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The Manager Companies
ASX Limited
20 Bridge Street
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(3 pages by email)

STRATEGIC COOPERATION AGREEMENT SIGNED WITH QMB NEW ENERGY MATERIALS

Highlights:

- Nickel Industries to supply 5-7 million wet metric tonnes per annum ('wmtpa') of limonite ore over the next 20 years.
- QMB to build, subject to necessary approvals, a concentrator plant within the Hengjaya Mine ('HM') area to supply the ore via pipeline to its newly commissioned High Pressure Acid Leach ('HPAL') plant within the Indonesia Morowali Industrial Park ('IMIP').
- Both parties to explore in good faith the opportunity for NIC to take an equity participation in the QMB HPAL plant, which is owned by some of the largest battery producers and recyclers in Asia.

Nickel Industries Limited ('Nickel Industries' or 'the Company') is pleased to announce that it has signed a long-term strategic cooperation agreement with PT QMB New Energy Materials ('QMB'). Subject to the necessary approvals, QMB would build a concentrator plant within the HM area that will supply via pipeline, for a period of 20 years, approximately 5-7 million wmtpa of limonite ore (1.1% - 1.3% grade) from the HM mine to QMB's newly commissioned HPAL plant within the IMIP.

Furthermore, both parties have agreed to explore in good faith the opportunity for Nickel Industries to have equity participation in the QMB HPAL that, if executed, would result in the Company producing 'Class I' nickel and cobalt for the growing electric vehicle battery supply chain in the form of high-purity, battery-grade mixed hydroxide precipitate ('MHP'), nickel sulfate and cobalt sulfate.

The strategic cooperation agreement is subject to further definitive agreements to be reached by both parties which will contain further details, including the sale price for limonite ore.

About QMB

QMB is a new energy material company which is focussed on the development and sale of battery grade nickel chemicals and associated products, its current shareholders are some of the largest battery producers and recyclers in China and consists of GEM (63%), Tsingshan Group (10%), Brunp Recycling (a subsidiary of CATL) (10%), ECOPRO (South Korea) 9% and Hanwa (Japan) (8%).

QMB has recently commenced commissioning a 73,000 tonnes per annum HPAL plant within the IMIP and will require approximately 10 million wmtpa of limonite ore to achieve full capacity.



Figure 1: QMB's HPAL nickel project within the IMIP



Figure 2: Central control and command centre of QMB's HPAL nickel project

Commenting on the signing of the strategic cooperation agreement, Managing Director Justin Werner said:

“We are pleased to announce the signing of a long-term strategic cooperation agreement with QMB, a leading global new energy material company. The long-term supply agreement to the QMB HPAL plant highlights the tremendous strategic value of the world-class Hengjaya Mine resources, both limonite and saprolite. It follows our recently updated JORC resource of 3.7 million tonnes of contained nickel metal, which places the Hengjaya Mine among the top 10 nickel resources globally.

The monetisation of our limonite ore, which until recently was stockpiled as overburden, represents significant value creation by the Hengjaya Mine for our shareholders. Should definitive agreements be executed with QMB, at the current limonite market price which is approximately US\$15 per wmt for 1.20% Ni grade, the Company will potentially receive additional revenue of more than US\$1.5 billion over the next 20 years.

Further, as the company strives to extract greater value from the limonite resource at the Hengjaya Mine, we look forward to further exploring with QMB possible equity participation by Nickel Industries in the QMB HPAL plant, which would further diversify the company into a meaningful supplier of nickel and cobalt for the new energy revolution.”

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