26 August 2024

ASX Limited
20 Bridge Street
Sydney NSW 2000 (38 pages)

ACQUISITION OF WORLD CLASS NICKEL PORTFOLIO

- Conditional Share Purchase Agreements (**CSPA's**) signed for the acquisition of three highly prospective, advanced, contiguous nickel IUPs (mining licenses) covering **6,654 hectares** (**ha**) (the **Sampala Project**).

- Initial JORC 2012 compliant Mineral Resources totalling 187 million dry metric tonnes (**dmt)** of 1.2% nickel and 0.09% cobalt (**2.3 million tonnes of contained nickel metal and 0.2 million tonnes of cobalt**) has been estimated in just 900ha of the prospective and mapped laterite area of 4,700ha, with only 20% of a total 4,700ha of prospective mapped laterite drilled.

- IUPs located in close proximity to the Company's existing refining operations within the Indonesia Morowali Industrial Park (**IMIP**) and the Company's Hengjaya Mine (**HM**).

- Acquisition from the Company's existing Indonesian partner, with whom the Company has had a long standing 15-year relationship with, on favourable terms and valuation, relative to recent Indonesian nickel resource acquisitions.

- **Majority of acquisition payments are expected in 2026 and the project development capex is currently expected to be similar to HM.**

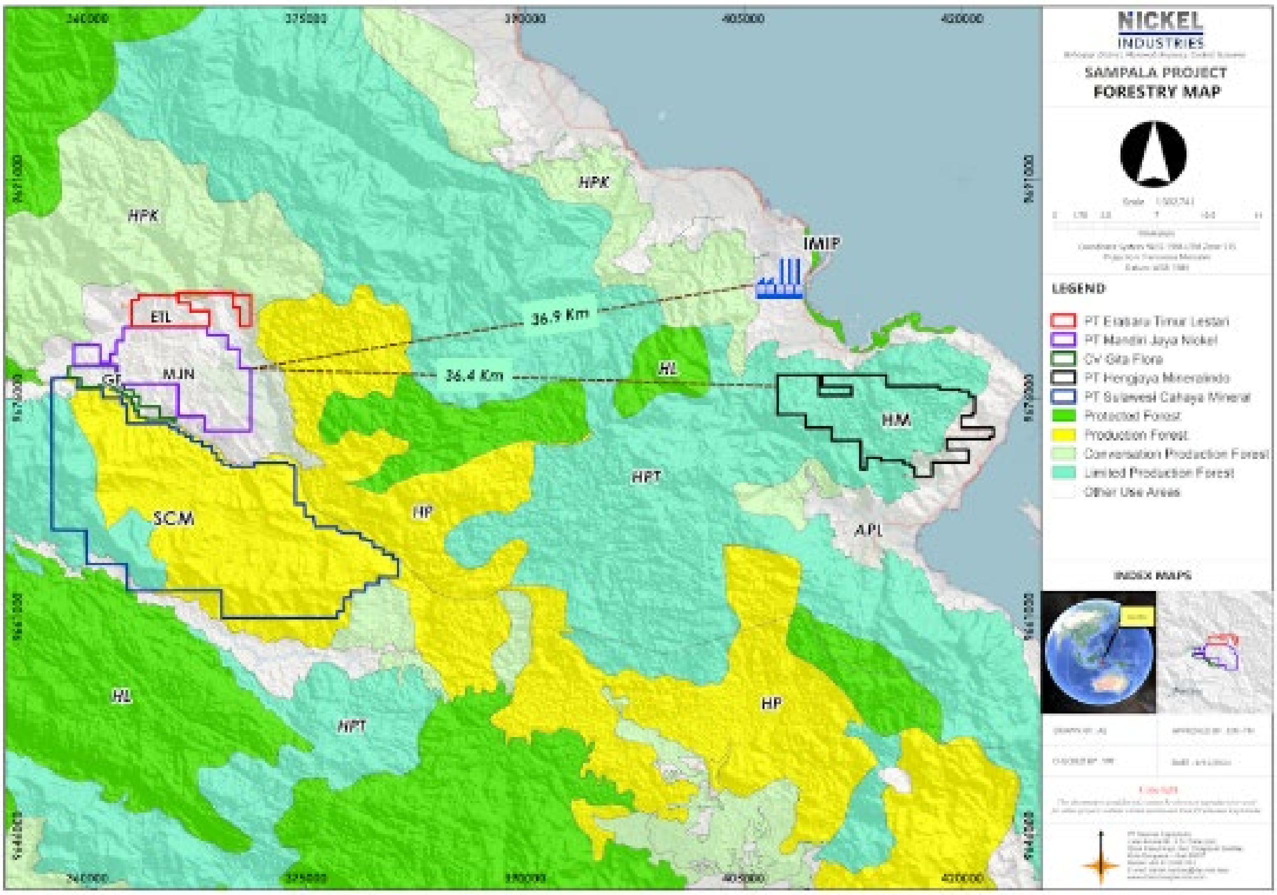
OVERVIEW OF THE SAMPALA PROJECT

Nickel Industries Limited (**Nickel Industries** or **the Company**) (**ASX: NIC**) is pleased to announce that the Company has signed CSPA's for the acquisition of the Sampala Project - three highly prospective, advanced and contiguous, nickel-cobalt projects totalling 6,654ha in combined size, namely ETL, MJN and GF.

Project-ID	IUP Permit Holder	Permit area (ha)	IUP Permit Status
ETL	PT Erabaru Timur Lestari	1,159	Operation and Production
MJN	PT Mandiri Jaya Nickel	4,871	Operation and Production
GF	CV Gita Flora	624	Operation and Production
Total Sampala Project area		**6,654**	**Operation and Production**

The Sampala Project is located only 36.9km from the IMIP, where the Company's existing rotary kiln electric furnace (**RKEF**) and high-pressure acid leach (**HPAL**) operations are located. The Sampala Project is also 36.4km from the Company's HM operations and immediately North of the Sulawesi Cahaya Minerals (**SCM**) project, which is 49% owned by the Company's largest shareholder, Shanghai Decent. SCM has reported resources of 1,139 million dmt at 1.2% nickel for 13.9 million tonnes of contained nickel metal, making it one of the world's largest known nickel resources.

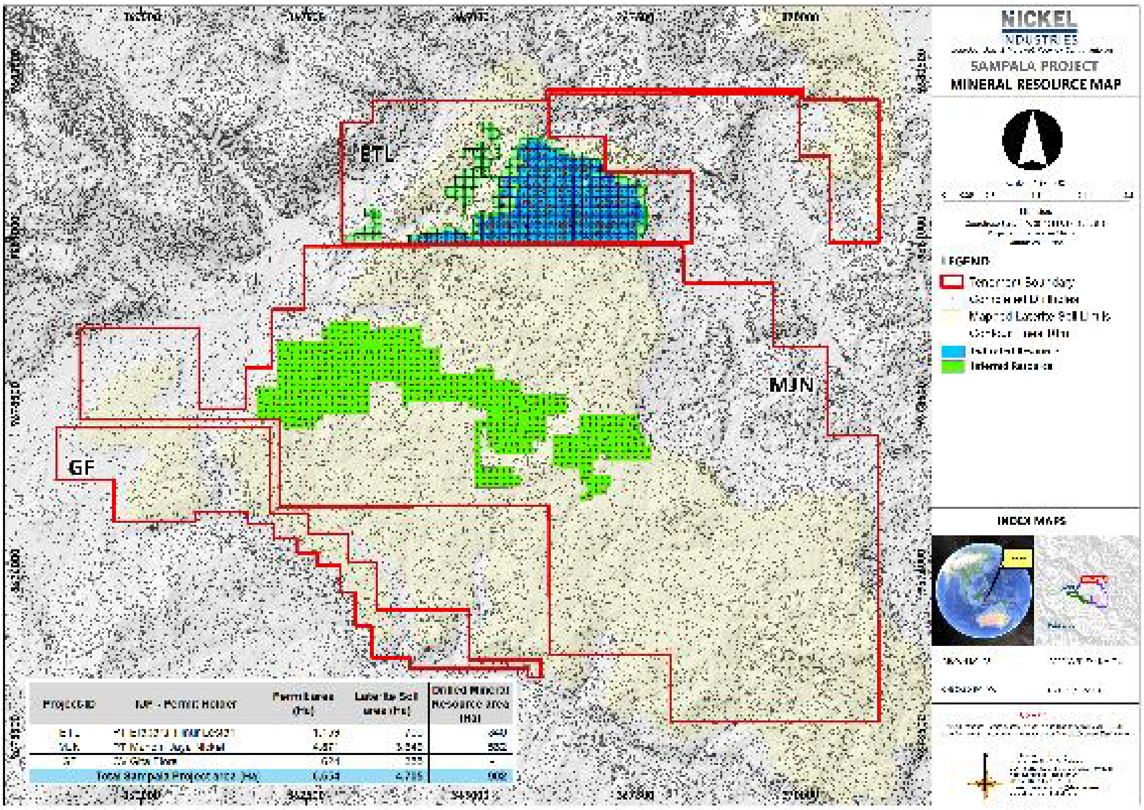
NICKEL INDUSTRIES UNLIMITED
ABN 44 127 510 589
Level 2, 66 Hunter Street
Sydney NSW 2000 Australia
T +61 2 9300 3311
F +61 9221 6333
E info@nickelindustries.com
W www.nickelindustries.com



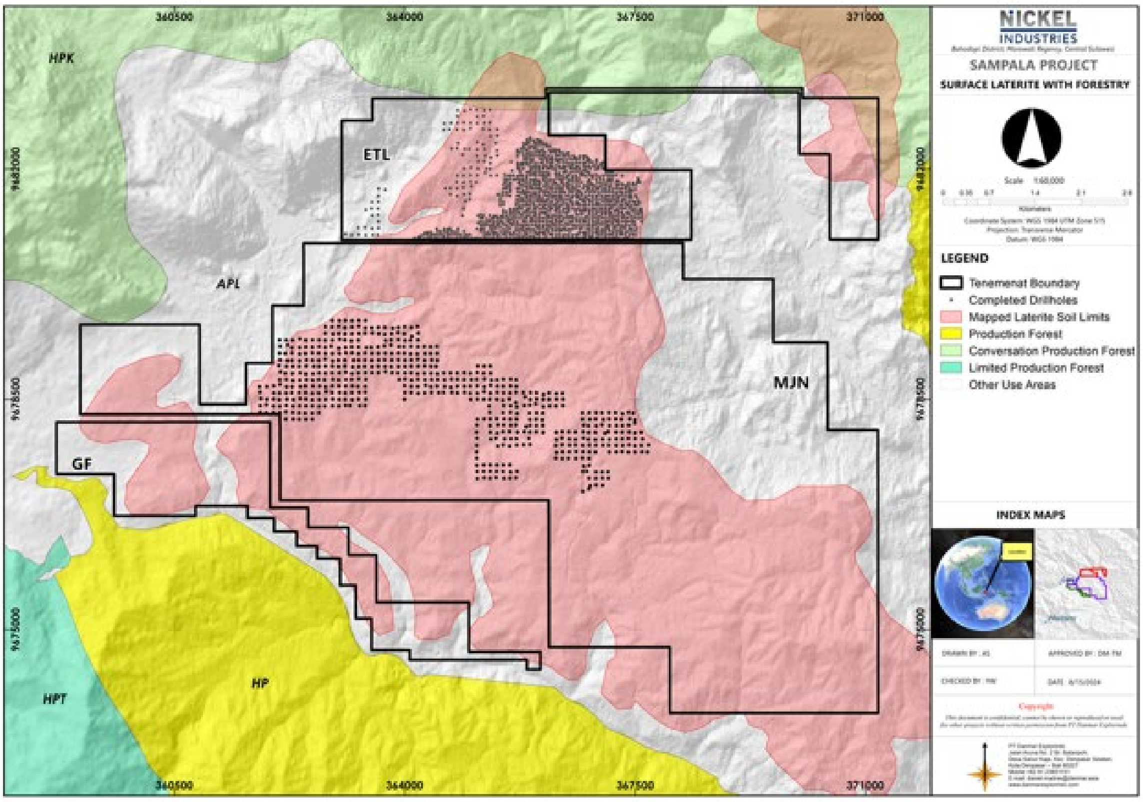
Over 574km of ground penetrating radar (**UltraGPR**), covering 4,700ha and 46,982m of diamond drilling across 900ha has been completed to date covering only 20% of the mapped laterite area within the IUP permit areas. From this initial drilling, a combined JORC compliant Mineral Resource totalling 187 million dmt of 1.2% nickel and 0.09% cobalt has already been estimated. This equates to 2.3 million tonnes of contained nickel metal and 0.2 million tonnes of cobalt.

Project-ID	Lithology	Mineral Resource Category	M wmt	M dmt	Ni (%)	Co (%)	Fe (%)	Ni-eq (000't)
Sampala Project	Limonite (CoG 0.8%)	Indicated	86	47	1.1	0.11	41	510
		Inferred	170	100	1.2	0.11	41.1	1,185
		Total	**256**	**147**	**1.2**	**0.11**	**41.1**	**1,695**
	Saprolite (CoG 0.8%)	Indicated	13	8	1.4	0.04	17.4	110
		Inferred	48	32	1.5	0.04	15.3	480
		Total	**61**	**40**	**1.5**	**0.04**	**15.7**	**590**
	Total (CoG 0.8%)	Indicated	99	55	1.1	0.1	37.9	620
		Inferred	218	132	1.3	0.09	35.4	1,665
		Total	**317**	**187**	**1.2**	**0.1**	**36.2**	**2,285**

Initial Mineral Resource at the Sampala Project



Drill collar locations and nickel Resource areas at the Sampala Project



Mapped laterite covering 4,700 ha, drilling completed (46,982m) and forestry status at the Sampala Project

Commenting on the Sampala Project acquisition, Managing Director Justin Werner said:

"We are extremely pleased to announce the acquisition of the world class Sampala nickel project from our local Indonesian partner with whom we have had a long standing 15-year relationship and have worked closely with to secure these IUPs.

With an initial resource of 2.285 million tonnes of contained nickel metal in just 900ha explored and over 4,700ha of mapped prospective laterite, the opportunity to increase this resource substantially is significant.

All 3 IUPs are 'Operation Production' meaning that they are approved to commence mining activities. Further, 7,192 of the required land for the Sampala Project has already been acquired and a feasibility and environmental (AMDAL) studies have been submitted and are awaiting approval.

A 22km haul road has been designed and submitted for approval, which will then link up with existing haul road infrastructure within the Bintang Delapan IUP which feeds ore directly to IMIP and in which Shanghai Decent is also a shareholder. This will reduce the amount of haul road construction that needs to be undertaken and fast track to first ore production and sales from the Sampala Project.

*With significant competition for new nickel resources emerging, improved mine economics and security of ore supply increasingly becoming very important, we are delighted to announce the acquisition of the Sampala Project. With 1.6% saprolite ore currently being priced at US$37/wet metric tonne (**wmt**) CIF and 1.3% limonite at US$22/wmt CIF, as well as the excellent logistics being only 56km by haul road from IMIP, we expect the Sampala Project to deliver similar economics to our HM mine operation where we have seen EBITDA as high as US$42M for a quarter.*

The majority of the acquisition payments for the Sampala Project are expected to be due in 2026. Further, once in operation, the excellent mine economics are also underpinned by a minimal capex requirement in the tens of millions of dollars and an extremely quick payback of less than 12 months.

The initial Sampala Project resource of 2.285 million contained nickel metal tonnes and HMs current resource of 3.7 million contained nickel metal tonnes increases Nickel Industries' total nickel resource inventory to in excess of 5 million tonnes of contained nickel metal with the opportunity to increase this significantly which would position Nickel Industries as one of the largest owners of nickel metal in the ground and ensure nickel resources for its operations for the next 40 to 50 years."

STRATEGIC RATIONALE FOR THE ACQUISITION

The Company believes the acquisition provides significant benefits and potential valuation upside, including:

- The Sampala Project is a world class nickel resource with 2.3 million tonnes of contained nickel metal across just 20% of the prospective mapped laterite area;
- The Sampala Project is an advanced project with environmental impact and feasibility studies submitted for approval. In addition to these submissions, the Rencana Kerja, Anggaran Belanja (**RKAB**) license for nickel ore sales have already been granted for 2025 and 2026;
- With the acquisition of the Sampala Project, Nickel Industries RKEF and HPAL operations in the IMIP will be self-sufficient. This will provide greater traceability to end customers of our operations, which is increasingly important in the global market;
- Acquisition on favourable terms from the Company's existing 15-year Indonesian partner in HM. The terms of the acquisition imply a $/t Ni-eq multiple 62% less than recent nickel resource acquisitions; and
- The Sampala Project is expected to have low mine development capex. For comparison, the HM development cost US$70m capex and produces 12 million wmt per annum. The Sampala Project will be developed by the same construction team.

SAMPALA PROJECT DETAILS

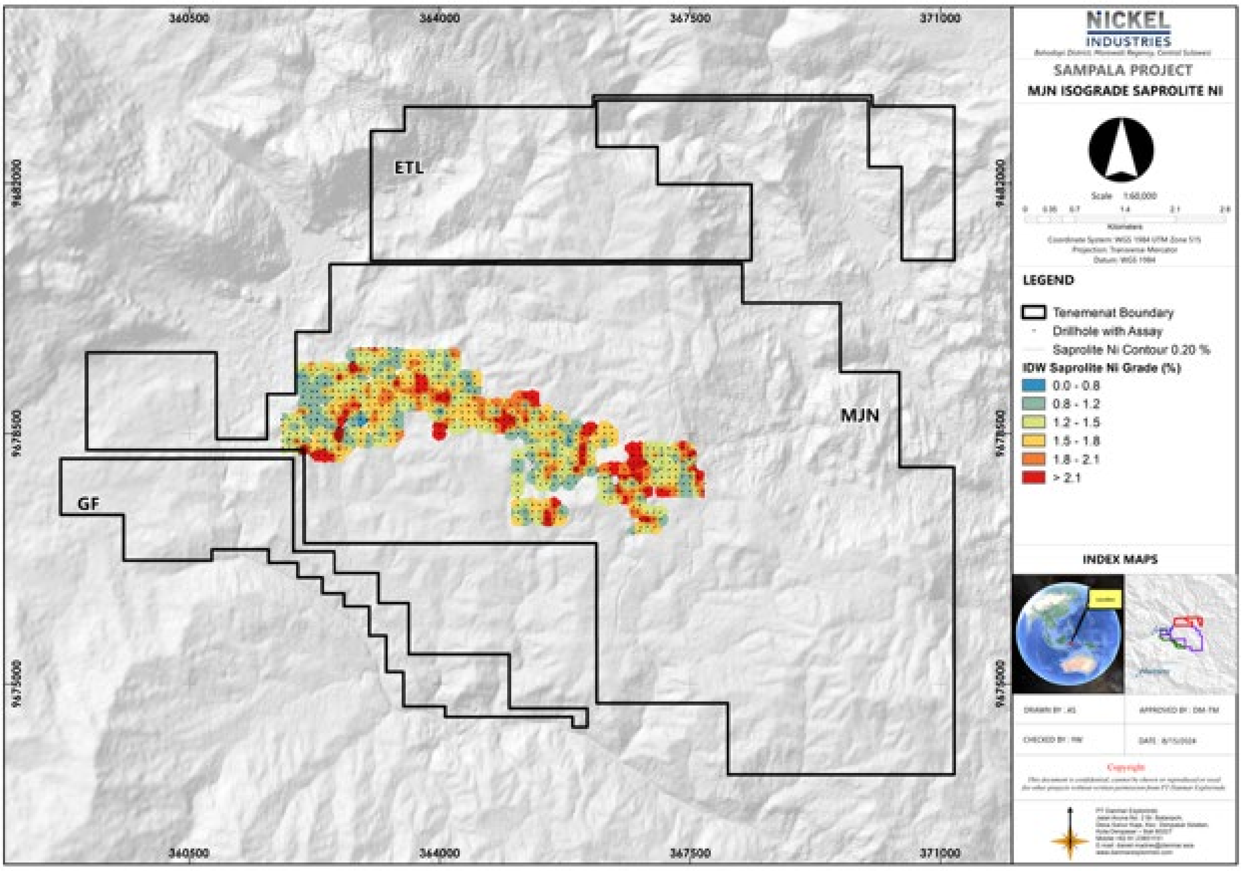
Mandiri Jaya Nickel (MJN) IUP

The MJN IUP is a 4,871ha Operation Production licence which has undergone considerable exploration, including 387km of UltraGPR covering 3,608ha of prospective, mapped laterite which indicates an average limonite thickness of 10m (maximum 41m) and average saprolite thickness of 13m (maximum 41m). There has been 14,050m of drilling in 555 holes, in just a 562ha area completed to date.

A JORC compliant Inferred Resource of 126 million dmt at 1.3% nickel (**1.6 million tonnes contained nickel metal**) and 0.1% cobalt within a 562ha area has been estimated, comprising 96 million dmt of limonite[1] at 1.2% nickel and 30 million dmt of saprolite[2] at 1.6% nickel.

The drilled area includes peak nickel grades in limonite of 3.25% and saprolite of 4.81%, as well as peak cobalt of 0.8%. There is also 3,087 ha of prospective undrilled and mapped laterite area within the MJN IUP. The Company believes that there is upside to significantly increase this Resource. The MJN IUP is valid until November 2034, with an option to renew the licence twice, each for a 10-year period.

[1] Limonite is the nickel ore feed for HPAL operations, which produce Class-1 nickel for the EV battery sector
[2] Saprolite is the nickel ore feed for RKEF operations, which produce Class-2 nickel for the stainless-steel sector



Map showing mapped laterite (pale yellow), drill holes and Inferred Resource location in green

High grade MJN drill core

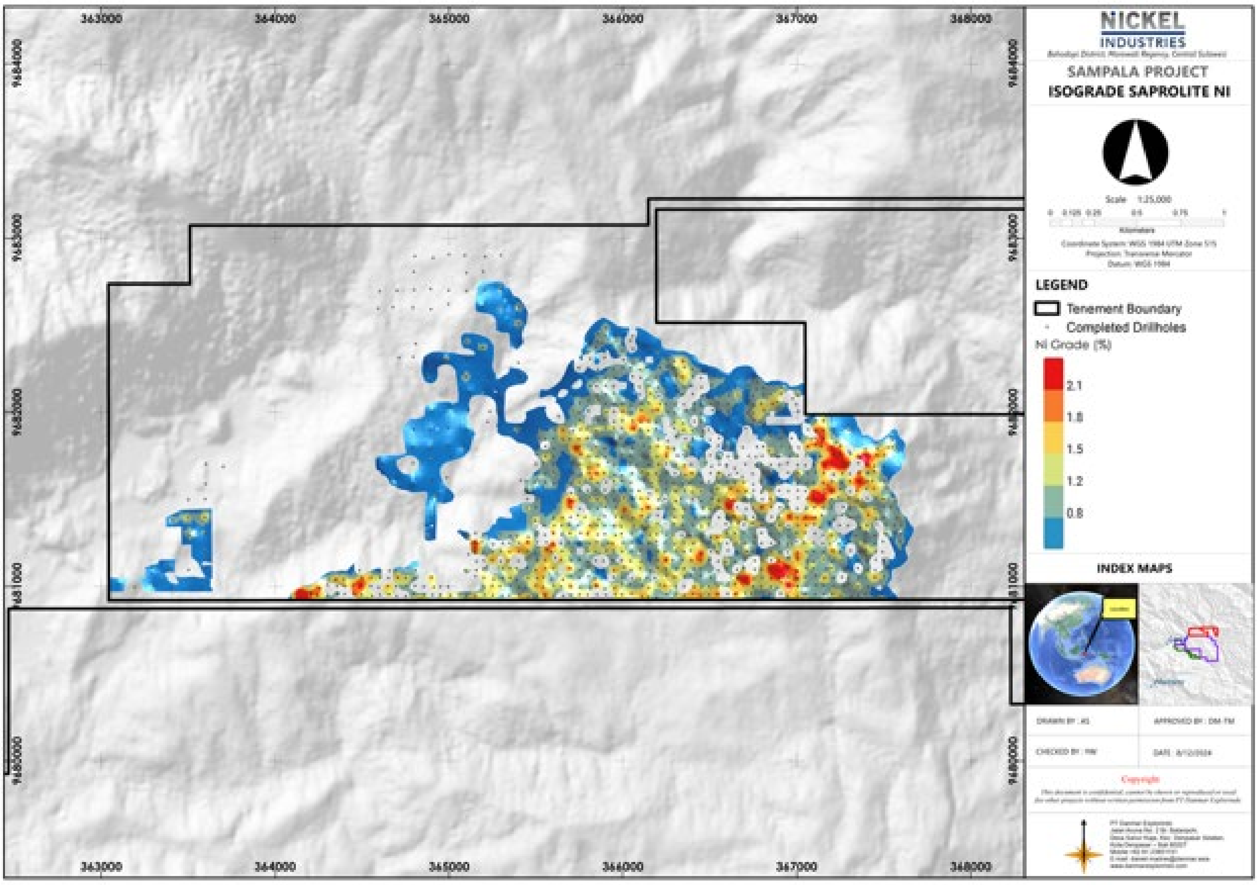
Project-ID	Lithology	Mineral Resource Category	M wmt	M dmt	Ni (%)	Co (%)	Fe (%)	Ni-eq (000't)
MJN IUP	Limonite	Inferred	162	96	1.2	0.11	41.1	1,140
	Saprolite	Inferred	45	30	1.6	0.04	15.2	460
(CoG 0.8%)	**Total**	**Inferred**	**207**	**126**	**1.3**	**0.09**	**35.5**	**1,600**

MJN project JORC mineral resource covering 562ha (of 3,608ha of prospective, mapped laterite)

Erabaru Timor Lestari (ETL) IUP

The ETL IUP is a 1,159ha Operation Production licence held by ETL and is contiguous to the MJN IUP to the South. ETL has undergone considerable exploration including 92km of UltraGPR covering 808ha of prospective, mapped laterite which indicates an average limonite thickness of 6m (maximum 32m) and average saprolite thickness of 10m (maximum 40m). 32,798m of drilling in 1,337 holes has been completed across most of the known laterite area within ETL with peak nickel in saprolite of 7.41% nickel and peak cobalt in limonite of 0.25% cobalt.

A JORC compliant Indicated and Inferred Resource of 61 million dmt at 1.12% nickel (**0.7 million tonnes contained nickel metal**) and 0.1% cobalt within a 340ha area has been determined, comprising 51 million dmt of limonite at 1.09% nickel and 10 million dmt of saprolite at 1.31% nickel. The ETL IUP is valid until June 2031, with an option to renew the licence twice, each for a 10-year period.



Map of ETL Saprolite resource grade

Project-ID	Lithology	Mineral Resource Category	M wmt	M dmt	Ni (%)	Co (%)	Fe (%)	Ni-eq (000't)
ETL IUP (CoG 0.8%)	Limonite	Indicated	86	47	1.1	0.11	41	510
		Inferred	8	4	1.1	0.11	40.9	45
		Total	**94**	**51**	**1.1**	**0.11**	**41**	**555**
	Saprolite	Indicated	13	8	1.4	0.04	17.4	110
		Inferred	3	2	1.1	0.04	17	20
		Total	**16**	**10**	**1.3**	**0.04**	**17.3**	**130**
	Total	Indicated	99	55	1.1	0.1	37.9	620
		Inferred	11	6	1.1	0.09	33.4	65
		Total	**110**	**61**	**1.1**	**0.1**	**37.4**	**685**

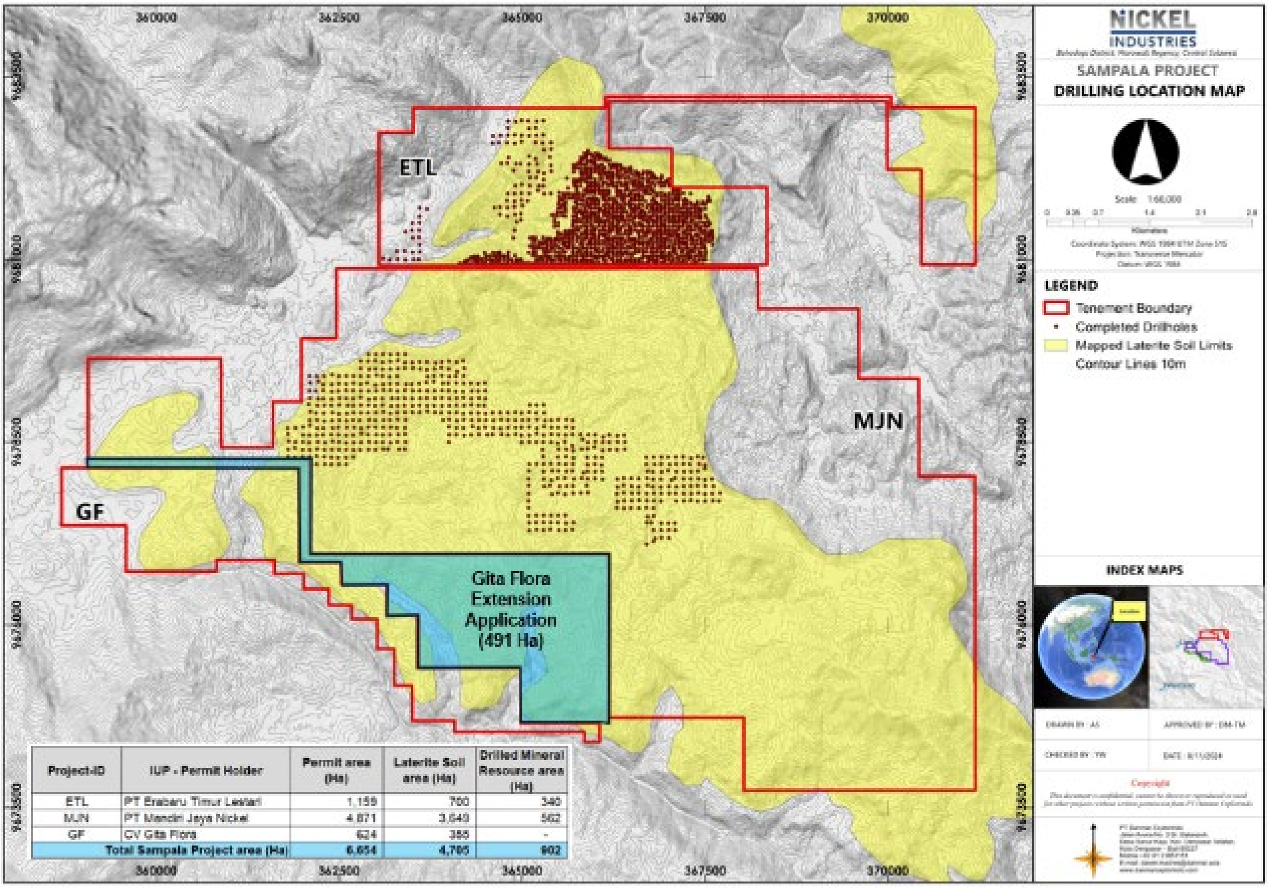
Initial ETL project JORC mineral resource covering 340ha (of 808ha of prospective, mapped laterite)

Gita Flora (GF) IUP

The GF IUP is a 624ha Operation Production license held by CV Gita Flora which is contiguous to the MJN IUP to the north. The permit has an area of 355ha which has been interpreted as hosting potential nickel laterite resources. A 95km UltraGPR program has already been undertaken and suggests limonite zones of up to 27m thick (average 10m thick) and saprolite zones of up to 31m thick (average 12m thick). The GF IUP is valid until June 2030, with an option to renew the licence twice, each for a 10-year period.

Gita Flora IUP Extension – 491ha.

GF has made an application to further extend its IUP are by an additional 491ha of prospective laterite.



Project-ID	IUP - Permit Holder	Permit area (Ha)	Laterite Soil area (Ha)	Drilled Mineral Resource area (Ha)
ETL	PT Erabaru Timur Lestari	1,159	700	340
MJN	PT Mandiri Jaya Nickel	4,871	3,649	562
GF	CV Gita Flora	624	355	-
Total Sampala Project area (Ha)		6,654	4,705	902

Map showing IUP extension application area of the GF project

COMMERCIAL TERMS OF THE ACQUISITION

MJN and ETL IUPs

- Nickel Industries to acquire 60% of the control and economic rights in each of MJN and ETL.
- Refundable commitment fee of US$3.0 million for each of MJN and ETL (US$5.9 million in total) (**Commitment Fee**), payable upon completion of the due diligence period, which is up to 90 days.
- Following the issuance of a positive due diligence notice, Nickel Industries will carry out an agreed Initial Exploration Program (**IEP**) within 18 months and for the purpose of determining the purchase consideration payable to the vendor at completion.
- After the IEP, Nickel Industries shall pay to the Vendor the purchase consideration, calculated as:

  60% * the JORC Resource[3] * US$2.50 per dmt above 1.70% nickel.

- Nickel Industries will provide an Exclusive Financing Commitment (**EFC**) in the form of interest-bearing loans, repayable prior to any dividend distributions.
- Nickel Industries shall receive an agency fee from the first production from the IUPs, as compensation for the Commitment Fee.

GF IUP

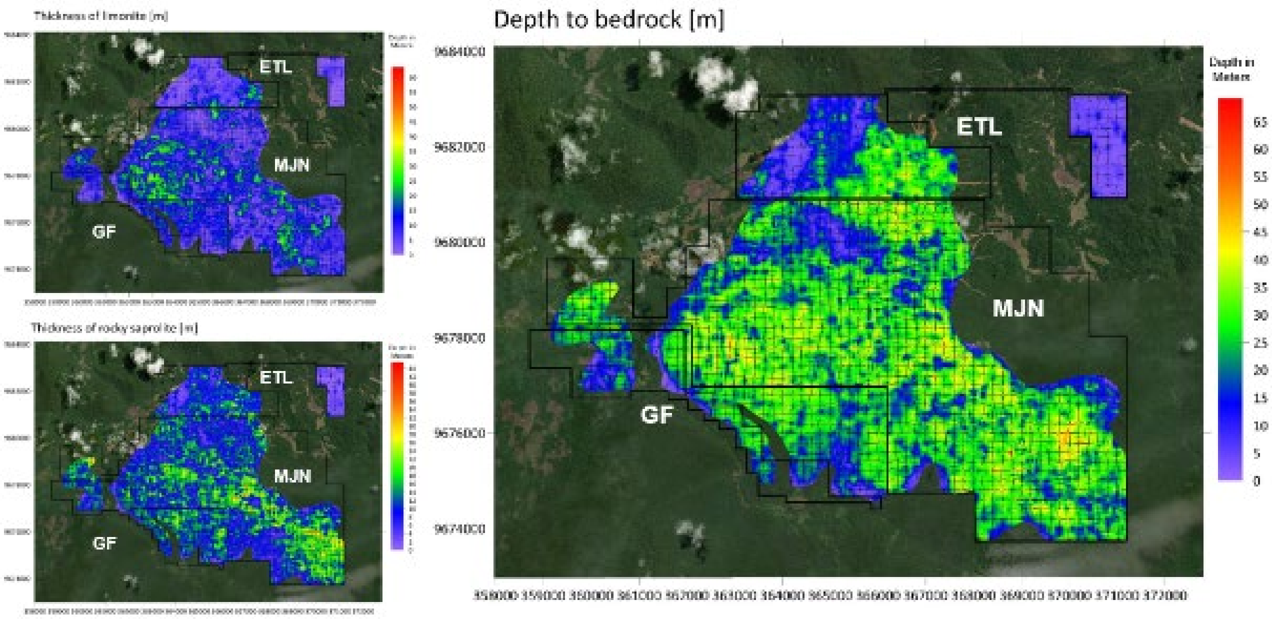
- Nickel Industries to acquire 60% of the control and economic rights in GF for a total consideration of US$7 million, payable as follows:
  - an advance payment of US$2 million (already paid);
  - a first milestone payment of US$3 million (already paid); and
  - a final payment of US$2 million upon the transfer of 60% of GF to Nickel Industries.
- Nickel Industries will provide an EFC in the form of interest-bearing loans, repayable prior to any dividend distributions.
- **An application has been submitted to extend GF by an area of 491ha of prospective laterite**. Should this application be successful, Nickel Industries is to pay the vendor an additional US$4 million.

DEVELOPMENT OF THE SAMPALA PROJECT

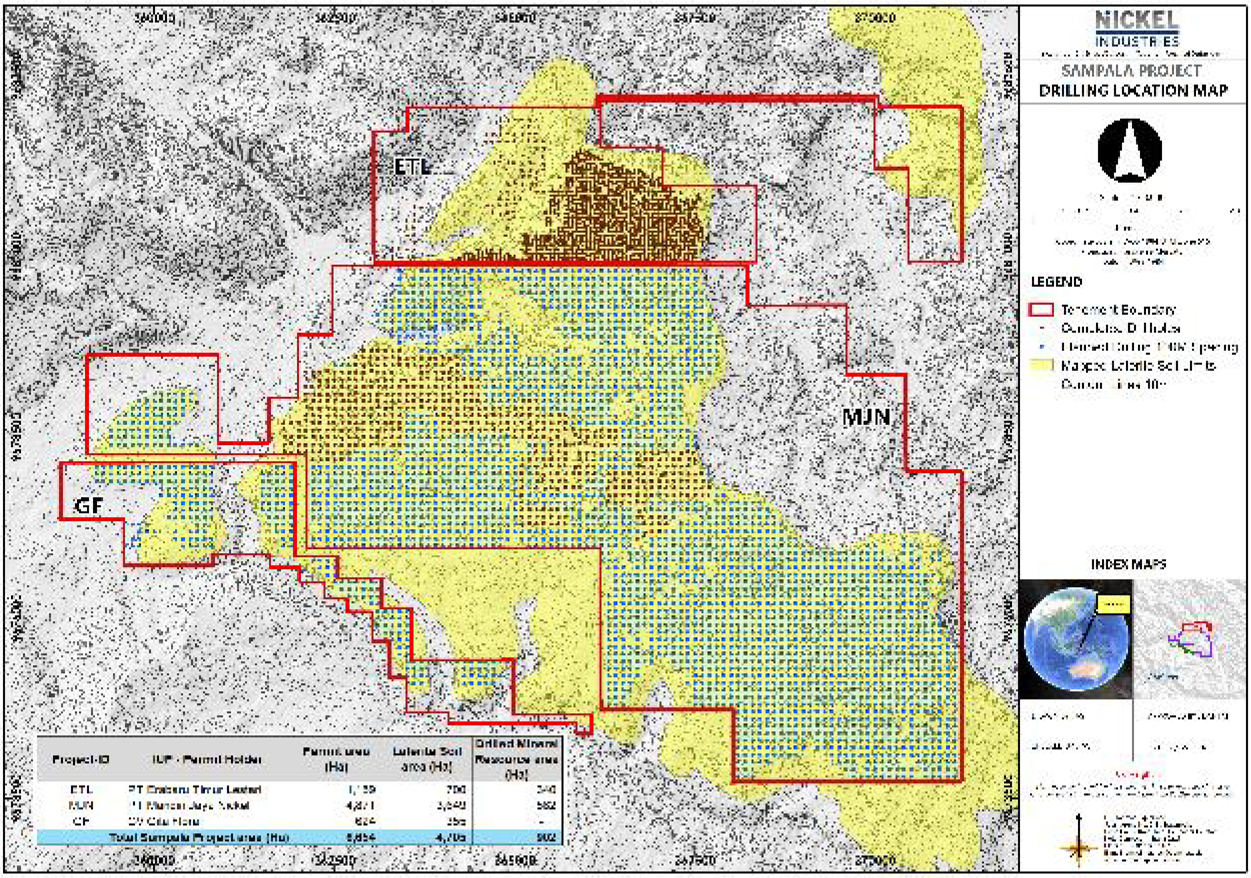
Exploration program

The Company has developed a 2,800 hole, 50,000m diamond drilling program on 100m spacing covering ~3,000ha of mapped prospective laterite areas identified by mapping and Ultra GPR surveys. There are 8 drill rigs currently mobilised at site and will commence drilling once all necessary approvals have been received, this will allow for the full potential resource of the Sampala Project to be delineated over a 12-18 month period to allow calculation of the final acquisition payment for 60% of both MJN and ETL.

[3] Measured, indicated and inferred in dmt



Map showing limonite thickness, saprolite thickness and depth to bedrock at the Sampala Project



Map showing planned 100m spacing exploration drilling at the Sampala Project

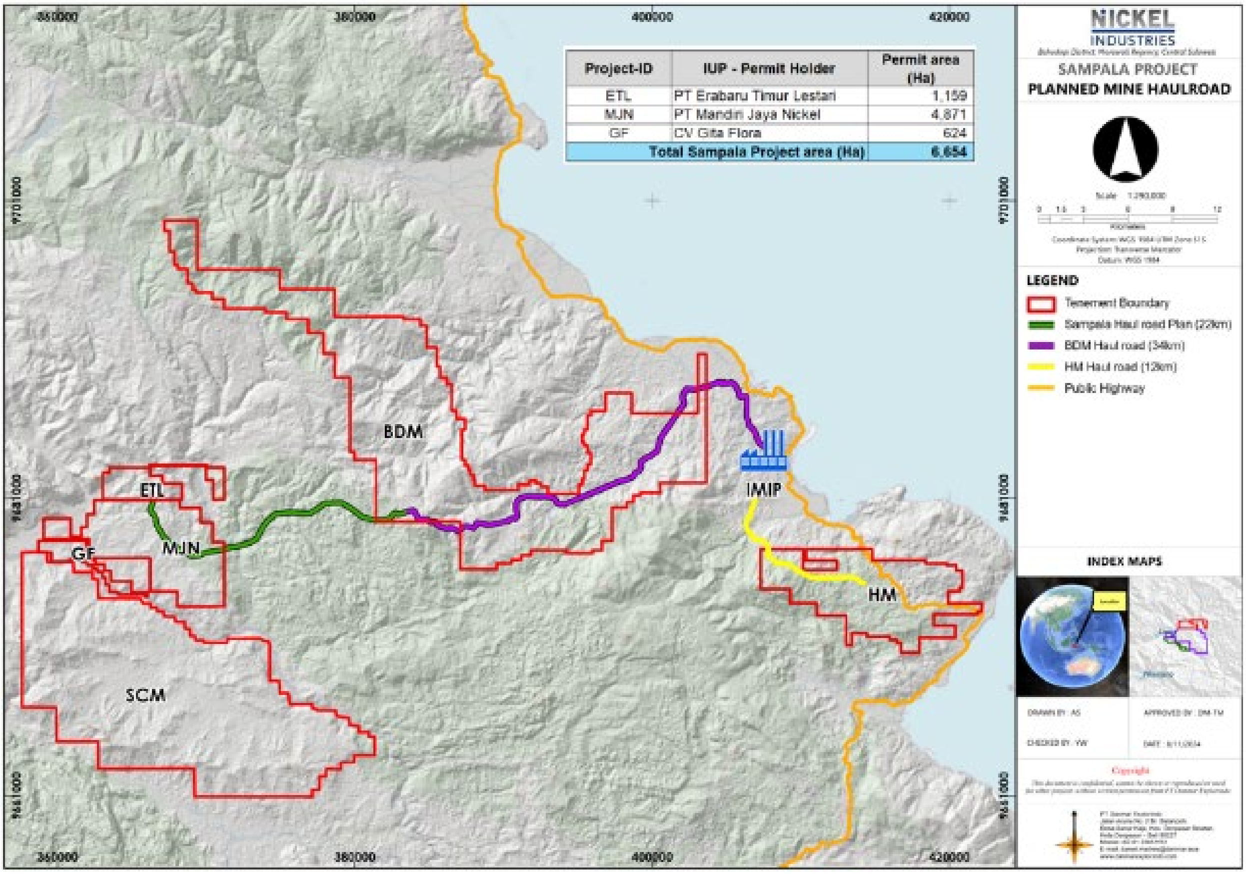
Mine development

The Sampala Project is well advanced with 7,192ha of land already acquired and considerable progress towards mine development already completed within the ETL IUP, including preliminary geological models and pit designs along with metallurgical test work that has confirmed the suitability of the Sampala Project's limonite ore for HPAL processing and saprolite ore for RKEF processing.

A proposed 22km haul road has been designed which is planned to connect with an existing haul road within the Bintang Delapan Mine (BDM), which is 49% owned by Shanghai Decent, will allow the Company to leverage an existing 34km internal BDM haul road directly into the IMIP. Associated ground, geotechnical survey works and construction design of the new haul road has already been completed.

The necessary permits to allow ETL to commence mining operations and construction of the proposed haul road are well advanced with approval of a RKAB already granted for 2024 to the end of 2026, as well as an AMDAL and feasibility studies submitted for approval.

A number of historical community projects have been delivered which will continue and be expanded including improvements of local roads, education facilities, medical and cultural projects.



Map showing Sampala haul road to be built connecting to the BDM haul road

Mineral Resource Estimation Data and Methodology

Geology and Geology Interpretation

The regional tectonic setting for Central Sulawesi is the result of a complex collision between three of the earth's major crustal plates namely, the Australian plate, the Pacific plate and the Eurasian plate. As a result, three smaller plates have formed in this collision zone known as the Sunda Plate, Philippine Plate and Caroline Plates. The collision between all these tectonic plates is the cause of sections of the seafloor to be uplifted and deposited in Sulawesi, North Maluku and Papua. This is the origin of the East Indonesian Ophiolite Belt which is one of the largest ophiolite regions in the world and the source of nickel laterite deposits in East Indonesia. Ophiolites are the result of the process of overthrust of oceanic crust and mantle to a position on top of continental rocks

When ophiolite rocks are exposed to humid, tropical climates over a long period of time laterisation can occur as the rocks are weathered. In this process of weathering by rain, soluble minerals are leached away and less soluble minerals such as iron, nickel and cobalt are left behind in the weathering profile. This laterisation process is influenced by climate, geological structure, rock type, permeability and topography over long periods of time, to form a soil profile in which minerals containing nickel and other elements can be depleted in some places and concentrated in other areas. Within the ground, the leaching process is enabled by the permeability of the bedrock often as a result of tectonic movement causing fracturing and shearing creating conduits for the flow of mineral rich solutions leached from above.

Drilling Techniques

The drills used are reverse circulation units and full coring was applied. All cores were photographed for future reference. The rigs have the added advantages of providing local people employment and also have low environmental impact with no need for road access or dozer support in mountainous terrain.

Sampling and Subsampling Techniques

With the core boxes in position, in a level place, with no cover, in consecutive order, core photos can take place. Checks are carried out to make sure that the depth labels are clearly visible and in position at the bottom of each core run. Cores with swelling or core loss are clearly marked as well as labels showing where density samples have been removed or will be taken. The well site geologist checks to make sure the core box label shows the correct Hole Identification, sequential arrangement, depth interval, date of start and finish drilling, EOH (end of hole), initials of the wellsite geologist and the rig identification number. When this is ready photos are taken in good light conditions making sure to minimize shadows and reflections.

Plastic sample bags are always double layered to protect the integrity of the samples against accidental contamination, damage or loss. Samples are bagged according to the geological horizon from which they belong and or in 1 metre intervals, if there is no geological boundary and the plastic identity label placed inside.

Plastic sample bags are always double layered to protect the integrity of the samples against accidental contamination, damage or loss. Samples are bagged according to the geological horizon from which they belong and or in 1 metre intervals, if there is no geological boundary and the plastic identity label placed inside. After each core box is emptied the outer layer sample bag is tied with string in a bow so that it can easily be undone at the camp for rechecking and final labeling. During the sampling process, the sample form is continuously filled out so that as samples are bagged every sample is recorded. Checks are made to ensure the sample intervals and labels are correct.

Sample Analysis Methods

The Sampala Project has dedicated facilities at the mine site for processing and preparing samples collected in the exploration drilling program. Samples are sent to the HM site lab for analyses using the Japanese Industrial Standard to ensure the reliability and accuracy of the sampling process. At the Sample Preparation Laboratory (Prep Lab), samples are reduced from raw samples into 200# (75 micron) pulp samples. The Assay Laboratory is where the 200# pulp samples are assayed using XRF Spectrometers to provide the composition of the drill and mine samples, in particular, the weight percent of nickel, iron, cobalt, silica dioxide, magnesium oxide and calcium oxide.

The drill core samples are reduced in volume and sample particle size to produce a 60g pulp sample, from which a 10g sample is taken for a pressed pellet, or a fused bead, for XRF. The expectation is that the results obtained on the 10g pressed powder pellets or fused beads that are produced from the 1 metre drill core sample are representative of the original samples.

Wireframing and Surface Gridding

At MJN wireframing was set up on each drill line in both east-west & north-south directions to create a 10X10m grid over the entire database area. First digitized, the lines were then draped onto the LiDAR surface to develop a morphology wireframe. This was done to assess any aspect and slope angle, weathering patterns obvious from the topography. The wireframe sections were then generated into gridded surfaces from the drilling/assay database (points of observation)

From these wireframes, gridded surfaces were produced to represent the roof and floor limits of limonite, saprolite and bedrock zones. 10 metre grids were set up and interpolation of the gridded points was conducted using Inverse Distance Weighted (IDW^2) methods.

At ETL solid model from implicit modelling using Leapfrog geo software 2023 was used for surface gridding.

Assay Data and Compositing

Only assay data from the validated database were extracted for use in the compositing process. Composite lengths of 1 metre were used.

Based on analysis of the downhole statistical data additional top and bottom grade cut-off constraints were applied to Ni% content, to impose a domain limit of no greater than two standard deviations from the saprolite ore average, to avoid over-estimation of nickel content. For this reason, all core sample measurements over statistical cut-off grade for nickel were assigned a default value. A total of 99 top cuts were applied from a database of 12,858 samples from MJN and a total of 4 top cuts were applied from a database of 4,685 samples from ETL.

Project		Density	
		MJN	ETL
Sampala	Limonite	1.8	1.8
	Saprolite	1.7	1.6
	Bedrock	2.1	2.7

Table showing Sampala Project Mine Density measurements applied to the Mineral Resource

Moisture Content

Since every drill core sample was measured for moisture using the Japanese Industrial Standard (JIS). A total 46,997 moisture measurements were performed. In areas where moisture content measurements were not available, the domain default weighted average was applied to the corresponding composite zone. The table below summarises the weighted average Moisture Content by domain.

Project	Lithology	Moisture Content (%)	
		MJN	ETL
Sampala	Sediment	30	26
	Limonite	41	45
	Saprolite	32	40
	Bedrock	8	6

Sampala Project Moisture Content measurements applied to the Mineral Resource

Block Modelling

At MJN a 3D block model was created covering the Mineral Resource area constrained using the final gridded surface models from the wireframing process to use as the base of volume estimation of the laterite zones of limonite and saprolite. At ETL block a block model was constructed to cover all the interpreted lithological domain layers based on a block size suggested by the Kriging Neighbourhood Analysis (**KNA**) and appropriate to support the drill spacing of 50m.

Grade Interpolation

For MJN Ordinary Kriging (**OK**) algorithm was used in the grade interpolation for nickel grades for limonite and saprolite laterite zones. In the absence of a geostatistical analysis for other elements, Inverse Distance Weighted Squared (IDW^2) methods were used to estimate the model grade interpolation for other elements Co, Fe, Mg0, $Si0_2$, Al_20_3, Ca0, Cr_20_3, Mn0 and Moisture Content.

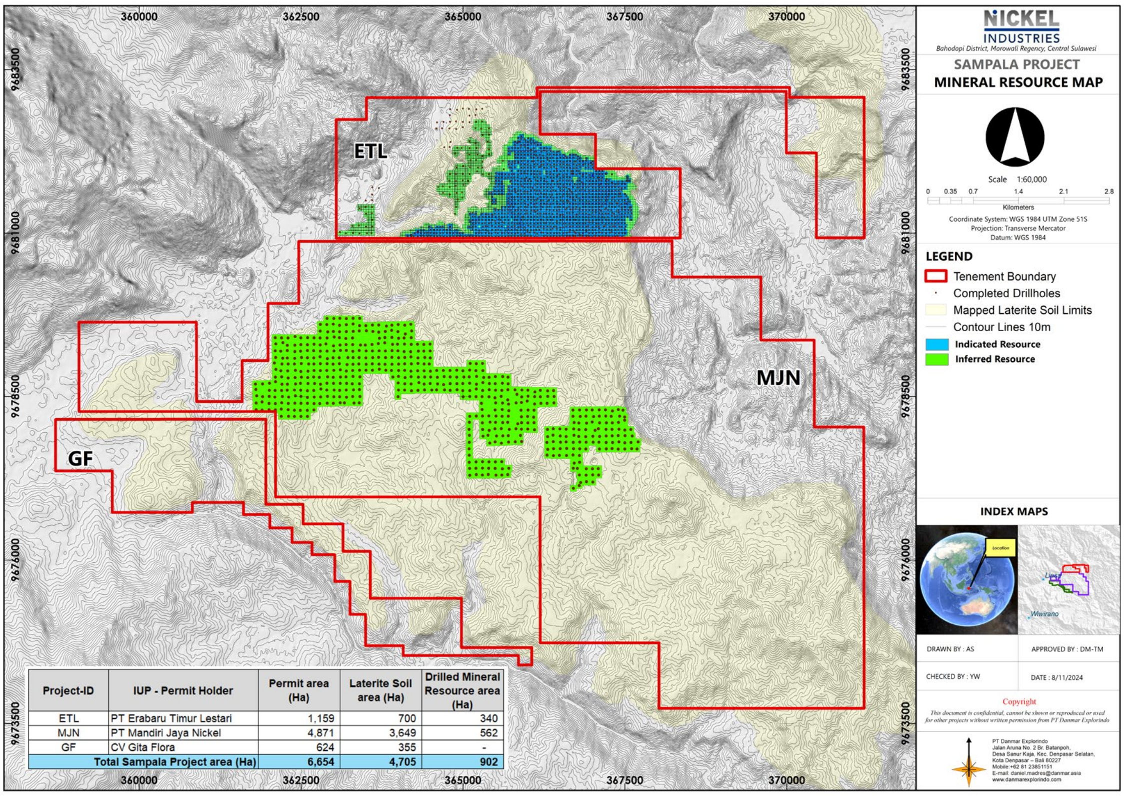
The subsequent model validation process showed similar nickel to volume ratios between OK and IDW^2 results. In total, three main passes were applied to both the OK and IDW^2 methods when interpolating the model grades, with increasing search ellipsoid distances between drilling. A fourth pass was completed to ensure all blocks within the model were given a grade within the Mineral Resource area.

For ETL OK algorithms were used for grade interpolation for all the assayed elements and compounds. Three dimensional block models were constructed for all interpreted lithological domain layers. As suggested by the KNA a block model size of 25 x 25 x 1m with no rotation was selected for the ETL as it also supports the drill hole spacing of 50m.

Resource Classification

At MJN determination of the Resource classes were applied to the Mineral Resource, with a digitised polygon boundary based on the spatial continuity of each geological domain around regular spaced drilling grids of 100 metres from points of observation in the final validated database. At ETL, determination of the Resource classes were applied to the Mineral Resource, with a digitised polygon boundary based on the spatial continuity of each geological domain around regular spaced drilling grids of 50 and 100 metres from points of observation in the final validated database. Also taken into account at both MJN and ETL was the UltraGPR grid lines between the drilling locations increasing confidence in interpretation of the laterisation contact surfaces between the points of observation in the model. Resources were classified as follows:

- **MEASURED** - Areas of less than 25 metres of drilling spacing on a continuous grid pattern, where significant influence from Pass 1 and 2 dominate the search ellipsoids, with no extrapolation from the last line of drilling. Sampala does not yet have drilling at this spacing and for this reason no Measured Resources are estimated at this time.
- **INDICATED** - Areas of 25-50 metres of drilling spacing on a continuous grid pattern, where significant influence from Pass 1 and 2 dominate the search ellipsoids, with 25 metre extrapolation from the last line of drilling.
- **INFERRED** - Areas of 50-100 metres of drilling spacing on a continuous grid pattern, where significant influence from Pass 1 and 2 dominate the search ellipsoids, with 50 metre extrapolation from the last line of drilling.



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Resource classification boundaries

Another factor in selection of Resource polygon limits used for the Mineral Resource was a review of the geostatistical inputs and the weighting on each category. This was done by comparing the influence of each pass within the polygon boundaries.

Model Validation

Final block model and interpolated grades were validated using several visual and statistical techniques to gain further confidence in the Mineral Resource estimates stated in this report.

Swath plots were used as a final model validation tool to provide comparisons between sample composites and estimated block model values. This process identifies any bias towards under-estimation or overestimation or any smoothing in the results. Statistical analyses results are contained in the Appendix of each Resource Report.

For further information please contact:

Justin Werner
Managing Director
jwerner@nickelindustries.com
+62 813 8191 2391

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelindustries.com
+61 439 908 732

Competent Persons Statement

The information in this report that relates to Mineral Resources, the Exploration Target and Exploration Results is based on data compiled by Daniel Madre of PT Danmar Explorindo. Mr Madre is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Madre is an independent consulting geologist and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Madre has more than 20 years experience in exploration and mining of nickel laterites in Indonesia.

Overview of Nickel Industries:

Nickel Industries Limited (**NIC**) is an ASX-listed company which owns a portfolio of mining and low-cost downstream nickel processing assets in Indonesia.

The Company has a long history in Indonesia, with controlling interests in the world-class Hengjaya Mine, as well as four rotary kiln electric furnace (**RKEF**) projects which produce nickel matte for the electric vehicle (**EV**) supply chain and nickel pig iron (**NPI**) for the stainless-steel industry.

Having established itself as a globally significant producer of NPI, the Company is now rapidly transitioning its production to focus on the EV battery supply chain – recently, the Company has acquired a 10% interest in the Huayue Nickel Cobalt (**HNC**) HPAL project, adding mixed hydroxide precipitate (**MHP**) to its product portfolio.

Nickel Industries is now embarking on its next transformative step, investing in Excelsior Nickel Cobalt (**ENC**), a next-generation HPAL project capable of producing MHP, nickel sulphate and nickel cathode. ENC is expected to produce approximately 72,000 tonnes of nickel metal per annum, diversifying the Company's production and reducing the Company's carbon emissions profile – reflecting the strong commitment to sustainable operations.

To learn more, please visit: **www.nickelindustries.com/**

JORC Code, 2012 Edition – Table 1 report template

Mandiri Jaya Nickel (MJN) IUP

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• HQ core samples taken in 1m intervals and all core photographed and filed as a reference • All drilling to date is on a systematic 100 X 100m grid over GPR targets. For this reason the estimate has been classified as an Inferred Resource at this time. Future infill drilling will be required to raise confidence to estimate Indicated and Measured Resources status. • All core photographed and described by well site geologists. Sample preparation and moisture determination follow the Japanese Industrial Standard (JIS), Method for Sampling and the Determination of Moisture Content of Garnieritic Nickel Ore, 1996 • High confidence in the laboratory analyses results are supported by rigorous quality assurance and quality control protocols including; sample blanks, sample standards, duplicate samples and interlaboratory checking.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• HQ wireline triple tube coring in 1m runs to ensure accurate measurement of core expansion (swelling) and recovery • Vertical drilling, core orientation not required
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Full coring used and core recovery data collected for all runs (555 holes). Core recoveries also documented by photography • Minimum 95% recovery maintained for all holes • If 3 consecutive runs are less than 95% the hole was re-drilled • Some lower recoveries in silica boxwork zones were tolerated due to geological conditions but overall drilling conditions are relatively good and recoveries remain consistently high
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	• 100% of laterite layers drilled have been logged and photographed in drilling to date • Logging includes core recoveries and core swelling measurements

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Every meter of the core is logged and sampled separately for lab analysis
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Full drill core was submitted to the lab for analysis • Industry standard laboratory sample preparation methods suitable for nickel laterite mineralization style and involve drying, crushing, incremental splitting and pulverizing to -75um pulps for assay. • Approximately half of the samples were analyzed at PT Geoservices an external and certified commercial laboratory. The remaining samples were analyzed at PT Hengjaya Mineralindo's internal laboratory following JIS M-8109-1996 SOP to maintain accuracy and precision at all sub-sampling stages eg coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume. • Sample sizes are according to JIS M-8109-1996 Industry Standard and have shown to be effective re accuracy and precision during life of project to date and show good correlation with samples analyzed at PT Geoservices (external lab) adding confidence to the accuracy of the results
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Industry standard laboratory sample preparation methods suitable for nickel laterite mineralization style and involve drying, crushing, incremental splitting and pulverizing to -75um pulps for assay. • Representivity, at sub-sampling stages at the sample prep lab was maintained by following JIS M-8109-1996 • SOP to maintain accuracy and precision at all sub-sampling stages eg coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume. • External lab assay results don't show any variance to internal lab results
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geological logs of the drill core are reconciled against assay results to verify lithology for any misallocation. • Database checked and rechecked for errors and anomalies. • Based on analysis of the downhole statistical data additional top and bottom cut constraints were applied to Ni% content to impose a domain limit, to avoid over-estimation of nickel content due to possible nugget effect. The top-cuts applied are based on the

Criteria	JORC Code explanation	Commentary
		geostatistical recommendations and to avoid over estimation of grade
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All recent drilling located by ground RTK GPS survey methods • UTM (Universal Traverse Mercator) Projection; WGS 1984 UTM Zone 51S grid is being applied in the Resource estimation. • LiDAR topographic surface was used. • Average mis-close between the LiDAR and drill collar survey is - 0.01m which is sufficient for use in this Mineral Resource
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Ultra GPR targets and geological surface mapping were used for Exploration Targets recognition only. • 100m grid drilling used for Inferred Resource, for more detailed Resource definition closer spaced drilling will be required to define Indicated and Measured Resources • Geostatistical analysis of Ni mineralization was used to confirm the direction and distances to be applied to the Nickel Resource model • Sample compositing into 4 distinct lithologies namely, Sediment, Limonite, Saprolite and Bedrock. was applied to the raw data. Histograms of these 4 data lithology subsets were created which showed some skewness of the population most likely due to nickel grade outliers occurring as a result of the compositing process. To reduce the impact of these outliers, Nickel top cuts were applied to reduce the potential of overestimation of the nickel grade in the Resource. This top-cut strategy is considered adequate for this Resource as the frequency of anomalous grade outliers is relatively low.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Vertical drilling is appropriate for nickel laterite as the laterite is relatively horizontal, so the drilling intersects a true thickness of each lithological horizon. • No bias, is considered to be introduced, as a result of the drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples left in the field are properly stored, covered and guarded by night security at each drill rig. • Sample stores are locked and continuously guarded.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Comparisons between Geoservices and internal lab results shows close correlation between results suggesting relative accuracy acceptable for use in Resource estimation

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Valid IUP license covering 4,871Ha for operation and production valid until 12 November, 2034. The License can be extended twice for 10 years if required. • Nickel Industries Ltd has a Conditional Share Purchase Agreement (CSPA) signed for the acquisition of 60% of the control and economic rights of MJN
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The exploration work has been carried out over various stages since 2010 by Rio Tinto, Sherrit and other groups. Historic data records from this work are sparce and incomplete and cannot be used for Resource estimation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Laterization of Ophiolite bedrocks, formed in a tropical climate environment through a process of surface leaching over time, two distinct enriched zones of Limonite and Saprolite clays and weathered rocks are typically found in this type of geological setting where concentrations of Ni, Co, Fe and other associated minerals are characteristic and diagnostic
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill database at MJN contains 555 holes with a cumulative total depth of 14,070m. Assays total 14,184 samples. • It is not practical or relevant to include these individual results to understand this report because Ni laterite deposits are at relatively low concentrations (1.2% Ni average) and the Resource can only be represented by a compilation of large numbers of points of observation. For this reason, the report has described the deposit using maps of borehole locations, Ni grade isopacs and thickness isopacs, descriptive statistical analyses of assay results, variograms and swath plots of the data to understand the data and check its validity and variability
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade*	• Only assay data from the validated database were extracted for use in the compositing process. Composite lengths of 1m were used, which correlates with the majority (99%) of the sample length records and within statistical ranges suggested by the variography modeling.

Criteria	JORC Code explanation	Commentary
	results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Composites were split into 4 lithologies namely; sediment, limonite, saprolite and bedrock • Based on analysis of the downhole statistical data and to to ensure grades were not over estimated additional top and bottom cut constraints were applied to Ni% content • metal equivalents for Nickel content were shown in the Resource table with ore grades as wet and dry tons.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Vertical drilling provides good representation of the deposit geometry and depth and reasonably assumed to represent true thickness, 1m core and assay sampling procedures were sufficient to provide accurate wellsite observations and reconciliation of logs. • Mineralization is basically horizontally aligned. • Total depths of drilling were guided by the interpretation of the Ultra GPR surfaces and at least 2-3m of bedrock was intersected at the end of each hole to ensure the full laterite profile was intersected.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams, maps, sections are all included in the body of the report
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All reliable(validated) data included without prejudice. • Thickness established through drilling intercepts supported with Ground Penetrating Radar (UltraGPR) geophysics, reliable assays and core photos
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• 387km of ground penetrating radar (UltraGPR) survey lines were completed, providing excellent section profiles views of limonite, saprolite and bedrock layers. Global volumes and thickness grids were used for exploration planning and understanding of the weathering patterns of the nickel laterites to best optimize the drilling patterns by domains and target the thickest and best looking areas
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Plans for infill drilling in the Inferred Resource area will increase confidence in the Resource in the future. • Exploration Targets at MJN have already been surveyed using Ultra GPR and are planned to be drilled to delineate additional Resource area if successful. Exploration Target areas map is provided

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• The collar survey, assay and geology data sets were validated to correct data error issues such as:
		  • missing or duplicate collar records
		  • overlapping intervals in the assay records
		  • collar elevation errors compared to current LiDAR topography
		  • downhole accuracy issues, total depths, from/to intervals
		  • core recoveries and swelling
		  • lithology description from wellsite geologists
		  • reconciliation of lithology with laboratory assay results
		  • moisture records from core lab analysis
		  • downhole statistical analysis
		• Only data that was validated and included in the Resource estimate

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Two site visits by the CP (Daniel Madre) were completed to review exploration progress; including drilling, and sampling procedures, review sample handling, preparation and analyses. Site inspection of Exploration Target areas were also carried out
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Due to a systematic drill program on the same grid as more then 387km of UltraGPR survey, allows for a relatively high confidence in geological interpretation of the MJN nickel laterite deposit. Historical records for surface mapping, combined with the more recent UltraGPR survey traverse over 100% of the Resource area provides good correlation and understanding if the laterization distribution, bulk volumes and mineralization. Considered sufficient for this statement of Mineral Resources • All data included into the geological interpretation was validated to be free of errors and downhole wellsite logging reconciled with photos and assay results into composited zones of Limonite, Saprolite & Bedrock • Use of Ground Penetrating Radar (UltraGPR) interpretative data in combination with points of observations from the validated database assisted interpretation in extrapolating between holes. • Geological structure and bedrock topology, which are often displayed on Ultra-GPR interpretations, helped to identify thick, high grade laterite areas

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Resource dimensions defined by the drilled area, at this stage, is approximately 6200m in length, 2800m in width and covering 564ha laterization thickness for up to 40m to bedrock in some places • Limonite thickness average in the Mineral Resource area is approximately 18m and saprolite thickness is averaging 6m.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
	• *Discussion of basis for using or not using grade cutting or capping.*
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
		• Modelling techniques & assumptions applied were considered appropriate for estimation of Mineral Resource for this style of nickel laterite deposit based on the CP's experience. Key assumption's include;
		  ◦ Domaining by elevation, laterite thickness and Ni grade, mineralogical, characteristics, distinct statistical population and geological environment
		  ◦ Downhole and spatial geo-statistical analysis of the data and domain sub-sets of data providing search ellipsoid ranges for grade interpolation and maximum extrapolation distances for Ni between data points
		• Geological modelling and Mineral Resource estimates were completed using GEOVIA Surpac® mining software (version 6.1). Ordinary Kriging (OK) algorithm was used in the grade interpolation for nickel grades for limonite and saprolite zones. In the absence of detailed geostatistical analysis for other elements Inverse Distance Weighted Squared (IDW^2) methods were used to estimate the model grade interpolation for other elements including; Co, Fe, Mg0, Si02, Al203, Ca0. Moisture content was assigned values for each layer based on average of composites.
		• A comparison against previous Mineral Resource could not be made as this is the first nickel Resource estimate in this location.
		• Deleterious elements or acid drainage of the mineral resource was not considered in the model at this time of Mineral Resource estimation as pits are likely to be relatively shallow and are planned to be backfilled and rehabilitated progressively.
		• Block size selected 50m x 50m x 1m (sub-block 25m x 25 x 1m) were considered appropriate for the data set and the style of mineralization reported.
		• Wireframing was set up on each drill line in both east-west and north-south directions to create a 10X10m grid over the entire database to develop a morphology wireframe. From these wireframes, gridded surfaces were produced to represent the roof and floor limits of limonite, saprolite and bedrock zones. 10m grids were set up and interpolation of the gridded points was conducted using Inverse

Criteria	JORC Code explanation	Commentary
		Distance Weighted (IDW²) methods. • Based on analysis of the downhole statistical data additional constraints were applied to Ni% content to impose top cuts to avoid over-estimation of nickel content due to possible nugget effect. For this reason, all core sample measurements were subjected to a top cut for (Ni) estimated for each domain using downhole statistics. • Final block model and interpolated grades were validated using several visual and geostatistical techniques to gain further confidence in the Mineral Resource estimates stated in this report. Visual inspection of the block models in plan and sectional views to assess the grade interpolations performed conform with the lithological wireframes, surface models and drilling database. Further statistical validation, including swath plots of the Nickel Resource estimate was completed by comparing global averages of the sample composites against the block model global averages.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Moisture measurements were performed on most 1m drill core samples • In areas where Moisture content measurements were not available the domain default weighted average moisture content was applied to the corresponding lithological zone • Moisture content was used to adjust Wet to Dry tonnage for mineral Resource estimates
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Based on statistical analysis of the domain databases and ongoing ore mining operations at nearby mining projects a 0.80% cutoff grade for nickel was applied to both Limonite and Saprolite to best represent the global Mineral Resource estimate. A range of Ni cut-off grades up to 2.0%, split by laterite type, to better understand the distribution of the other elements such as (Co, Fe, MgO, SiO2, Al2O3, CaO, was also provided. Density and Moisture of samples was also carried out but at this time weighted average default values were applied to the corresponding composite zones.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions*	• no mining or modifying factors were applied to the Mineral Resource statement that would result in a conversion to Ore Reserve at this time. • assumptions for open cut mining operation similar to current production at the Hengjaya Project nearby and supply agreements with nearby IMIP smelter provide sufficient evidence for determination of reasonable prospects of eventual economic extraction of the ANN Mineral Resource

Criteria	JORC Code explanation	Commentary
	made.	• proximity to the smelter and the prospect of direct haul road access indicates excellent prospects for eventual economic extraction
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical factors and assumption based on ongoing supply requirement to the smelters, (majority owned by NIC) at the IMIP smelter facility. were considered when selecting the cutoff ranges for the Mineral Resource and by product splits between Limonite & Saprolite
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Environmental Impact studies will be completed as part of the mine planning and operation permit process, • Sediment including Top soil composites were extracted separately and considered as overburden waste for future mine planning & rehabilitation of ex-opencast pit areas. This material usually occurs in the first 1-4meters from the surface and is usually below grade cutoff ranges and was not included in the Mineral Resource
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• An assumed density for each lithological layer based on density values used in nearby mining operations for this reason we don't believe there will be any significant impact using an assumed density at this time. • This assumed density was also checked against the actual insitu density measurements that were occasionally taken to confirm it is representative.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Determination of the Resource classes, at this stage, was applied to the Mineral Resource with a digitized polygon boundary based on the spatial continuity of each geological domain around a regular spaced drilling grid 100m from included points of observation in the final validated database. Also taken into account, was the Ultra GPR grid lines between the drilling locations increasing confidence in interpretation of the laterization contact surface between the points of observation in the model. Resources were classified as Inferred at this time as drill spacing was all at 100m intervals.

Criteria	JORC Code explanation	Commentary
		• INFERRED - Areas of 100m of drilling spacing on a continuous grid pattern, where significant influence from Pass 1, 2 and 3 dominate the search ellipsoids, with 100m extrapolation from the last line of drilling. • Another factor in selection of Resource polygon limits used for the Mineral Resource was a review of the geostatistical inputs and the weighting on each category. This was done by comparing the influence of each pass within the polygon boundaries. The results show that 96% of the blocks in Inferred class are interpolated by Pass 1 & 2. These results give sufficient confidence in the polygon strategy respectively.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audit was carried out by comparisons between 3 modeling methods namely; Ordinary Kriging model, Ordinary Kriging model with 2 standard deviations top cuts to nickel grade and an Inverse Distance Weighted Squared and top cuts to nickel grade model
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Sufficient exploration has been carried out at the MJN project to delineate a significant deposit of laterite nickel. The drilling used for the Mineral Resource estimate is based on a systematic drill grid of 100X100m. The Resource classification is all Inferred at this time based on this spacing of points of observation. According to the geostatistical analysis, the data provides sufficient detail for the purpose of the Inferred Mineral Resource stated in this report. • It is likely with further infill and exploration drilling in all domains the Mineral Resources, estimated in this report, will increase confidence in the Resource in the future. • Long term supply contracts to refining facilities already in operation nearby significantly increase the potential for eventual economic extraction of the MJN nickel laterite Mineral Resource

JORC Code, 2012 Edition – Table 1 report template

Erabaru Timor Lestari (ETL) IUP

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• HQ core samples taken in 1m intervals and all core photographed and filed as a reference • All drilling to date is on a systematic 50 X 50m grid over GPR targets for this reason the estimate has been classified as an Indicated Resource at this time. Future infill drilling will be required to raise confidence to estimate Indicated and Measured Resources status. • All core photographed and described by well site geologists. Sample preparation and moisture determination follow the Japanese Industrial Standard (JIS), Method for Sampling and the Determination of Moisture Content of Garnieritic Nickel Ore, 1996 • Full core 1m sample intervals were analysed at PT Hengjaya Mineralindo lab. High confidence in the laboratory analyses results are supported by rigorous quality assurance and quality control protocols including; sample blanks, sample standards, duplicate samples and interlaboratory checking. More than 32,900 samples were analysed to support the Resource estimate.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• HQ wireline triple tube coring in 1m runs to ensure accurate measurement of core expansion (swelling) and recovery • Vertical drilling, core orientation not required
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Full coring used and core recovery data collected for all runs (1,337 holes with total cumulative meters 32,798), core recoveries documented by photography • Minimum 95% recovery maintained for all holes • If 3 consecutive runs are less than 95% the hole is re-drilled • Some lower recoveries in silica boxwork zones were tolerated due to geological conditions but overall drilling conditions are relatively good and recoveries remain consistently high

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 100% of laterite layers drilled have been logged by geologists and photographed in the drilling to date • Logging includes core recoveries and core swelling measurements • Every meter of the core is logged using standard format and sampled progressively for lab analysis
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• With the exception of a small density sample weighing 700-800g taken from each of the 4 main geological horizons observed in each drill hole, full drill core was submitted to the lab for analysis • Industry standard laboratory sample preparation methods suitable for nickel laterite mineralization style and involve drying, crushing, incremental splitting & pulverizing to -75um pulps for assay. • Most of the samples were were analysed at PT Hengjaya Mineralindo's internal laboratory following JIS M-8109-1996 SOP to maintain accuracy and precision at all sub-sampling stages eg coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume. Interlaboratory checks were carried out at PT Tribakti Inspektama and PT Geoservices (commercial labs) • Sample sizes are according to JIS M-8109-1996 Industry Standard and have shown to be effective regarding accuracy and precision during life of project to date and show good correlation with samples analysed at external labs adding confidence to the accuracy of the results (see Chapter 4.6.6 in the Mineral Resource Report).
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Industry standard laboratory sample preparation methods suitable for nickel laterite mineralization style and involve drying, crushing, incremental splitting and pulverizing to -75um pulps for assay. • Representivity at sub-sampling stages at sample prep lab maintained by following JIS M-8109-1996 SOP to maintain accuracy and precision at all sub-sampling stages eg coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume.

Criteria	JORC Code explanation	Commentary

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*
	• *The use of twinned holes.*
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*
	• *Discuss any adjustment to assay data.*
		• Geological logs of the drill core are reconciled against assay results to verify lithology for any misallocation.
		• All geological data are stored and validated in PostgreSQL database software before exported to the Leapfrog Geo 2023 geological model software. Several checks have been carried out, including:
		  ◦ Duplicate points error
		  ◦ Duplicate hole id error
		  ◦ Collar and survey depth error
		  ◦ Lithological depth exceeds collar depth error
		  ◦ Overlapping segments error
		  ◦ Invalid assay value handling

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All recent drilling located by ground RTK GPS survey methods • UTM (Universal Traverse Mercator) Projection; WGS 1984 UTM Zone 51S grid is being applied in the Resource estimation • LiDAR topographic surface was used • The distinction between drill hole collar elevation and LiDAR topography surface in general is less than 0.5m which sufficient for mineral resource estimation
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Ultra GPR targets and geological surface mapping were used for Exploration Targets recognition only • 50 X 50m grid drilling was drilled in the center and southern part of Block D, while 100 x 100 m grid drilling was drilled in the west part of Block D. • The drill hole samples were composited in 1m lengths. The 1m compositing was selected because it represents the modal length of the samples taken during exploration and would preserve the detail information obtained in the samples. Several compositing strategies for sample length with less than 1m have been tested in the geological model by adding it to the previous interval or distribute it equally between previous and subsequent samples or ignoring it completely. The three compositing method show very little change in the coefficient of variation (CV), so that for the current geological model, sample length less than 1m are added to the previous interval composite to include all analyses in the geological model.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Vertical drilling is appropriate for nickel laterite as the laterite is relatively horizontal, so the drilling intersects a true thickness of each lithological horizon

Criteria	JORC Code explanation	Commentary
geological structure	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No bias is considered to be introduced as a result of the drilling orientation
Sample security	• *The measures taken to ensure sample security.*	• Samples left in the field are properly stored, covered and guarded by night security • Sample stores are locked at night and continuously guarded
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Comparisons between internal lab results and 2 external labs showed close correlation between results suggesting relative accuracy acceptable for use in Resource estimation

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Mining rights are held under an Operation and Production Mining Business Permit (IUPOP), Area Code 540.3/SK.0017/DESDM/VI/2011. The area covers 1,159Ha and gives ETL the right to mine nickel and its associated minerals. The IUPOP was granted by the Regent of Morowali in 2011 and is valid until June 2031.The Operation Production IUP may be renewed twice, each for a period of 10 years. • Land has been compensated, no Forestry restrictions in the main Resource area
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The exploration work has been carried out over various stages since 2010 by Rio Tinto, Sherrit and other groups. Historic data records from this work are incomplete and cannot be used for Resource estimation
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Laterization of molasse conglomerate containing of ophiolite rocks, formed in a tropical climate environment through a process of surface leaching over time, two distinct enriched zones of Limonite clays and Saprolite clays & weathered rocks are typically found in this type of geological setting where concentrations of Ni, Co, Fe and other

Criteria	JORC Code explanation	Commentary
		associated metals are characteristic and diagnostic

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• The drill database at ETL contains 1,337 holes with a cumulative total depth of 32,738m. Assays total 32,933 samples.
		• It is not practical or relevant to include these individual results to understand this report because;
		Ni laterite deposits are at relatively low concentrations (1.13% Ni average) and the Resource can only be represented by a compilation of large numbers of points of observations. For this reason, the report has described the deposit using maps of borehole locations, Ni grade isopach and thickness isopach, descriptive statistical analyses of assay results, variograms and swath plots of the data to understand the data and check its validity and variability

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Only assay data from the validated database were extracted for use in the compositing process. Composite lengths of 1m were used, which correlates with the majority of the sample length records. Composites were split into 4 lithologies namely; mud, limonite, saprolite and molasse conglomerate bedrock • Cutting of high grades was done as required by looking at the data distribution, cumulative histogram & log probability plots. • Metal equivalents for Nickel content were shown in the Resource table with ore grades as wet and dry tons
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Vertical drilling provides good representation of the deposit geometry and depth and reasonably assumed to represent true thickness, 1m core and assay sampling procedures were sufficient to provide accurate wellsite observations and reconciliation of logs • Mineralization is basically horizontally orientated • Total depths of drilling were guided by the interpretation of the Ultra GPR surfaces to target at least 2-3m of bedrock was intersected at the end of each hole
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams, maps, sections are all included in the body of the report

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All reliable(validated) data included without prejudice • Thickness established through drilling intercepts supported with Ground Penetrating Radar (UltraGPR) geophysics, reliable assays and exposed lithological layers observed in outcrops
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• 86.6km of ground penetrating radar (UltraGPR) survey lines were completed, providing excellent section profiles views of limonite, saprolite and bedrock layers, global volumes and thickness grids were used for exploration planning and understanding of the weathering patterns of the nickel laterites to best optimize the drilling patterns by domains
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Plans for infill drilling in the Indicated Resource area • Exploration Target at ETL have already been surveyed using Ultra GPR and are planned to be drilled to delineate a Resource area if successful • Exploration Target areas map is provided

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• The collar survey, assay and geology tables were validated to correct data error issues such as:
		  • missing or duplicate collar records
		  • overlapping intervals in the assay records
		  • collar elevation errors compared to current LiDAR topography
		  • downhole accuracy issues, total depths, from/to intervals
		  • core recoveries and swelling
		  • lithology description from wellsite geologists
		  • reconciliation of lithology with laboratory assay results
		  • moisture records from core lab analysis
		  • downhole statistical analysis
		• All data was validated and included in the Resource estimate

Criteria	JORC Code explanation	Commentary
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Two site visits by the CP (Daniel Madre) were completed. The objective was to review exploration progress; including drilling, and sampling procedures, review sample handling, preparation and analyses. Site inspection of molasse conglomerate bedrock as the source of the nickel laterite
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Due to a systematic drill program on the same grid as more than 86.6km of UltraGPR survey, allows for a relatively high confidence in geological interpretation of the ETL nickel laterite deposit. Historical records for surface mapping, combined with the more recent UltraGPR survey traverse on 200m spaced grids over 100% of the Resource area provides good correlation and understanding if the laterization distribution, bulk volumes and mineralization. This is considered to be sufficient for estimation of the Mineral Resource • All data included into the geological interpretation was validated to be free of errors and downhole wellsite logging reconciled with assay results into composited zones of Mud, Limonite, Saprolite & Molasse Conglomerate lithology zones • Use of Ground Penetrating Radar (UltraGPR) interpretative data source was used in combination with points of observations from the validated database in extrapolating between drill holes • Geological structure and bedrock topology, which are often displayed on Ultra-GPR interpretations, helped to target thick, high grade laterite areas
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Resource dimensions are determined by the drilling area at this stage which are approximately 2,000m in length, 1,500m in width and covering 564ha. Laterization thickness for up to 40m to bedrock in some places • Limonite thickness average in the Resource area is approximately 18m and saprolite thickness is averaging around 6m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine*	• Geological modeling and Mineral Resource estimate were completed using Leapfrog Geo 2023.2. The domain modeling in the software use implicit modelling with FastRBF, a mathematical algorithm developed from radial basis functions. The surface resolution for each domain model is 25 x 25m (half distance of the 50x50m drill hole spacing) with adaptive interpolation ability. • Kriging Neighborhood Analysis (KNA) has been done to minimize the smoothing effect by Ordinary kriging. Quantitative KNA was

Criteria	JORC Code explanation	Commentary
	production records and whether the Mineral Resource estimate takes appropriate account of such data. • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	performed to determine the optimum block size, discretization block, number of samples and search ellipsoid range for each element. • Three-dimensional block models were constructed for the ETL project to cover all the interpreted lithological domain layers. As suggested by KNA, a block model size of 25 x 25 x1m with no rotation has been selected for Block D, the block model size also will support the drill holes with less than 50m spacing. • The block model was compared with drill hole sample data on cross sections to verify the geological interpretation and estimated grades. Swath plots were used to visualize the statistical mean and magnitude of error between composite samples and the estimated grades. • Ordinary Kriging grade estimate has been applied for all geochemical elements. The number of samples, search radius and discretization block for each domain were taken from block size analysis results. Several run tests (passes) have been applied to the grade estimate to cover all the laterite domains in the block model. The first search radius (pass 1) obtained from KNA and then multiplied by 2 for the subsequent passes. • Leapfrog Edge's Variable Orientation (VO) was used to allow re-orientation of the search and variogram to better match the undulated laterite geometry • A comparison against previous Mineral Resource could not be made as this is the first formal nickel Resource estimate in this area • Deleterious elements such as MgO and SiO2 were reported. Acid drainage of the Mineral Resource was not considered in the model at this time as there has been no mining activity yet in the project area. Pits are relatively shallow and plan to be backfilled and rehabilitated progressively
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Moisture measurements were performed every 1m drill core sample • In areas where Moisture content measurements were not available from core lab analysis the domain default weighted average was applied to the corresponding composite zone • Mineral Resource was reported on a wet basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The ETL company management is currently targeting the sale of nickel ore to the PT Indonesia Morowali Industrial Park (IMIP) nickel smelter located 50km east of the project area. The requirement for

Criteria	JORC Code explanation	Commentary
		HPAL smelters is assumed to be 1% of Ni from limonite whereas the requirement for RKEF smelters is assumed to be 1.6% of Ni from saprolite. Based on these requirements, cut off grade (CoG) of 0.8% Ni for limonite and 1.3% Ni for saprolite have been applied in the Resource estimate • Based on statistical analysis of the domain databases & ongoing ore mining operations at nearby mining projects a 0.80% cut off for nickel was applied to both Limonite and Saprolite to best represent the global Mineral Resource estimate for representation of eventual economic extraction. A range of Ni cut-off grades up to 2.0%, split by laterite type to better understand the other elements (Co, Fe, MgO, SiO2, Al2O3, CaO, Density & Moisture) in relation to Nickel (Ni), was also supplied
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• no mining or modifying factors were applied to the Mineral Resource statement that would result in a conversion to Ore Reserve at this time. • assumptions for open cut mining operation similar to current production at the Hengjaya Project nearby and supply agreements with nearby IMIP smelter provide sufficient evidence for determination of reasonable prospects of eventual economic extraction of the MJN Mineral Resource • proximity to the smelter and the prospect of direct haul road access indicates excellent prospect for eventual economic extraction
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical factors and assumption based on ongoing supply requirement to the RNI & HNI smelters (majority owned by NIC) at the IMIP facility were considered when selecting the cutoff ranges for the Mineral Resource and by product splits between Limonite & Saprolite
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of*	• Limonite below 0.8% Ni content and Saprolite below 1.3% were extracted separately and considered as waste for future mine planning • Environmental Impact studies will be completed as part of the mining operation permitting process,

Criteria	JORC Code explanation	Commentary
	these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Density measured on samples from every hole from each of the 4 layers. This represents the insitu density of the laterite
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource has been classified on the basis of drill hole spacing grid, grade continuity with geostatistical considerations such as Kriging variance, slope of regression and average influence from surrounding samples. The Kriging Variance, slope of regression and average distance to samples has been used to assess the confident level of estimation. Kriging variance less than 0.02 and slope of regression more than 0.90 has been considered as high level confidence. Medium level confidence has Kriging Variance between 0.02 and 0.05 and slope of regression between 0.45 and 0.90 which means coherent and spatially consistent with 50x50m drill spacing. Whereas low level confidence has Kriging Variance higher than 0.05 and slope of regression less than 0.45 which means coherent and spatially consistent with 100x100m drill spacing. <table><tr><th>Kriging Variance</th><th>Slope of Regression</th><th>Average Distance to samples</th><th>Category</th></tr><tr><td>KV <= 0.02</td><td>SoR > 0.9</td><td><= 25m</td><td>Measured</td></tr><tr><td>0.02 < KV <= 0.05</td><td>0.45 < SoR <= 0.9</td><td>25m < AvD < 55m</td><td>Indicated</td></tr><tr><td>KV > 0.05</td><td>SoR <= 0.45</td><td>55 >= AvD < 100m</td><td>Inferred</td></tr></table> • The vast majority of the deposit is drilled in a 50x50m grid although in the western part of the IUP, a 100x100m of drill hole spacing grid also has been drilled. At this time, the current

Criteria	JORC Code explanation	Commentary
		drill hole spacing grid is considered not sufficient to support Measured Resource category. • Determination of the Resource classes, at this stage, was applied to the Mineral Resource with a digitized polygon boundary based on the spatial continuity of each geological domain around a regular spaced drilling grid 50m from included points of observation in the final validated database. Also taken into account was the Ultra GPR grid lines between the drilling locations increasing confidence in interpretation of the laterization contact surface between the points of observation in the model. Resources were classified as Indicated at this time as drill spacing was all at 50m intervals. ◦ INDICATED - Areas of 50m of drilling spacing on a continuous grid pattern, where significant influence from Pass 1, 2 and 3 dominate the search ellipsoids, with 50m extrapolation from the last line of drilling. • Another factor in selection of resource polygon limits used for the Mineral Resource was a review of the geostatistical inputs and the weighting on each category. This was done by comparing the influence of each pass within the polygon boundaries. The results show that 96% of the blocks in Inferred class are interpolated by Pass 1 & 2. These results give sufficient confidence in the polygon strategy respectively.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No formal audit was carried out on the geological model at this time. • The Resource numbers were compared against estimates made by the ETL team and our own internal manual estimate, which showed similar volumes of limonite and saprolite giving confidence that the Resource estimate is within an acceptable range of accuracy.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative*	• Sufficient exploration has been carried out at the ETL project to delineate a significant deposit of laterite nickel. The drilling used for the Mineral Resource estimate is based on a systematic drill grid of 50X50m. The resource classification is mostly Indicated at this time based on this spacing of points of observation. According to the geostatistical analysis, provides sufficient detail for the purpose of the

Criteria	JORC Code explanation	Commentary
	discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Indicated Mineral Resource stated in this report • It is likely with further infill and exploration drilling in all domains the Mineral Resources estimated in this report will increase • Long term supply contracts to refining facilities already in operation nearby significantly increase the potential for eventual economic extraction of the ETL nickel laterite Mineral Resource