

QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December 2024

ASX ticker: NIC

ASX release: 30 January 2025

Shares on issue: 4.29B

Market capitalisation: A\$3.43B
(@ A\$0.80)

Board of Directors

Executive Chairman

Norman Seckold

Managing Director

Justin Werner

Executive Director and CFO

Chris Shepherd

Non-Executive Directors

James Crombie

Emma Hall

Dasa Sutantio

Muliady Sutio

Haijun Wang

William Shangjaya

YuanYuan Xu

Substantial shareholders

(as per last substantial holder notices)

Shanghai Decent 22.7%

PT DTN 20.0%

PT KBP 8.5%

L1 Capital 5.7%

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US\$72.4M EBITDA from Operations

RKEF operations

		September quarter	December quarter
Production	Ni tonnes	30,663	32,784
Sales	Ni tonnes	31,266	32,120
Cash cost	US\$/t Ni	10,882	10,576
EBITDA	US\$M	60.0	22.1
EBITDA/tonne sold	US\$/t Ni	1,919	687
Underlying EBITDA ¹	US\$M	35.8	42.0
Underling EBITDA/tonne sold	US\$/t Ni	1,144	1,309

HPAL operations

		September quarter	December quarter
Attributable production (10%)	Ni tonnes	2,125	2,099
Cash cost	US\$/t Ni	6,841	7,311
EBITDA/profit contribution	US\$M	11.2	14.7

Mining operations

		September quarter	December quarter
Ore production	wmt	5,749,852	7,194,202
Ore sales	wmt	2,971,415	2,798,530
EBITDA	US\$M	37.3	35.6

Highlights

- Record quarterly HNC EBITDA of US\$14.7M
- Record 7,194,202 wmt on nickel ore produced at the Hengjaya Mine
- ENC progressing well, all three autoclaves now on site
- Sampala Project exploration target

¹ Underling EBITDA excludes gains or losses on FX. See footnote 4 on page 4 and commentary on page 6 for detail on the impact of foreign exchanges gains/losses on EBITDA from RKEF operations.

The Directors are pleased to present the December 2024 Quarterly Activities Report for Nickel Industries Limited (**Nickel Industries or the Company**) and its controlled entities (**the Group**).

For the quarter under review, the Company held an 80% interest in the Hengjaya Nickel (**HNI**), Ranger Nickel (**RNI**), Angel Nickel (**ANI**) and Oracle Nickel (**ONI**) rotary kiln electric furnace (**RKEF**) projects, an 80% interest in the Hengjaya Mine and a 51% interest in the Siduarsi Nickel Cobalt Project, a 10% interest in the Huayue Nickel Cobalt HPAL project (**HNC**) and a 44.0% interest in the Excelsior Nickel Cobalt HPAL project (**ENC**), which is under construction.

Commenting on the December quarter's activities, Managing Director Justin Werner said:

"We are pleased to report another strong quarter with a number of new records again set including a record quarterly contribution of US\$14.7M from our 10% interest in the HNC HPAL, which bodes very well for our ENC HPAL where construction progress is on track to deliver first production in the second half of 2025.

A record month of mining was recorded at our Hengjaya Mine with over 7 million tonnes mined for the quarter and a record 1.3 million tonnes sold for the month of November which delivered US\$27M for that month. EBITDA for the first 2 months of the quarter from Hengjaya Mine was US\$42M which was unfortunately offset by a US\$8.5M loss in December as only 200,000 tonnes were able to be sold (mining and stockpiling continued unaffected) as the Hengjaya Mine quota of 9 million tonnes of ore sales for the year was reached in early December.

This quota has now been reset again to 9 million tonnes for 2025 with a good start to January sales already recorded. The Company is in the process of seeking to increase this quota to 19 million tonnes, with a feasibility study and AMDAL (environmental impact already submitted for approval), the Company is aiming for this approval to be received in the second half of 2025.

Our ONI RKEF operations achieved a new record of 12,362 tonnes of nickel in NPI for the quarter and our full RKEF operations delivered slightly lower costs than the September quarter with NPI pricing remaining stable. Unfortunately, due to US\$ appreciation over the quarter a US\$20M FX loss was recorded. Removing the effects of FX movements, to the underlying RKEF EBITDA/t margin would have resulted in an EBITDA/t margin increase of 14.3% from US\$1,144/t in the September quarter to US\$1,309t for the December quarter.

Exploration and mine development at our recently announced Sampala Project acquisition continues to progress well, with almost 100,000m of drilling completed to date and spectacular, consistent, long, high-grade intercepts being recorded; with peak grades of up to 7.41% nickel and 1.37% cobalt and a world class exploration target of 350 million to 700 million dmt, making Sampala possibly one of the largest known nickel deposits globally.

With current nickel ore prices of US\$45/wmt for 1.6% saprolite and US\$20/wmt for 1.2% limonite and our Hengjaya Mine reporting average margins of \$12/wmt across 2024, the Sampala Project has the potential to be a significant future EBITDA contributor, with a very low anticipated capital development cost of US\$50 million."

Safety

The Company-wide 12-month lost time injury frequency rate (**LTIFR**) as at end of December 2024, was 0.11, with no lost time injuries (**LTI**) recorded during the quarter, against 4.7 million work hours registered. For the twelve months to 31 December 2024, there was 17.4 million work hours registered with two LTIs occurring.

The Company-wide 12-month rolling total recordable injury frequency rate (**TRIFR**) as at the end of December 2024 was 1.43.

Sustainability

RKEF Processing Innovation

The ONI RKEF, in which the Company holds an 80% interest, has recently innovated the processing procedure to substitute a portion of the smelting coal requirements with coke-oven gas. The trial significantly reduced smelting coal consumption in the month of December. While the trial is still in its early stages, the innovation is expected to reduce carbon emissions.

Performance and Awards

Nickel Industries was the recipient of the Best Overall Sustainable Performance Award at the 2024 World CSR Day Indonesia Leadership Awards, held in Jakarta on 7 October 2024. The Indonesia Leadership Awards serve to recognise leaders who have implemented positive change to support sustainable growth. In October, the Company was also honoured with the Best Climate Reporting & Transparency Award at the 2024 ESG GRIT Awards. This award recognises the Company's transparency in environmental reporting and its approach to climate action. In December, the Company's dedication to green energy and sustainability was recognised at the Indonesia Stock Exchange (**IDX**) Channel Anugerah Inovasi Indonesia 2024. This achievement reflects the Company's commitment to supporting the sustainable energy transition in Indonesia.



World CSR Day Leadership Awards and IDX Awards ceremony

Gold PROPER Pathway

Hengjaya Mine has again been included as a Green PROPER recipient candidate in 2024. If received, this will mark the third year in a row and pave the way for a Gold PROPER candidacy in the future.

RKEF operations (80% indirect interest held by Nickel Industries)

Production		HNI	RNI	ANI	ONI	Total
NPI production	tonnes	37,891	37,875	94,514	103,320	273,600
NPI grade	%	11.8	12.2	12.0	12.0	12.0
Total nickel production	tonnes	4,470	4,606	11,347	12,362	32,784
- September quarter	tonnes	4,452	4,220	9,909	12,082	30,663
Cash costs	US\$/t	11,239	11,387	10,396	10,200	10,576
- September quarter	US\$/t	11,629	11,794	10,785	10,367	10,882

Sales		HNI	RNI	ANP ²	ONI	Total
Wtd avg contract price	US\$	11,765	11,768	12,112	11,774	11,884
- September quarter	US\$	11,899	11,907	11,742	11,882	11,840
Tonnes sold	tonnes	4,470	4,606	10,683	12,362	32,120
- September quarter	tonnes	4,452	4,220	10,512	12,082	31,266
Sales revenue³	US\$M	49.6	54.2	128.6	145.5	377.9
- September quarter	US\$M	51.6	50.2	124.7	143.6	370.1
EBITDA^{3,4}	US\$M	(5.3)	(1.5)	15.8	13.0	22.1
- September quarter	US\$M	5.3	4.8	16.2	33.6	60.0
EBITDA/tonne sold	US\$/t	(1,177)	(327)	1,478	1,054	687
- September quarter	US\$/t	1,828	1,141	1,542	2,784	1,919

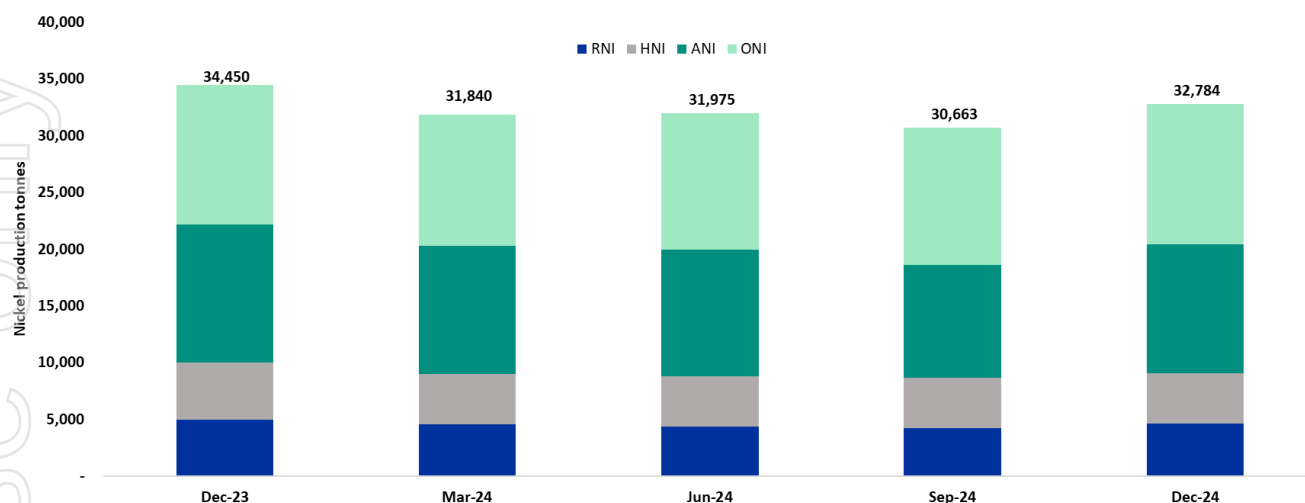
Summary RKEF metrics		September quarter	December quarter	% movement
Production	tonnes	30,663	32,784	6.9
Sales	tonnes	31,266	32,120	2.7
Sales revenue	US\$M	370.1	377.9	2.1
EBITDA ³	US\$M	60.0	22.1	(63.2)
EBITDA/tonne sold	US\$/t Ni	1,919	687	(64.2)
Underlying EBITDA	US\$M	35.8	42.0	17.5
Underlying EBITDA/tonne sold	US\$/t Ni	1,144	1,309	14.3

² As the NPI produced by ANI is all exported, final contract pricing and consequently revenue and EBITDA numbers are affected by the final settlement variance, and adjustments which cross over quarterly period will be taken up in the following quarter.

³ HNI sales revenue and EBITDA includes US\$3.0m in losses related to the final settlement of HNI matte sales from earlier in the year.

⁴ EBITDA is defined as profit/(loss) for the period, plus depreciation and amortisation costs, plus net financial income/(costs), plus tax expenses. As a result, EBITDA includes any impact from FX adjustments and also includes other adjustments not directly related to the sale of NPI and nickel matte. During the period, EBITDA from the Company's RKEF operations was materially decreased by the rise in USD against the IDR, reversing FX gains in the previous quarter. FX losses during the quarter totalled \$20.0M (September quarter: \$24.2M gain) equating to US\$622/t of nickel sold. Removing this FX effect from EBITDA/t calculations results in an underlying EBITDA/t margin for the December quarter of \$1,309/t. FX movements included both FX on cash and FX from the translation of accounts required to be settled in IDR for domestic business due to Indonesian government regulations. The net impact of FX movements at the Company's RKEF operations in the whole of 2024 is a \$13.8M loss.

RKEF production

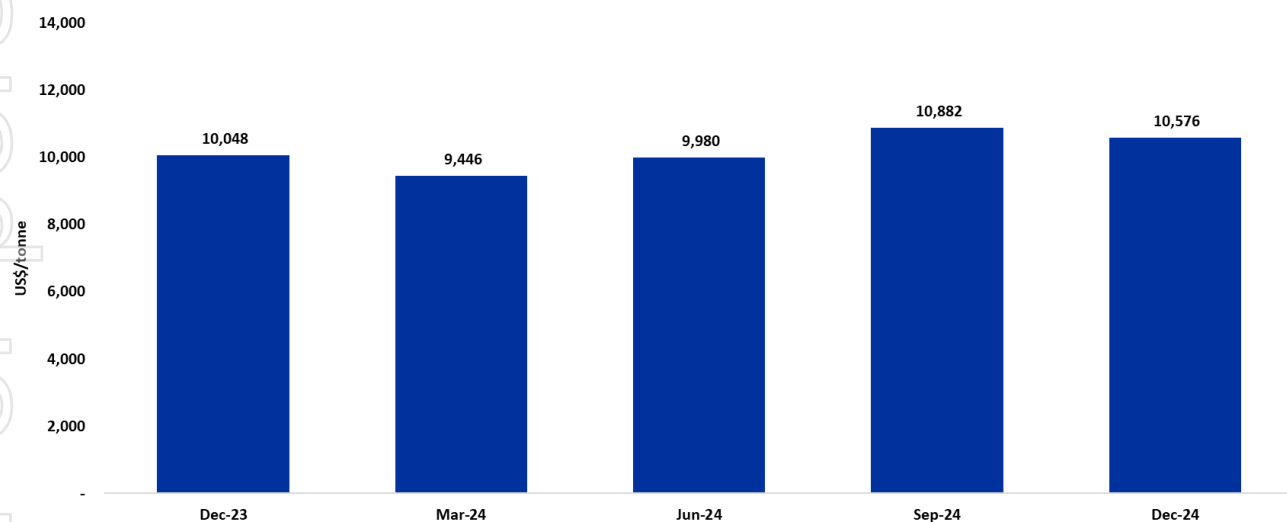


RKEF production of 32,784 tonnes of nickel metal was up 6.9% from the September quarter (30,663 tonnes). This included a record quarterly production of 12,362 tonnes from ONI.

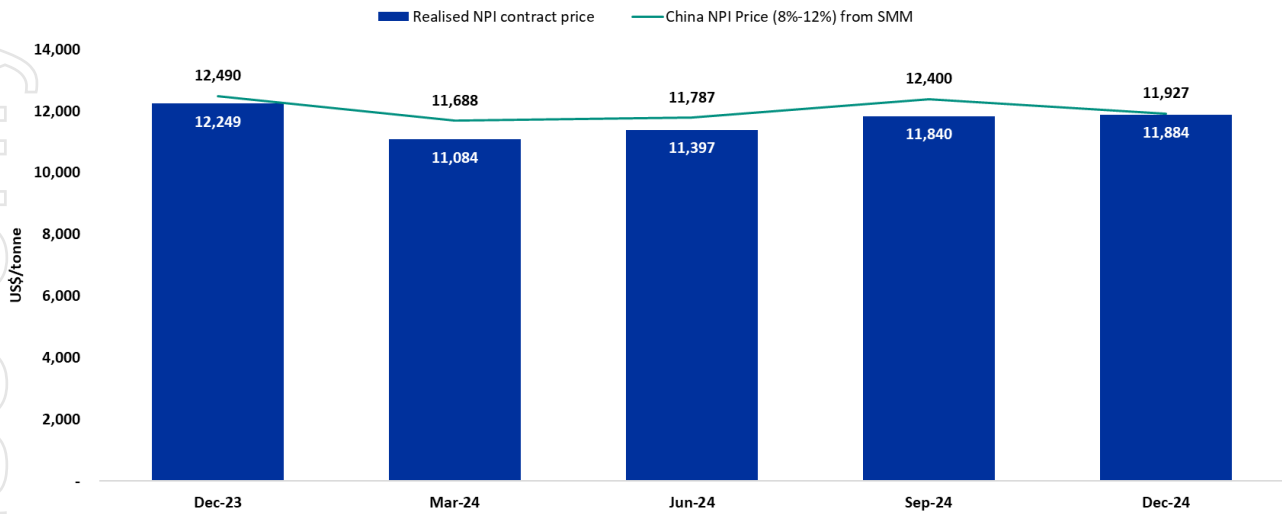
ANI production levels (11,347 tonnes of nickel metal) were 14.5% higher than the 9,909 tonnes of nickel metal produced in the September quarter, leading to lower unit cash costs (-3.6% from September Quarter).

Combined operating cash costs were ~2.8% lower quarter on quarter, predominantly driven by higher nickel production, substituting smelting coal with coke-oven gas and lower smelting coal prices.

RKEF operating cash costs



China NPI price (8%-12%) v NPI contract price



Realised NPI contract price of \$11,884/t for the quarter was 0.9% higher than the September quarter.

EBITDA for the quarter of US\$22M was 63.2% lower than the US\$60.0M reported in the September quarter. This lower result included a US\$20.0M FX loss resulting from the US\$'s appreciation against the Indonesian Rupiah throughout the quarter, equating to a US\$622/t decrease in reported margins, relative to an FX gain in the September quarter of \$24.2M. The FX exposure is arising predominantly from the RKEF operations working capital IDR exposure. This includes approximately US\$150M of historical value-added tax (VAT) receivable between ANI and ONI. Subsequent to the end of the quarter, ANI received approximately US\$36M of VAT relating to expenditure in 2022, reducing this exposure. The Company anticipates receiving this remaining historical VAT receivable over the next twelve months.

Removing the effects of FX movements from EBITDA/t calculations results in an underlying EBITDA/t margin for the December quarter of US\$1,309/t, up 14.3% from underlying EBITDA/t of US\$1,144/t, in the September quarter. The US\$165/t increase in underlying EBITDA/t margins reflects realised contract prices increasing (US\$44/t) and operating costs decreasing (US\$214/t), while being offset by US\$3.0m in losses related to the final settlement of HNI matte sales from earlier in the year (US\$93/t).

HPAL operations

Huayue Nickel Cobalt Project (10% indirect interest held by Nickel Industries)

During the quarter, the HNC Project produced 20,990 tonnes of nickel and 2,001 tonnes of cobalt in mixed hydroxide precipitate (MHP). Nickel Industries' attributable share of HNC production was 2,099 tonnes of nickel and 200 tonnes of cobalt.

Whilst HNC undertakes its own sales of MHP, offtake is also distributed to Tsing Creation for sale. The underlying EBITDA of HNC for the quarter on a 100% basis (with Nickel Industries holding a 10% interest) was \$85.0M and the EBITDA for Tsing Creation (with Nickel Industries holding a 100% interest) was \$6.2M⁵, giving a combined EBITDA of \$14.7M, a new quarterly record (September quarter \$11.2M).

HPAL construction

Excelsior Nickel Cobalt Project (44% indirect interest currently held by Nickel Industries)⁶

During the quarter, there was significant progress at ENC with all three autoclaves and the absorption tower now on site. The circular pads and mounts have been prepared to install the thickeners, reactors and storage tanks in the HPAL plant during the first quarter of 2025. Supporting infrastructure has been installed in preparation for the crystallisers and electrolysis cells beginning to arrive in February for subsequent installation soon thereafter.



ENC HPAL construction progressing well



ENC sulphate and cathode refinery construction ahead of schedule

⁵ The Company is equity accounting its 10% interest in HNC and therefore will report in its financials its 10% share of the net profit of HNC, including any amortisation on the fair value of the acquisition. Tsing Creation is a Hong Kong entity through which the Company holds its 10% interest in HNC.

⁶ The Company is scheduled to move to a 55% equity interest in ENC by 1 October 2025.

On 24 January 2025, several members of the Company's senior management team attended a ceremony on site with the final autoclave now on site and the sulphate and cathode plants nearing commissioning.



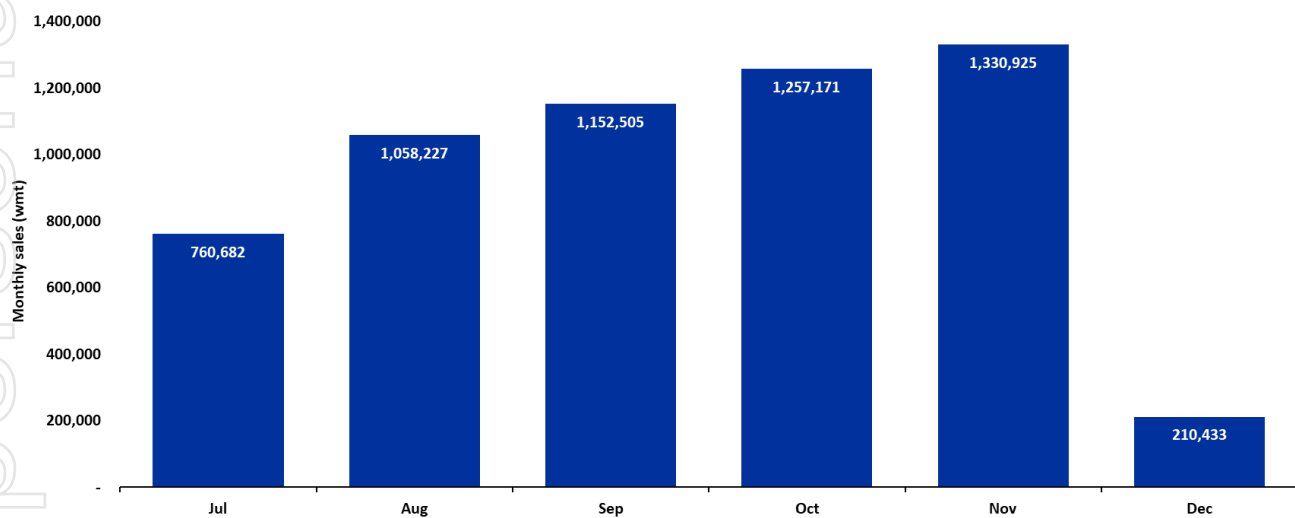
Nickel Industries, alongside fellow ENC shareholder Shanghai Decent, attends a site visit at the ENC project site

Mining operations

Hengjaya Mine (80% interest held by Nickel Industries)

Key reporting metrics		September quarter	December quarter
Saprolite mined	wmt	1,468,914	1,642,118
Limonite mined	wmt	4,280,938	5,552,084
Nickel ore mined	wmt	5,749,852	7,194,202
Overburden mined	BCM ⁷	634,851	771,902
Strip ratio	BCM/wmt	0.11	0.11
Nickel ore sold	wmt	2,971,415	2,798,530
Nickel ore grade	%	1.38	1.41
Saprolite EBITDA	\$M	26.6	24.6
Limonite EBITDA	\$M	10.7	11.0
Total EBITDA	\$M	37.3	35.6

Hengjaya Mine sales volume summary



Whilst the Hengjaya Mine production increased during the second half of 2024, including a record quarter of 7,194,202 wet metric tonnes (**wmt**) of ore production in the fourth quarter, sales were restricted in December – the Rencana Kerja dan Anggaran Biaya (**RKAB**) annual mining quota for Hengjaya Mine was reached in early December. This resulted in nickel ore sales of approximately 2.79 million wmt, compared with 2.97 million wmt in the September quarter. Excess limonite volumes have been stockpiled in preparation for the commissioning of the ENC HPAL.

Nickel ore sales recommenced in January under the existing 9 million wmt RKAB annual mining quota, and the Company is currently completing all necessary studies and permits to upgrade the quota to 19 million wmt in 2025.

⁷ BCM represents 'bank cubic metres'.

Sampala Project

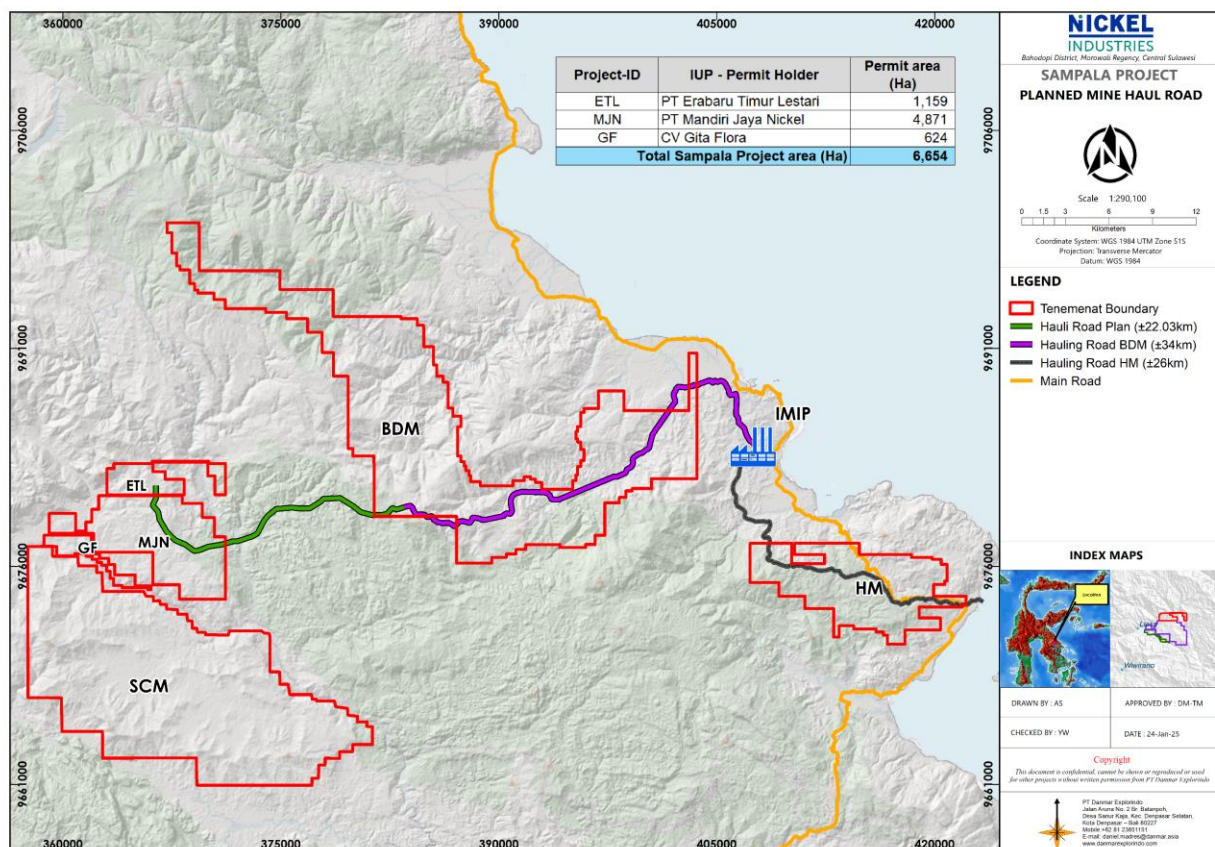
Exploration and Mine Development

The Sampala Project accelerated the drilling program across the three IUPs. During the quarter, twelve drill rigs completed 855 drill holes for 24,306 metres. The total drilling completed for 2024 was 1,844 drill holes for 48,646 metres.

Consistent, long, high-grade saprolite and limonite intercepts have been returned with spectacular grades of up to 7.41% nickel and 1.37% cobalt ([see ASX release 30 January 2025](#)). The recent results support a potential world class exploration target of 350 million dmt to 700 million dmt, in addition to the existing Resource of 187 million dmt at 1.2% nickel. The Exploration Target has been determined based on the 2024 drill program and geological mapping. The potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Geotechnical drilling has been completed for mine planning and pit design with an initial production target of 6 million wmt per annum, ramping up to 20 million wmt per annum. Design for a 22km main haul road (**MHR**) which will link up with an existing 27km haul road directly into IMIP. Earthworks for the first 8km of the MHR are scheduled to begin in the first half of 2025.

The Production Target is based on an existing Mineral Resource of 187 million dmt, comprising of 55 million dmt Indicated and 132 million dmt Inferred. The Production Target assumes 10 years of production, supported by the existing Resource, which consists of 30% Indicated and 70% Inferred Resources. Mining margins and development capex are assumed to be US\$12/wmt and US\$50 million, respectively, based on the Company's 2024 average margin for the nearby Hengjaya Mine open cut operation and its development capex. Additionally, the Production Target assumes the Sampala Project is granted the necessary government approvals to deliver the Production Target, and that sufficient demand will exist at the IMIP. The estimated Mineral Resource supporting the Production Target has been prepared by a competent person in accordance with the JORC Code. Given the low level of geological confidence associated with Inferred Resources, there is no certainty that further exploration will result in an upgrade to Indicated Resources, or that the Production Target will be fully realised.



Map showing Sampala MHR to be built connecting to the BDM MHR

Finance⁸

Balance sheet

As at 31 December 2024, the Group held:

- Cash and cash equivalents: US\$222.4M (30 September 2024 - US\$193.1M);
- Trade receivables: US\$230.4M (30 September 2024 - US\$311.1M); and
- Inventories: US\$203.8M (30 September 2024 - US\$193.6M).

Cash and cash equivalents of US\$222.4M were held by Group companies as follows:

- US\$54.0M held by Nickel Industries;
- US\$106.5M held by the Indonesian RKEF entities and their related entities (Nickel Industries interest: 80%);
- US\$52.3M held by Hengjaya Mine (Nickel Industries interest: 80%);
- US\$9.1M held by Tsing Creation (Nickel Industries interest: 100%) and
- US\$0.6M held by Siduarsi (Nickel Industries interest: 51%).

Trade receivables of US\$230.4M were held by Group companies as follows:

- US\$205.1M held by the RKEF entities;
- US\$12.2M held by Hengjaya Mine⁹; and
- US\$13.1M held by Tsing Creation.

Inventories (valued at the lower of cost or net realisable value) of US\$203.8M were held by Group companies as follows:

- US\$128.4M held by the RKEF entities, being NPI of US\$8.2M and raw materials of US\$120.2M; and
- US\$75.4M of nickel ore held by Hengjaya Mine.

The Ranger Nickel project distributed dividends, net of withholding tax, during the December quarter to Nickel Industries and Shanghai Decent (and its associates), in proportion to the respective ownership interests. Nickel Industries received US\$6.8M and Shanghai Decent received US\$1.7M.

During the quarter PT Hengjaya Mineralindo (**PTHM**), the operator of the Hengjaya Mine, distributed a dividend to its shareholders. Nickel Industries received \$12.0M, and its Indonesia partner \$3.0M, prior to withholding tax.

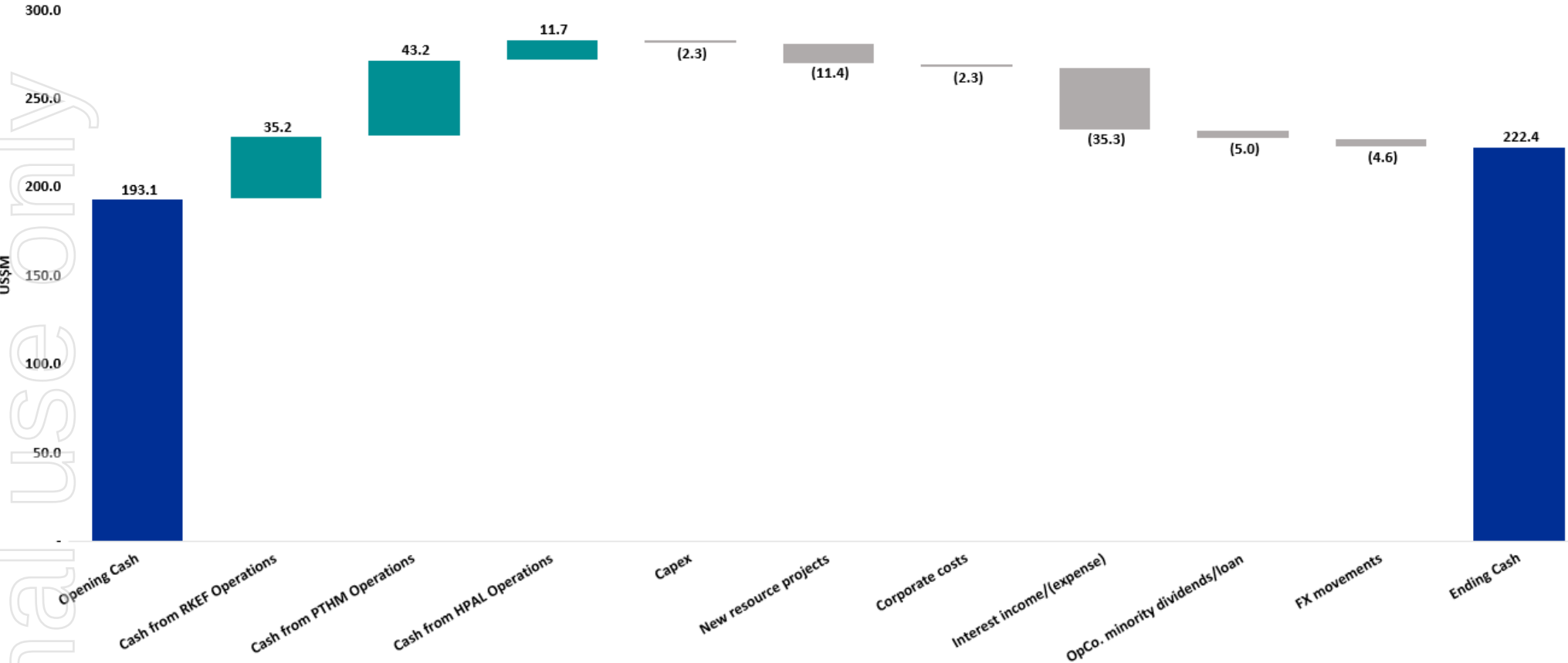
Also during the quarter, the Company received maiden dividend distributions from Tsing Creation totalling US\$13.0M.

⁸ Unaudited numbers from monthly operating entity financial reporting.

⁹ Sales of saprolite ore by Hengjaya Mine to HNI, RNI and ONI are intra-group transactions and are eliminated on consolidation. Profit from saprolite ore sales is recognised on a consolidated level as a reduction in the cost of operations, once the saprolite ore has been consumed by the group in NPI operations.

Cashflow

The following cashflow waterfall provides a reconciliation of cash movements for the Group during the December 2024 quarter.



Cash flow waterfall – December 2024 quarter

Expenditures

Expenditure on mine production and development activities at the Hengjaya Mine during the quarter totalled US\$62.3M, of which US\$2.0M was capex.

Expenditure on exploration activities undertaken at the Hengjaya Mine during the quarter totalled US\$0.6M. Additional expenditures shown in the waterfall above by PTHM relate to administration costs and taxes paid.

Exploration expenditure at the Siduarsi project totalled US\$0.3M. Expenditure on the Sampala Project was US\$10.8M, of which US\$1.5M was exploration expenditure, US\$3.4M were development loans and US\$5.9M was a commitment fee, which will be deducted from the final acquisition price. Additional exploration expenditure across other potential new resource project opportunities totalled US\$0.3M.

Related party expenditures

During the quarter, the aggregate amount of payment to related parties and their associates totalled US\$621,744, comprising US\$556,124 of payments to Directors or Director-related entities for Directors' consulting fees and US\$65,620 in fees were paid to MIS Corporate Pty Limited (**MIS**), an entity in which Director Norman Seckold has a controlling interest. MIS provides full administrative services, including administrative, accounting, company secretarial and investor relations staff both within Australia and Indonesia, office premises, services and supplies to the Group.

Corporate highlights

1 October 2024 – Successful Syndication of US\$250M Loan Facilities

8 October 2024 – Best Overall Sustainable Performance Award

30 January 2025 – Sampala Project Update

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