarter. NIC reported that NPI prices, which are set monthly, have lagged this spike and that prices received have dropped, resulting in lower payabilities.

We estimate a price received by NIC of ~US\$13,630/t Ni in NPI. This is based on reported sales of US\$117.2m during the quarter and Ni in NPI sales of 8,600t. We derive the sales tonnage by subtracting unsold inventories from quarterly production of 10,020t Ni in NPI.

We estimate unsold NPI tonnage by taking the US\$10.7m of NPI inventories (which are reported at cost) and dividing this amount by the quarterly cash cost of US\$7,536/t.

As with other markets for mined ores, we expect to see short term pricing variability when markets are volatile. There is an inherent liquidity lag in extracting the metal value from the raw material. As such, we view this variability as within normal ranges, particularly during the ramp-up phase.

We also have estimated an approximate payability of Ni in NPI for the project to date of 95%, based on our September guarter estimate and sales to date.

Changes to our forecasts

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

- Adjusted our FY20 production assumption to reflect the reported attributable production during the September quarter. NIC lifted its ownership level from 17% to 60%, effective August 15, 2019;
- Marginally lowered our forecast cash costs to reflect actual performance;
- Lowered our Ni in NPI price realisation assumption for FY20 to 95%, reflecting the average realisation received to date. This results in lower revenues and earnings for FY20;

- Despite the better-than-forecast production performance we have, at this stage, left our NPI production forecasts unchanged;
- Pushed back our assumed divestment schedule for the Hengjaya Mine we had assumed NIC's ownership dropping to 70% during the September quarter; and
- Pushed back our production ramp-up forecasts for the Hengjaya Mine and extended our CAPEX profile further into FY20 for an increase in overall costs.

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

Table 2 - Changes to our FY forecasts									
	Previous			New			Change		
Year end 30 June	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22	Jun-20	Jun-21	Jun-22
Prices & currency				•	·				
Nickel price (US\$/lb)	6.80	7.45	7.85	7.14	7.45	7.85	5%	0%	0%
Nickel price (US\$/t)	14,991	16,424	17,306	15,735	16,424	17,306	5%	0%	0%
US\$/A\$	0.70	0.72	0.73	0.68	0.70	0.73	-3%	-3%	0%
Production & costs									
Ore mined (t)	1,170,000	1,560,000	1,560,000	1,171,487	1,560,000	1,560,000	0%	0%	0%
Nickel in ore (t)	21,060	28,080	28,080	21,179	28,080	28,080	1%	0%	0%
Nickel in ore (t, attributable)	14,742	17,690	15,725	15,251	17,690	15,725	3%	0%	0%
RKEF NPI production (t)	290,808	304,615	304,615	294,701	304,615	304,615	1%	0%	0%
Contained nickel (t)	39,190	39,600	39,600	39,620	39,600	39,600	1%	0%	0%
Contained nickel (t, attributable)	23,514	23,760	23,760	21,868	23,760	23,760	-7%	0%	0%
Cash costs (US\$/t Ni)	7,731	7,873	8,070	7,662	7,873	8,070	-1%	0%	0%
AIC (US\$/t Ni)	7,855	7,998	8,198	7,784	7,998	8,198	-1%	0%	0%
Earnings & valuation									
Revenue (attributable, US\$m)	368	411	429	338	411	429	-8%	0%	0%
EBITDA (attributable, US\$m)	170	204	219	152	204	219	-11%	0%	0%
NPAT (reported, attributable, US\$m)	154	191	212	137	190	212	-11%	0%	0%
EPS (reported) (Acps)	14	16	17	13	16	17	-9%	3%	0%
PER (x)	4.6	4.0	3.7	5.1	3.9	3.7	0.4	(0.1)	0.0
EPS growth (%)	95%	15%	10%	79%	29%	7%	-17%	14%	-3%
DPS (Acps)	-	-	=	-	-	-	na	na	na
Yield	0%	0%	0%	0%	0%	0%	0%	0%	0%
NPV (A\$/sh)	1.24	1.43	1.56	1.23	1.42	1.55	0%	-1%	-1%
Price Target (A\$/sh)	1.24			1.23			-1%		

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The lower Ni in NPI price realisation assumption reduces our forecast FY20 earnings by 11%. FY21 and FY22 earnings estimates are unchanged. The lower production and higher costs at the Hengjaya Mine also contribute to the earnings reduction. Our NPV-based valuation is effectively unchanged at \$1.23/sh (from \$1.24/sh). With upside of 92.2% from the last closing price, we retain our Buy recommendation.

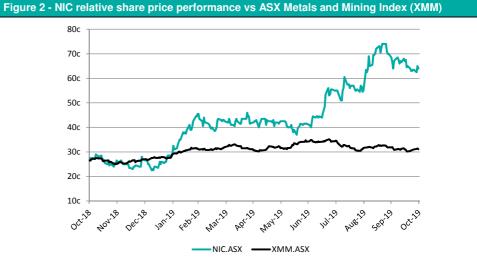
Despite the recent share price appreciation, NIC continues to trade on a relatively low FY20 P/E of just 5.1x - in our view good value for what is in many respects a high growth industrial story.

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, following the reporting of lower than expected sales in the September 2019 quarter;
- Updates on the ownership levels of the 80%-owned Hengjaya Mine, which is subject to Indonesia's compulsory divestment laws;
- The release of NIC's December 2019 quarterly production and cost report, expected in late January 2020;
- 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
- Indications on the timing of the acquisition of a further 20% interest (to lift ownership to 80%) in the Hengjaya and Ranger projects.

NIC vs the ASX Metals and Mining Index



SOURCE: IRESS

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 June quarter 2019. The Ranger Lines commenced production during the June 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 \$1.23/sh (from \$1.24/sh)

NIC continues to build an excellent operational track record and offer exposure to the nickel price. The lower Ni in NPI price realisation assumption reduces our forecast FY20 earnings by 11%. The lower production and higher costs at the Hengjaya Mine also contribute to the earnings reduction. FY21 and FY22 earnings are unchanged. Our NPV-based valuation is effectively unchanged at \$1.23/sh (from \$1.24/sh).

Valuation: \$1.23/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 \$1.23/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.

Nickel Mines Ltd as at 31 October 2019

RecommendationBuyPrice\$0.64Target (12 months)\$1.23

Table 3 - Financial sur	nmary												
PROFIT AND LOSS							FINANCIAL RATIOS						
ear ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e	Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e
Revenue	US\$m	13.6	64.9	524.9	682.1	717.6	VALUATION	1100	(0.0)	05.5	100.0	100.0	0110
Expense EBITDA	US\$m US\$m	(15.1) (1.6)	(44.5) 20.4	(283.4) 241.5	(341.5) 340.6	(350.0) 367.6	Attributable NPAT Attributable NPAT	US\$m A\$m	(3.3)	65.5 93.6	136.9 201.3	190.0 271.5	211.9 290.2
Depreciation	US\$m	(0.1)	(6.8)	(15.1)	(18.0)	(18.0)	Reported EPS	Ac/sh	(0.9)	7.1	12.6	16.3	17.4
EBIT	US\$m	(1.6)	13.6	226.4	322.6	349.6	Adjusted EPS	Ac/sh	(0.9)	0.8	12.6	16.3	17.4
Net interest expense	US\$m	(0.7)	(0.0)	(3.9)	(1.0)	5.5	EPS growth	%	nm	nm	79%	29%	7%
Unrealised gains (Impairments)	US\$m	-	58.3	-	-	-	PER	х	nm	9.1x	5.1x	3.9x	3.7x
Other	US\$m	- (0.0)	-	-	-	-	DPS	Ac/sh	-	-	-	-	-
PBT Tax expense	US\$m US\$m	(2.3) (0.7)	71.9 (0.1)	222.5 (2.0)	321.6 (3.6)	355.1 (3.7)	Franking Yield	%	0% 0%	0% 0%	0% 0%	0% 0%	0% 0%
Consolidated profit (loss) for the year	US\$m	(2.9)	71.8	220.5	318.0	351.4	FCF/share	Ac/sh	(16.9)	(14.7)	12.1	28.6	30.0
Non-Controlling Interest	US\$m	0.4	6.3	83.6	128.0	139.5	FCF yield	%	-26%	-23%	19%	45%	47%
Attributable NPAT (reported)	US\$m	(3.3)	65.5	136.9	190.0	211.9	P/FCFPS	х	-3.8x	-4.3x	5.3x	2.2x	2.1x
NPAT (underlying)	US\$m	(3.3)	7.2	136.9	190.0	211.9	EV/EBITDA	х	-495.0x	37.7x	3.2x	2.3x	2.1x
CASH FLOW							EBITDA margin EBIT margin	% %	nm nm	31% 21%	46% 43%	50% 47%	51% 49%
Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e	Return on assets	%	-5%	23%	33%	35%	32%
OPERATING CASHFLOW							Return on equity	%	-8%	37%	55%	55%	45%
Receipts	US\$m	13.5	33.4	516.1	666.4	714.1	LIQUIDITY & LEVERAGE						
Payments	US\$m	(21.5)	(28.4)	(254.8)	(327.0)	(347.9)	Net debt (cash)	\$m			(134)	(343)	(573)
Tax	US\$m	-	(1.2)	0.1	(2.0)	(3.6)	ND / E	%	0%	0%	-27%	-51%	-64%
Net interest Other	US\$m US\$m	0.1 (0.3)	0.2	(3.9)	(1.0)	5.5	ND / (ND + E) EBITDA / Interest	% x	0% -2.4x	0% 569.2x	-38% 62.3x	-102% 336.4x	-181% nm
Operating cash flow	US\$m	(8.2)	4.1	257.1	336.4	368.1			2.17	000.2%	02.07	000.1x	
INVESTING CASHFLOW	I I Sem	(0.7)	(10 E)	(125.2)	(2.0)	(2.0)	ATTRIBUTABLE DATA - NICKEL M		2018a	2019a	2020e	2021e	2022e
Property, plant and equipment Mine development	US\$m US\$m	(0.7)	(19.5)	(125.3)	(2.9)	(2.9)	Year ending 30 June Revenues	Unit US\$m	2018a 10.8	2019a 52.0	2020e 338.1	2021e 410.6	2022e 428.7
Exploration & evaluation	US\$m	-	-	(0.4)	(0.4)	(0.4)	EBITDA	US\$m	(1.2)	13.5	152.1	204.2	219.2
Other Investing cash flow	US\$m US\$m	(50.0) (50.7)	(121.1) (140.6)	(125.7)	(3.3)	(3.3)	NPAT Net distributable cash flow	US\$m US\$m	(3.3)	65.5 44.4	136.9 152.0	190.0 173.7	211.9 188.0
Free Cash Flow	US\$m	(58.9)	(136.5)	131.4	333.1	364.8	EV/EBITDA	X	nm	58.9	5.0	3.8	3.7
							PER P/ECE	х	nm	9.1	5.1	3.9	3.7
FINANCING CASHFLOW Share issues/(buy-backs)	US\$m	73.9	183.6	39.3	-	-	P/FCF	: x	nm	nm	nm	4.3	4.1
Debt proceeds	US\$m	-	-	80.0	-		ORE RESERVE AND MINERAL RE	SOURCE					
Debt repayments Distributions to non-controlling interests	US\$m US\$m	(13.2)	(2.0) 15.0	(81.9)	(16.0) (124.0)	(21.3) (134.6)	Hengjaya Nickel Mine (HM) Mineral Resources				Mdmt	% Ni	t Ni
Dividends	US\$m	-	15.0	(61.9)	(124.0)	(134.0)	Measured				0.700	1.80%	12,600
Other	US\$m	(1.8)	(10.8)	-	-	-	Indicated				15.000	1.90%	285,000
Financing cash flow	US\$m	59.0	185.8	37.5	(140.0)	(156.0)	Inferred				22.000	1.80%	396,000
Change in cash	US\$m	0.0	49.3	168.9	193.0	208.9	Total				38.000	1.80%	678,000
BALANCE SHEET							ASSUMPTIONS - Prices						
Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e	Year ending 30 June avg	Unit	2018a	2019a	2020e	2021e	2022e
ASSETS													
Cash & short term investments	US\$m	0.8	49.0	217.9	411.0	619.8	Nickel	US\$/lb	\$5.65	\$5.60	\$7.14	\$7.45	\$7.85
Accounts receivable Property, plant & equipment	US\$m US\$m	0.4 76.6	43.7 340.1	52.5 450.6	68.2 435.8	71.8 421.1	Nickel Currency	US\$/t	\$12,456	\$12,343	\$15,735	\$16,424	\$17,306
Mine development expenditure	US\$m	70.0	340.1	430.0	400.0	421.1	AUD:USD		0.78	0.72	0.68	0.70	0.73
Exploration & evaluation	US\$m	-	-	0.1	0.1	0.1	A05.005		0.70	0.72	0.00	0.70	0.70
Other	US\$m	1.6	99.2	99.2	99.2	99.2	ASSUMPTIONS - Production & co	sts					
Total assets	US\$m	79.4	531.9	820.2	1,014.3	1,212.0	Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e
LIABILITIES							Hengjaya Mine						. =
Accounts payable	US\$m US\$m	2.9 0.7	42.2 0.3	70.8 2.0	85.4 3.6	87.5 3.7	Ore mined Ore grade	wmt % Ni	391,362 2.1%	484,268 2.0%	1,171,487 1.8%	1,560,000 1.8%	1,560,000
Income tax payable Borrowings	US\$m	0.7	4.2	84.2	68.2	46.8	Nickel in ore	t Ni	8,062	5,977	21,179	28,080	28,080
Other	US\$m	0.8	30.4	30.4	30.4	30.4	Nickel in ore (attributable)	t Ni	6,450	4,782	15,251	17,690	15,725
Total liabilities	US\$m	4.3	77.2	187.4	187.5	168.5	RKEF (IMIP)		-,	,	-,	,	-, ==
SHAREHOLDER'S EQUITY												004045	304,615
Share capital							NPI production	t	-	42,106	294,701	304,615	
**	US\$m	103.1	275.9	315.3	315.3	315.3	Contained nickel	t Ni	-	5,788	39,620	39,600	39,600
Reserves	US\$m	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	Contained nickel Contained nickel (attributable)		-				39,600 23,760
Reserves Retained earnings	US\$m US\$m	(0.6) (29.3)	(0.6) 36.3	(0.6) 173.2	(0.6) 363.2	(0.6) 575.0	Contained nickel Contained nickel (attributable) Costs	t Ni t Ni	-	5,788 3,339	39,620 21,868	39,600 23,760	23,760
Reserves	US\$m	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	Contained nickel Contained nickel (attributable)	t Ni	- - -	5,788	39,620	39,600	
Reserves Retained earnings Total equity to NIC holders	US\$m US\$m US\$m	(0.6) (29.3) 73.2	(0.6) 36.3 311.6	(0.6) 173.2 487.8	(0.6) 363.2 677.8	(0.6) 575.0 889.7	Contained nickel Contained nickel (attributable) Costs Cash costs	t Ni t Ni US\$/t Ni	- - - -	5,788 3,339 \$7,710	39,620 21,868 \$7,662	39,600 23,760 \$7,873	23,760 \$8,070
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity	US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9	(0.6) 36.3 311.6 143.2	(0.6) 173.2 487.8 145.0	(0.6) 363.2 677.8 148.9	(0.6) 575.0 889.7 153.8	Contained nickel Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION	t Ni t Ni US\$/t Ni	- - - - -	5,788 3,339 \$7,710	39,620 21,868 \$7,662	39,600 23,760 \$7,873	23,760 \$8,070 \$8,198
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares	US\$m US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9 75.1	(0.6) 36.3 311.6 143.2 454.8	(0.6) 173.2 487.8 145.0 632.8	(0.6) 363.2 677.8 148.9 826.7	(0.6) 575.0 889.7 153.8 1,043.5	Contained nickel Contained nickel (attributable) Costs Cash costs All-in-Costs (AlC) VALUATION Ordinary shares (m)	t Ni t Ni US\$/t Ni	- - - -	5,788 3,339 \$7,710	39,620 21,868 \$7,662	39,600 23,760 \$7,873	23,760 \$8,070
Reserves Retained earnings Total equity to NIC holders Non-controlling interest	US\$m US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9 75.1	(0.6) 36.3 311.6 143.2 454.8	(0.6) 173.2 487.8 145.0 632.8	(0.6) 363.2 677.8 148.9 826.7	(0.6) 575.0 889.7 153.8 1,043.5	Contained nickel Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m)	t Ni t Ni US\$/t Ni	-	5,788 3,339 \$7,710	39,620 21,868 \$7,662	39,600 23,760 \$7,873	23,760 \$8,070 \$8,198 1,665.5
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE	US\$m US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9 75.1	(0.6) 36.3 311.6 143.2 454.8	(0.6) 173.2 487.8 145.0 632.8	(0.6) 363.2 677.8 148.9 826.7	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5	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)	t Ni t Ni US\$/t Ni US\$/t Ni	- - - - -	5,788 3,339 \$7,710 \$8,125	39,620 21,868 \$7,662 \$7,784	39,600 23,760 \$7,873 \$7,998	23,760 \$8,070 \$8,198 1,665.5
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue	US\$m US\$m US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5	Contained nickel Contained nickel (attributable) Costs Cash costs All-in-Costs (AIC) VALUATION Ordinary shares (m) Options in the money (m)	t Ni t Ni US\$/t Ni US\$/t Ni		5,788 3,339 \$7,710 \$8,125	39,620 21,868 \$7,662 \$7,784	39,600 23,760 \$7,873 \$7,998	23,760 \$8,070 \$8,198 1,665.5 1,665.5
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue	US\$m US\$m US\$m US\$m US\$m US\$m	(0.6) (29.3) 73.2 1.9 75.1	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5	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	t Ni t Ni US\$/t Ni US\$/t Ni	V A\$/sh 0.93	5,788 3,339 \$7,710 \$8,125	39,620 21,868 \$7,662 \$7,784	39,600 23,760 \$7,873 \$7,998	23,760 \$8,070 \$8,198 1,665.5
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation	US\$m US\$m US\$m US\$m US\$m M US\$m A\$/sh	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9	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)	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni Noo A\$m 1,549.8 57.6	A\$/sh 0.93 0.03	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8	23,760 \$8,070 \$8,198 1,665.5 1,665.5 thts A\$/sh 1.17 0.04
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash	US\$m US\$m US\$m US\$m US\$m A\$/sh A\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,365.1 1,665.5 0.640 1,065.9 -46.2	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) Hengiaya Mine (NPV12) Other exploration	t Ni t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 57.6 25.0	A\$/sh 0.93 0.03 0.02	\$,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0	39,620 21,868 \$7,662 \$7,784 Iniths A\$/sh 1.11 0.04 0.02	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0	23,760 \$8,070 \$8,198 1,665.5 1,665.5 ths A\$/sh 1.17 0.04 0.02
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted)	US\$m US\$m US\$m US\$m m A\$/sh A\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9 -46.2 1,112.1	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	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni Not A\$m 1,549.8 57.6 25.0 (18.6)	A\$/sh 0.93 0.03 0.02 (0.01)	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8)	39,620 21,868 \$7,662 \$7,784 nths A\$/sh 1.11 0.04 0.02 (0.01)	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9)	23,760 \$8,070 \$8,198 1,665.5 1,665.5 ths A\$/sh 1.17 0.04 0.02 (0.01)
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m)	US\$m US\$m US\$m US\$m US\$m M S\$m A\$/sh A\$m A\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9 -46.2 1,112.1	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)	Noo A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7	A\$/sh 0.93 0.03 0.02 (0.01) 0.97	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3	39,620 21,868 \$7,662 \$7,784 Initis A\$/sh 1.11 0.04 0.02 (0.01) 1.15	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5	23,760 \$8,070 \$8,198 1,665.5 - 1,665.5 iths A\$/sh 1.17 0.04 0.02 (0.01) 1.21
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options (in the money)	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9 -46.2 1,112.1 0.0	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)	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2)	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03)	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7	39,620 21,868 \$7,662 \$7,784 Inths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8	23,760 \$8,070 \$8,198 1,665.5 1.665.5 tiths A\$/sh 1.17 0.04 0.02 (0.01) 1.21 0.21
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options outstanding (m) Options (in the money) Issued shares (diluted for options)	US\$m US\$m US\$m US\$m US\$m M S\$m A\$/sh A\$m A\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9 -46.2 1,112.1	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)	Noo A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7	A\$/sh 0.93 0.03 0.02 (0.01) 0.97	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3	39,620 21,868 \$7,662 \$7,784 Initis A\$/sh 1.11 0.04 0.02 (0.01) 1.15	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5	23,760 \$8,070 \$8,198 1,665.5 - 1,665.5 iths A\$/sh 1.17 0.04 0.02 (0.01) 1.21
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE	US\$m US\$m US\$m US\$m MS\$m MS\$m M M M A\$/sh A\$m A\$m M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0,640 0,640 0,06.9 46.2 1,112.1 0.0 0.0	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) Total (undiluted)	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2)	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7	39,620 21,868 \$7,662 \$7,784 AS/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8	23,760 \$8,070 \$8,198 1,665.5 1.665.5 tiths A\$/sh 1.17 0.04 0.02 (0.01) 1.21 0.21
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash (diluted for options) Market capitalisation (diluted) Net cash + options	US\$m US\$m US\$m US\$m US\$m US\$m M M A\$/sh A\$m A\$m A\$m A\$m	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,665.5 0.640 1,065.9 -46.2 1,112.1 0.0 0.0 1,665.5	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) Total (undiluted) Dilutive effect of options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2)	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7	39,620 21,868 \$7,662 \$7,784 AS/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8	23,760 \$8,070 \$8,198 1,665.5 1.665.5 tiths A\$/sh 1.17 0.04 0.02 (0.01) 1.21 0.21
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted)	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,385.1 1,665.5 0.640 1,065.9 -46.2 1,112.1 0.0 0.0 1,665.5 1,065.9	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (lidted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 0.640 1,065.9 -46.2 1,112.1	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash experise value (undiluted) Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) State of the price of the pr	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,665.5 0,640 1,065.9 -46.2 1,112.1 0.0 0.0 1,665.5 1,065.9 -46.2 1,112.1	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options outstanding (m) Options outstanding (m) Net cash shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS Shareholder Sharghai Decent (SDI)	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,665.5 0.640 1,065.9 -46.2 1,112.1 0.0 0.0 0.0 1,665.5 1,066.9 -46.2 1,112.1	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (lidted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,665.5 0,640 1,065.9 -46.2 1,112.1 0.0 0.0 1,665.5 1,065.9 -46.2 1,112.1	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares CAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Enterprise value (undiluted) Options outstanding (m) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS Shareholder Shanghai Decent (SDI) BlackRock Investment Management Shanghai Wanlu Directors and Management	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5 es) 	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 0.640 1,065.9 -46.2 1,112.1 m 301.7 161.7 149.3 137.9	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 ths AS/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42
Reserves Retained earnings Total equity to NIC holders Non-controlling interest Total equity Weighted average shares SAPITAL STRUCTURE Shares on issue Total shares on issue Share price Market capitalisation Net cash Interprise value (undiluted) Diptions outstanding (m) Diptions outstanding (m) Diptions (in the money) ssued shares (diluted for options) Market capitalisation (diluted) Vet cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS Shareholder Shanghai Decent (SDI) BlackRock Investment Management Shanghai Wanlu	US\$m US\$m US\$m US\$m US\$m M M M M M M M M M M M M M M M M M M M	(0.6) (29.3) 73.2 1.9 75.1 461.8	(0.6) 36.3 311.6 143.2 454.8 1,324.4	(0.6) 173.2 487.8 145.0 632.8 1,595.5	(0.6) 363.2 677.8 148.9 826.7 1,665.5	(0.6) 575.0 889.7 153.8 1,043.5 1,665.5 1,665.5 0,640 1,065.9 -46.2 1,112.1 0.0 0.0 1,665.5 1,065.9 -46.2 1,112.1 m 301.7 161.3	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) Hengiaya Mine (NPV12) Cther exploration Corporate overheads Subtotal (EV) Net cash (debt) Total (undiluted) Dilutive effect of options Add cash from options	t Ni t Ni US\$/t Ni US\$/t Ni US\$/t Ni US\$/t Ni No A\$m 1,549.8 57.6 25.0 (18.6) 1,613.7 (46.2) 1,567.5	A\$/sh 0.93 0.03 0.02 (0.01) 0.97 (0.03) 0.94	5,788 3,339 \$7,710 \$8,125 +12 mc A\$m 1,844.8 69.2 25.0 (18.8) 1,920.3 133.7 2,054.0	39,620 21,868 \$7,662 \$7,784 nnths A\$/sh 1.11 0.04 0.02 (0.01) 1.15 0.08 1.23	39,600 23,760 \$7,873 \$7,998 +24 m A\$m 1,942.5 72.8 25.0 (18.9) 2,021.5 342.8 2,364.3	23,760 \$8,070 \$8,198 1,665.5 tiths A\$/sh 1.17 0.04 0.02 (0.01) 1.21 0.21 1.42

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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