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ASX Limited
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SIDUARSI PROJECT ACQUISITION OF 51% AND INITIAL MINERAL RESOURCE

- **Initial JORC 2012 compliant Mineral Resource totalling 52 million dmt of 1.1% nickel and 0.1% cobalt (561 thousand tonnes of contained nickel metal and 31 thousand tonnes of cobalt) has been estimated in just 1,614 ha of the 16,470 ha permit area.**
- **The completion of the acquisition of a 51% interest (increasing to 100%) in the Siduarsi Project for four million shares in Nickel Industries, in-line with the MoA signed in September 2021 (refer ASX announcements dated 2 September 2021, 16 May 2022 and 26 April 2023).**

SIDUARSI PROJECT DETAILS

The Siduarsi Project is a 6th generation Contract of Work (**CoW**) held by PT Iriana Mutiara Mining (**IMM**), and is one of only four active nickel CoWs in Indonesia; the other three being Pt Vale Indonesia (which hosts its Sorowako nickel matte processing plant), Weda Bay which hosts the Indonesia Weda Bay Industrial Park (**IWIP**) where the Nickel Industries Limited's (**Nickel Industries or the Company**) Angel Nickel rotary kiln electric furnace (**RKEF**) operations are located, and Gag Island in West Papua, Indonesia.

The Siduarsi Project CoW covers 16,470 hectares (**ha**) along geo-tectonic strike from the Ramu nickel-cobalt project in neighbouring Papua New Guinea, which reported 165Mt of Resources (118Mt Measured, 31Mt Indicated and 15Mt Inferred) at 0.9% nickel and 0.1% cobalt in December 2023 (cut-off grade 0.5% Ni), after 12 years of operation.

Map showing the location of the Siduarsi Project in West Papua, Indonesia

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INITIAL JORC MINERAL RESOURCE

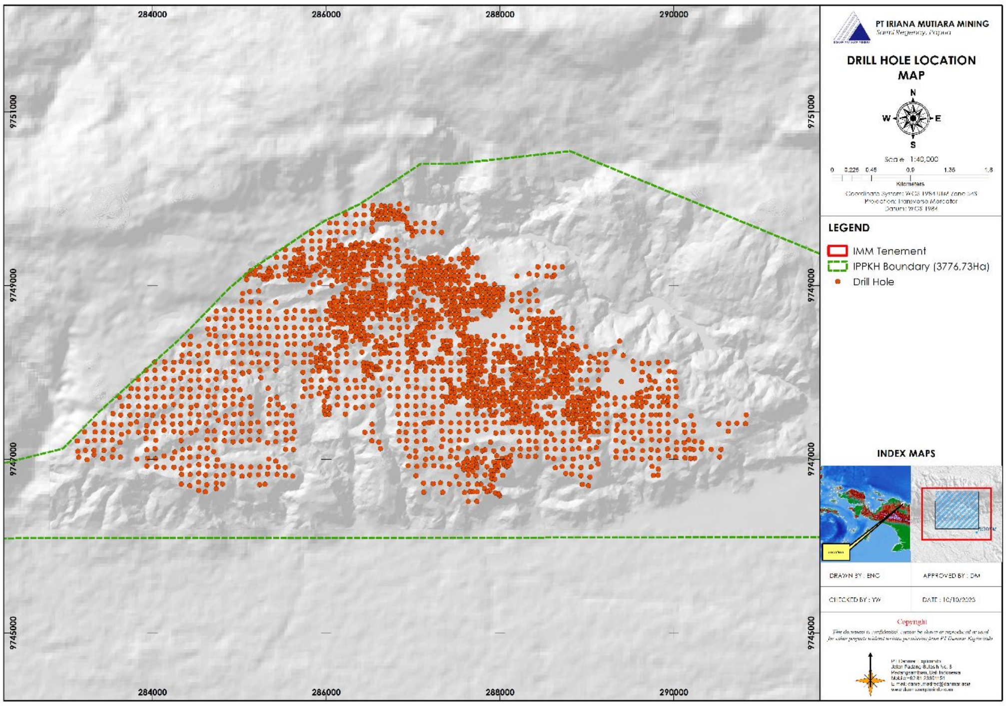
Over 167km of ground penetrating radar (**UltraGPR**) with 200m spacing, covering 1,850ha has been completed to date. The considerable exploration has indicated an average limonite thickness of 3.2m (maximum 18m) and average saprolite thickness of 9.4m (maximum 32m).

A JORC-compliant Mineral Resource of 52 million dmt at 1.1% nickel and 0.1% cobalt (561 thousand tonnes of contained nickel metal and 31 thousand tonnes of cobalt) within a 1,614ha area has been estimated, comprising 28 million dmt of saprolite at 1.1% nickel and 24 million dmt of limonite at 1.0% nickel.

There has been 31,066m of drilling in 2,078 holes completed and 33,182 sample assays received from the Siduarsi CoW. The drilled areas include peak grades of 3.7% nickel and 0.8% cobalt.

Project-ID	Lithology	Mineral Resource Category	M wmt	M dmt	Ni (%)	Co (%)	Fe (%)
Siduarsi Project CoW ***(CoG 0.8%)***	**Limonite**	Indicated	11.9	7.0	1.1%	0.1%	43.9%
		Inferred	28.5	16.8	1.0%	0.1%	42.9%
		Total	**40.5**	**23.9**	**1.0%**	**0.1%**	**43.2%**
	Saprolite	Indicated	13.4	8.7	1.2%	0.0%	12.2%
		Inferred	29.9	19.4	1.1%	0.0%	12.2%
		Total	**43.3**	**28.1**	**1.1%**	**0.0%**	**12.2%**
	Total	Indicated	25.3	15.7	1.1%	0.1%	27.2%
		Inferred	58.4	36.3	1.1%	0.1%	27.2%
		Total	**83.7**	**52.0**	**1.1%**	**0.1%**	**27.2%**

Initial Mineral Resource at the Siduarsi Project



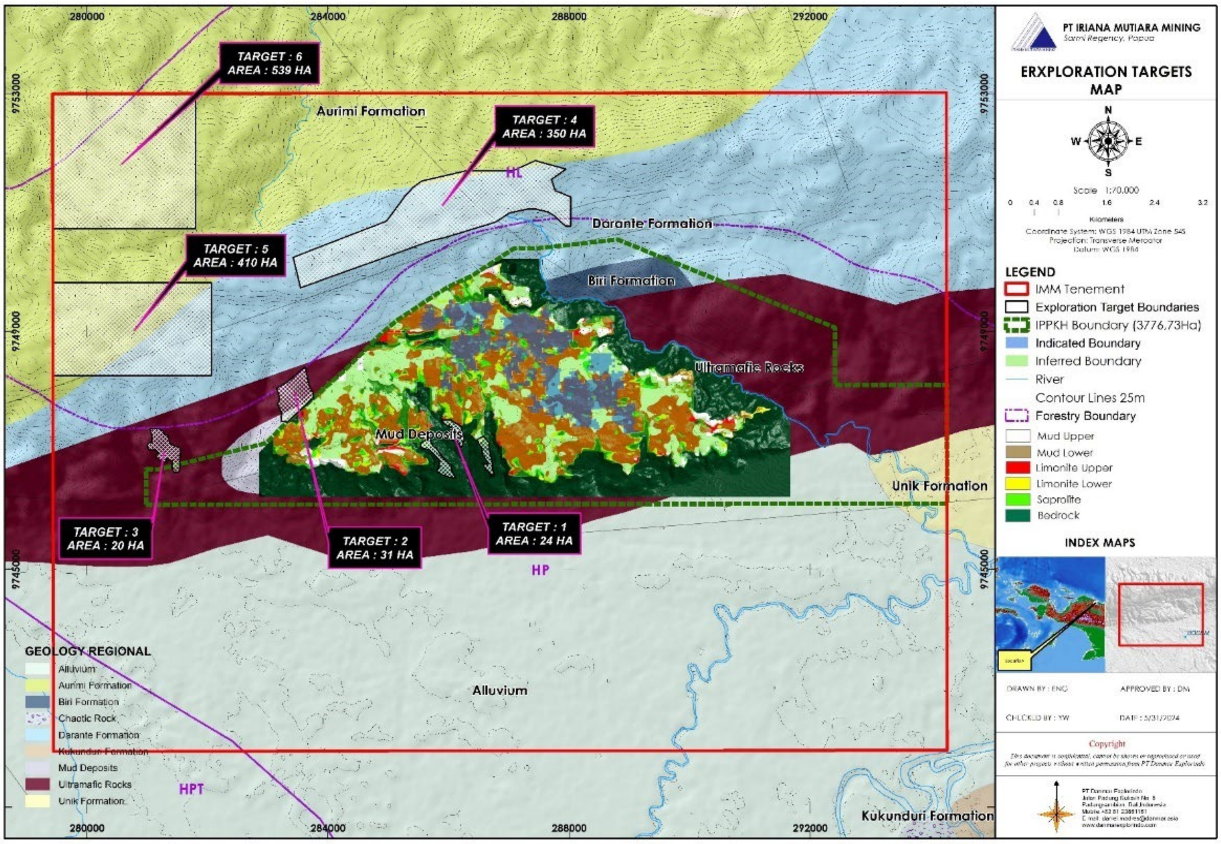
Map showing drill hole location

Exploration Targets

IMM has completed widespread geological mapping. The results suggest 1,374ha of potential laterite areas which represents an Exploration Target between 22 and 110 million wet metric tonnes (**wmt**) with nickel grades ranging from 0.7% to 1.1%. Potential thickness and grades are based on exploration results at the Siduarsi Project to date. Although the potential quantity and quality is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource, the historical mapping in these areas gives confidence that further exploration may upgrade some of these areas for future Resource estimates. Target blocks 1, 2 and 3 are planned to be drilled when the mining lease and forestry permits are renewed. The drill program is expected to take 6 months, whilst target blocks 4, 5 and 6 are currently in a protected forest area that can only be accessed if the forestry status is downgraded.

Exploration Target	Target Area (ha)	Laterite Thickness Assumptions		Potential Target	
		Min (m)	Max (m)	Min (M wmt)	Max (M wmt)
Target 1	24	0.4	1.9	0.4	1.9
Target 2	31	0.5	2.5	0.5	2.5
Target 3	20	0.3	1.6	0.3	1.6
Target 4	350	5.6	28.0	5.6	28.0
Target 5	410	6.6	32.8	6.6	32.8
Target 6	539	8.6	43.1	8.6	43.1
Total	**1,374**	**22.0**	**109.9**	**22.0**	**109.9**

Exploration target areas at the Siduarsi Project



Map showing the exploration target areas

Project Development

The Siduarsi Project is well advanced with several bulk samples totalling more than 5wmt of limonite and 300kg of saprolite sent for metallurgical testing. Initial results have confirmed the suitability of the Siduarsi Project's limonite ore for HPAL processing and saprolite ore for RKEF processing.

Nickel Industries has submitted a feasibility study to the Indonesian Mines department for approval. The feasibility study proposes a three million wmt direct shipping operation for delivery by bulk carriers or self-propelled barges to the IWIP. Upon acceptance of the feasibility study, the CoW will move to a 30-year mining operation license and Nickel Industries will increase to 80% ownership (increasing to 100%).

Commercial terms

Under the terms of the MoA, the Company can acquire up to 100% of the Siduarsi CoW by meeting the following key conditions:

- payment of A$500,000 upon signing of the Definitive Agreement. **COMPLETED**

To acquire 51% ownership of PT IMM:

- expenditure of A$5 million in agreed exploration on the Siduarsi CoW over 24 months to earn a 51% interest **COMPLETED**; and
- milestone payment of 4 million Nickel Industries shares upon delineation of a JORC compliant resource of not less than 50 million dry metric tonnes at 1.1% nickel. **COMPLETED**

To increase to 82.5% ownership:

- completion of a feasibility study that is accepted by the Indonesian mining department, to allow the CoW to move into the next phase of its life cycle which is production/operation. **IN PROGRESS**

To increase to 100% ownership:

- to be determined by an agreed third-party valuation on the economic value of the Siduarsi resource to Valmin Code 2015 standard (the Valuation); the vendors may elect to take this consideration as 50% cash and 50% shares based on the 30-day VWAP of Nickel Industries shares on the ASX; and
- existing aggregate shareholder loans of no more than US$9 million to be paid out as 50% cash and 50% Nickel Industries shares (calculated on the 30-day VWAP on the ASX prior to the announcement of the Valuation).

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

"We are very pleased to announce a maiden JORC resource for the Siduarsi CoW following a successful exploration program which confirms the projects prospectivity and potential to be of a similar size and scale to the nearby Ramu deposit which was one of the World's earliest successful HPAL projects, upon which the initial Indonesian HPALs have been based.

Whilst our initial focus will be on the direct shipping of limonite ore to the IWIP, initial metallurgical test work has demonstrated the ore to be very amenable to HPAL processing. With ore shortages emerging in Indonesia and significant premiums now being paid, we have again managed to secure a highly prospective project on very favourable terms."

Mineral Resource Estimation Data and Methodology

Geology and Geology Interpretation

The Siduarsi Project is located on the northern part of the New Guinea Orogen. Ultramafic and basic igneous rocks, as well Pliocene sedimentary rocks, occur in the area. Laterite enrichment of nickel, cobalt and other minerals has occurred over the ultramafic bedrock areas. The same gross tectonic setting occurs for similar laterite deposits in the northern parts of New Guinea mainland at Sentani, Ramu, Lake Trist, Wowo Gap and the islands of Wageo and Gag. The New Guinea Orogen was possibly initiated in the Late Mesosoic with the onset of island arc and continental collision resulting in the obduction of the ophiolite belt. Oblique convergence between the Australian Plate and the oceanic Pacific Plate continues until today. This is evidenced by the consistent seismic activity of the area, that has resulted in the formation of the Central Highlands of the island of New Guinea. North of the Central Ranges, including where the Siduarsi Project is located, the northeast mainland of Papua is a structurally complex region, comprising terrane fragments of mantle and crustal rocks of both plates within a matrix of variably disrupted Tertiary clastic and calcareous sediments. Collectively this mega-breccia is known as the North Coast Basin.

The area is structurally dominated by the Mamberamo Thrust Belt which is up to 100km wide extending southeast from the Mamberamo River Delta to the Papua New Guinea border. Arc normal faults have facilitated the emplacement of fault blocks containing island arc volcanics and ultramafic rocks such as the Siduarsi and Cyclops Ranges. Both Siduarsi and the Sentani laterite deposits are developed on these prominent horst blocks containing basement ultramafic rocks forming isolated mountain massifs in the Siduarsi and Cyclops Ranges. Another feature of the Mamberamo Thrust Belt is the widespread occurrence of mud-volcanoes, formed by diaparism, which are also the result of this tectonically active structural geology.

Drilling Techniques

The drills used are Dexdrill 200 units and full coring was applied. All cores were photographed for future reference. The drills are ideally suited to laterite core drilling as they are lightweight and portable. They have the added advantages of providing local people employment for manual moving between drill locations and have low environmental impact with no need for road access or dozer support.

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. 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.

Whole samples were packed into plastic sample bags that were double layered to protect the integrity of the samples against accidental contamination, damage or loss. Samples were bagged in 1 metre intervals according to the geological horizon from which they belong with plastic identity labels 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 samples are bagged and recorded. Checks are made to ensure the sample intervals and labels are correct. Rechecks are done so that the sample intervals can be reconciled and there are no gaps in the depth intervals. Samples are then packed in sacks and tied with flagging tape showing the hole identification. If stored in the field, the sacks are covered for protection from the weather. Samples are transported to the field camp on a daily basis. Sample numbers and the depth interval labels are recorded on sampling forms which are photographed and sent to Danmar head office for recording in the IMM database. During this sample labeling process, the condition of the sample bag is checked and changed if damaged. The total number of samples are rechecked against the total number of samples logged in the field at the wellsite.

Sample Analysis Methods

The Siduarsi Project core samples from the exploration drilling program were sent to the PT Geoservices commercial laboratory using ISO 17025-2017 in Jakarta for analysis. At the Sample Preparation Laboratory 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 a Certificate of Analysis of the drill samples, in particular, the weight percent of nickel, iron, cobalt, silica dioxide, magnesium oxide and calcium oxide.

The Quality Assurance and Quality Control at the PT Geoservices assay laboratory is appropriate, with precision and accuracy within acceptable limits that is suitable for inclusion in this estimation Mineral Resource using the JORC Code. A full QA/QC report is provided in Appendix 5 of the IMM Resource Report.

Wireframing and Surface Gridding

Each lithology in the drill hole data has been coded into distinct geological horizons, based on their chemical composition determined by the assay results. Each contact of the layer has been modeled in a 10 x 10 m grid surface and visually checked by easting and northing cross sections to ensure the surface fit the drill hole data. The topography surface was used to limit the top of mud, limonite, saprolite and bedrock.

The cumulative thickness of the domain layers was compared to the original drill hole data to check the accuracy of the geological model. Geological modeling and Mineral Resource estimation were completed using Leapfrog Geo 2023.2.1.

Assay Data and Compositing

The project area has been divided into three blocks namely, West 100, East 100 and North 50, of extrapolatory data and variography analysis as determined by the average drill hole spacing distribution.

The drill hole samples were composited in 1m lengths. Any composites less 0.5m were added to the previous sample interval. The 1m compositing was selected because it represents the modal length of the samples taken during exploration and would preserve the detail of the information obtained in the samples.

Although some density and moisture measurements were made by the commercial laboratory (PT Geoservices), on some bulk samples from the site, the results appeared to indicate samples had dried during the transportation over a 2-month period to the lab and were no longer representative of the actual moisture condition at the site. For this reason, an assumed density was used for the nickel resource estimate, at this time, based on density and moisture contents at other nickel laterite projects in Indonesia as shown in the Table below.

Laterite Layers	Assumed bulk Density (g/cm3)
Limonite	1.8
Saprolite	1.6

Table showing Siduarsi Project assumed Density applied to the Mineral Resource

Moisture Content

Only one drill core sample batch had Moisture measurements. Although these are only 63 core samples, they show Moisture Content much higher than the composite bulk sample which indicates a more realistic moisture level. Additional moisture data was subsequently provided by Geoservices which supports the results received in the COA even though these analyses are not formal Moisture Content certificates. The table below summarises the weighted average Moisture Content by laterite type.

Laterite Layers	Moisture Content (%)
Limonite	41%
Saprolite	35%

IMM Project Moisture Content measurements applied to the Mineral Resource

Block Modelling

Three-dimensional block models were constructed for the Siduarsi Project to cover all the interpreted generic lithological layers. A block model size of 25 x 25 x 1m with no rotation has been selected for all blocks by considering the overall drill hole spacing which is mostly a 50m in the North Block and 100m in the West and East blocks.

The position of the block model centroid is placed as close as possible to the location of the drill hole collar in each block. No sub-blocking was applied to the parent block to reduce the grade bias in the Resource estimation. The percentages of material in each block from the interpreted geological wireframes has not been applied in the block model.

Grade Interpolation

Ordinary Kriging grade estimate has been applied for Ni, Co, Fe, MgO, SiO2, Cr2O3, and Cr for all domains. The number of samples, search radius and discretisation block for each domain were taken from block size analysis results. For the search radius, the drill hole spacing was considered by taking into account the ratio of the ellipsoid produced from the variography analysis. 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) was 1.5 times of the average drill hole spacing distance and then multiplied by 2 for the subsequent passes.

Mining and Metallurgical Methods

Nickel laterite sample analyses, along with geological and geotechnical studies, indicate suitability for open cut mining methods at Siduarsi. Preliminary open cut mine plans are based on the current operational experience and mining capability at the HM open pit mine operation in Sulawesi. Initial metallurgical test work results, from bulk samples at the Siduarsi, also confirm suitable acid consumption for limonite processing through the HPAL process and saprolite nickel grades suitable for RKEF plant feed. At this stage the saprolite and limonite mineralisation are sufficiently well defined and suited for the supply requirements for the RKEF smelters and HPAL plants (majority owned by NIC) at the IWIP smelter in Halmahera. This provides reasonable prospects for eventual economic extraction for the Siduarsi Nickel Resource.

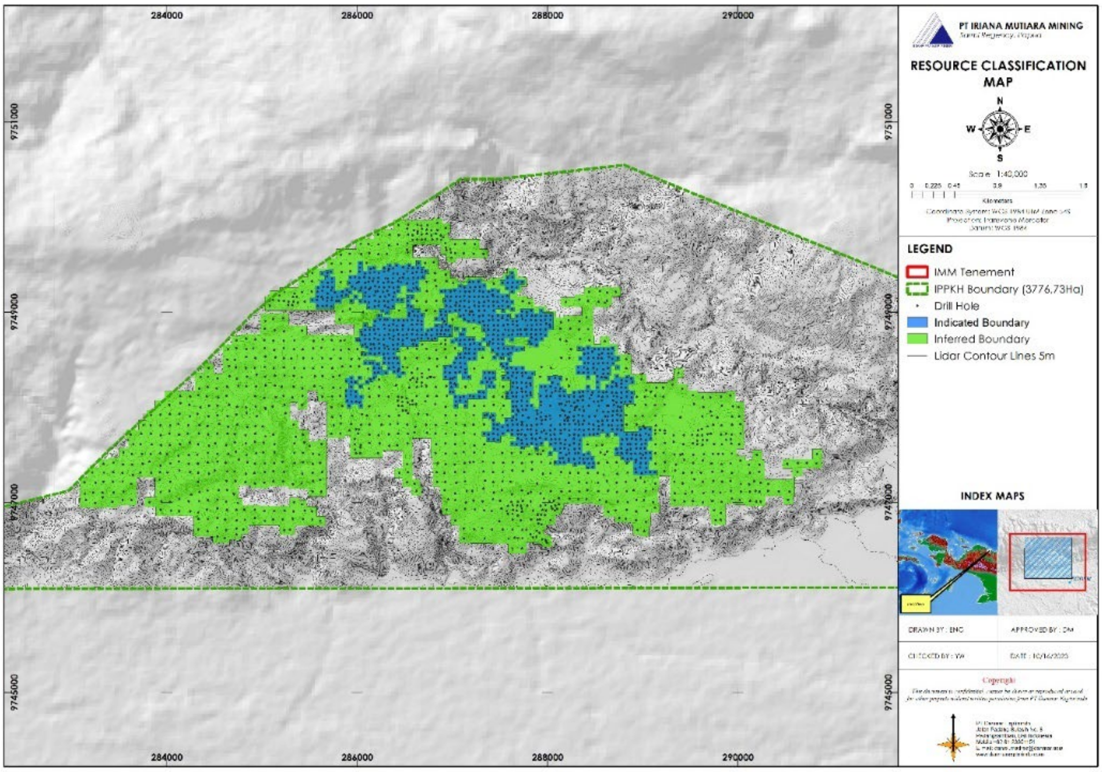
Initial metallurgical test work results, from a Siduarsi limonite bulk sample, confirmed suitable acid consumption using the HPAL process with an acid to ore ratio 250 kg/ ton ore with residence time 1 h. The leachate metal concentration was 4.7 g/L, 0.34 g/L, 2.96 g/L, 4.71 g/L and 0.21 g/L respectively for Ni, Co, Mn, Mg and Cr. Although the result may not be representative, as it came from only one location, it does indicate positive potential for acid leach processing. Further test work will be required to confirm the initial test results.

Resource Classification

The Mineral Resource has been classified on the basis of drill hole spacing grid, grade continuity with geostatistical considerations such as variogram range, Kriging variance and slope of regression. The vast majority of the deposit is drilled in a 100x100m grid although in the northern part of the CoW, a 50x50m hole spacing grid has been drilled. At this time, the current drill hole spacing grid is considered to be insufficient to support Measured Resource categories.

The Kriging variance and slope of regression has been used to assess the confidence level of the estimation. Kriging variance less than 0.10 and slope of regression more than 0.80 has been considered as high level confidence. A medium level of confidence has a Kriging variance between 0.10 and 0.40 and slope of regression between 0.20 and 0.80 which means coherent and spatially consistent with 50x50m drill spacing. Whereas low level confidence has Kriging variance higher than 0.40 and slope of regression less than 0.20 which means coherent and spatially consistent with 100x100m drill spacing.

The Mineral Resource also has been constrained by a boundary of 25m (half distance of 50x50m grid) from the drill hole location to determine the Indicated Resource category, any extrapolation beyond the boundary is considered as an Inferred Resource up to a maximum extrapolation of 50m.



Resource classification boundaries

Model Validation

The estimated block model was validated visually on the computer screen as well as by the statistical means. 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.

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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

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 from 2,078 holes in 1m intervals and all core photographed and filed as a reference. 33,184 samples analysed to represent the deposit quality. • All drilling to date is on a systematic 100 X 100m grid over GPR targets. North Block has 50X50m infill grid over higher grade assay results. For this reason, the estimate has been classified as an Indicated Resource and Inferred Resource at this time. Future infill drilling will be required to raise confidence to estimate additional Indicated and Measured Resources. • High confidence in the laboratory analyses results are supported by rigorous quality assurance and quality control protocols including; sample blanks, sample standards and duplicate samples. • Whole cores were packed in plastics and sent to PT Geoservices lab for XRF analysis and QA/QC complying with ISO 17025-2017.
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 was appropriate as laterite is basically a horizontal deposit and core orientation is 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 (33,066m of drilling). 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 metre of the core is logged and sampled separately for lab analysis. • 33,066m of core is logged and 33,183samples have been analysed from a systematic drilling grid.
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 HQ diameter drill core was submitted to the lab for analysis • Industry standard laboratory sample preparation methods suitable for nickel laterite mineralisation style and involve drying, crushing, incremental splitting and pulverizing to -75um pulps for assay. • All of the samples were analysed at PT Geoservices an external and certified commercial laboratory following XRF analysis and QA/QC complying with ISO 17025-2017 to maintain accuracy and precision at all sub-sampling stages e.g. coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume. • Sample sizes are according to XRF analysis and QA/QC complying with ISO 17025-2017 Industry Standard and have shown to be effective regarding accuracy and precision with samples analysed 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 mineralisation 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 ISO 17025-2017 Industry Standard. • SOP to maintain accuracy and precision at all sub-sampling stages e.g. coarse blanks, coarse replicates and 200# pulp sieve tests, whilst reducing sample particle size and volume.
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 cut constraints were applied to nickel and cobalt content to ensure grades in Block North 50 in 0.1% and 0.8% of samples respectively.
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*	• All recent drilling located by ground RTK GPS survey methods. • UTM (Universal Traverse Mercator) Projection; WGS 1984 UTM Zone

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	515 grid is being applied in the Resource estimation. • LiDAR topographic surface was also used. • Significant mis-close between the LiDAR and drill collar survey caused by thick vegetation in many areas. For this reason it was decided to drape the drill collar elevation onto the LiDAR surface which is considered to be more representative of the actual elevation in the field and for this reason more suitable for use in this Mineral Resource for Indicated and Inferred categories. A LiDAR topography report is attached in Appendix 8 of this report.
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 was used for Inferred Resource, for Indicated Resource definition closer spaced drilling (50m grid) was used. • Geostatistical analysis of Ni mineralisation was used to confirm the direction and distances to be applied to the Nickel Resource model. • Sample compositing into 6 distinct lithologies namely, Mud Upper, Mud Lower, Lim Upper, Lim Lower, Saprolite and Bedrock was applied to the raw data. Histograms of these 6 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. Complete descriptive statistics for each lithological domain is contained in Appendix 9.
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 in the field. • Sample shipments were made within containers to keep samples protected and secure.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sample database and statistics were continuously monitored for anomalies and outliers. Database was checked and validated using

Criteria	JORC Code explanation	Commentary
		PostgreSQL software and a relational database build specifically for this project. • No formal audits have yet been carried out but sample residues have been stored and can be made available in the event of sample audit requirement.

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 license to operate in the area.*	• Contract of Work with area code 99PK0027 granted by the Minister of Mines and Energy. • Nickel Industries is farming in on the project with the objective to develop a nickel and cobalt mine. It can acquire 100% ownership of the project by meeting the conditions outlined in Section 1.2 of the Resource Report. • A Social Impact Assessment report has been conducted to investigate native title interests (see Appendix 3).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The exploration work has been carried out over various stages since 1994 by Battle Mountain, Freeport McMoran Copper and Gold joint venture using PT Mineserve International as a consultant. Historic data records from this work are incomplete and for this reason were not 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.*	• The drill database at IMM contains 2,078 holes with a cumulative total depth of 31,066m. Assays total 33,182 samples. • A table of drill data is attached to this document summarising the drill hole details as required. • The Resource can be also 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, cross-sections, descriptive statistical analyses of assay results, variograms and swath plots of the data to understand the data and check its

Criteria	JORC Code explanation	Commentary
	• *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.*	validity and variability. • Appendix 9 summarizes the descriptive statistics and geostatistics based on the 33,182 assay results. • All drill collars were surveyed. Collar elevation was measured by ground survey and LiDAR. Some difference between ground survey and LiDAR was detected due to thick forest cover. It was eventually decided to use the LiDAR elevation as a more representative elevation for Inferred Resource status at this time. • Holes were all vertical, and depth accurately measured and recorded including photography of cores. • Historic data was not used as core recoveries were apparently very low and the data could not be validated.
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 and within statistical ranges suggested by the variography modeling. Composites were split into 6 lithologies namely; MUD Upper, MUD Lower, LIM Upper, LIM Lower, saprolite and bedrock. • Based on analysis of the downhole statistical data additional top cut constraints were applied to Ni and Co content to ensure grades in Block North 50 in 0.1% and 0.8% of samples respectively.
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. • Mineralisation is basically horizontally aligned. • Total depths of drilling were guided by the interpretation of the Ultra GPR surfaces and at least 2-3 metres 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 and reliable. assays and core photos.

Criteria	JORC Code explanation	Commentary
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.*	• 167.178km of Ultra Ground Penetrating Radar (UltraGPR) survey lines were completed, providing excellent section profiles showing 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 most prospective areas. • Bulk sampling was carried out in 5 locations. Bulk density measurements were not used as the samples had dried out during transportation and for this reason were assumed to not be representative of the true bulk density.
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 are based on geological mapping. Blocks 1, 2 and 3 planned to be drilled to delineate additional Resource area when the mining lease is renewed. This may take around 6 months. • Blocks 4, 5,and 6 are currently in a Protected Forest area that can only be accessed in the Forestry status is downgraded.

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.*
		• Data supplied from the field operation was checked and validated using PostgreSQL software. 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 could be validated 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.*	• A site visit by the CP (Daniel Madre) was completed to review exploration progress; including drilling, and sampling procedures, review sample handling, preparation and analyses. Site inspections of some 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 167km of UltraGPR survey, allows for a relatively high confidence in geological interpretation of the IMM 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 mineralisation. 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 assay results into composited zones of Limonite, Saprolite and 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.
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 6,000m in length, 2,000m in width and covering 1,614ha laterization thickness for up to 20m to bedrock in some places. • Limonite thickness average in the Mineral Resource area is approximately 3.4m and saprolite thickness is averaging 3.2m. • Laterite thickness and grade is relatively variable but a systematic drill grid and sampling procedure involving 2,078 holes, 33,183 assay results provided sufficient data for meaningful geostatistical analyses and grade distribution for the purpose of Indicated and Inferred Resource at this stage.

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*
		• Modelling techniques and 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 lithology determined by mineralogical, characteristics with distinct statistical population and geological layer
		  • Downhole and spatial geo-statistical analysis of the data and

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.*	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 Leapfrog Geo 2023 mining software (version 2.1). Ordinary Kriging (OK) algorithm was used in the grade interpolation for geochemical contents for limonite and saprolite zones using Snowden software. Moisture content was assumed to be 41% for Limonite and 35% for Saprolite as values for each layer determined by PT Geoservices appear to be too low, indicating sample drying during transportation from Papua to Jakarta for analysis. • A comparison against historic Mineral Resource by Battle Mountain, PT Mineserve Indonesia and a recent KCMI study used for the Feasibility study show reasonable correlation Resource estimate size and grades 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. A Geotechnical study is still underway and the results are not available at the time of writing this report. • Block size selected 25m x 25 x 1m was considered appropriate for the data set and the style of mineralisation reported. • 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.*	• Some Moisture measurements were performed at Geoservices laboratory but because of long transportation time to lab from Papua the results suggest samples may have dried. For this reason, an assumed moisture content was applied separately to limonite (41%) and saprolite (35%) layers. • Moisture content was used to adjust Wet to Dry tonnage for mineral Resource estimates.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Based on statistical analysis of the domain databases a range of Ni and other compounds cut-off grades split by laterite type have been estimated.
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.*	• Because this is still in Indicated and Inferred Resource no mining or modifying factors were applied to the Mineral Resource statement at this time. • At this stage it is assumed open pit mining would have the following design parameters; bench height 3m, single slope angles 55 degrees and overall batter slope 30-33 degrees. • Assumptions for open cut mining operation similar to current production at the Hengjaya Project in Sulawesi and supply agreements with IWIP smelter provide reasonable prospects for eventual economic extraction of the IMM Mineral Resource at this time. • A Feasibility Study is currently underway.
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 Nickel Industries) at the IWIP smelter facilities were considered for the Resource grade the cutoffs. • 1 drill hole (DE1028) was also sampled for limonite by hand digging to a depth of 4-6m and approximately 1,110wmt of limonite was recovered then then reduced by quartering and mixed to produce a composite sample of 200kg of Siduarsi limonite which was sent to the IMIP lab in Sulawesi for size analysis and acid leach testing. • Siduarsi sample achieved at acid to ore ratio 250 kg/ ton ore with residence time 1 h. The leachate metal concentration is 4.7 g/L, 0.34 g/L, 2.96 g/L, 4.71 g/L and 0.21 g/L respectively for Ni, Co, Mn, Mg and Cr. The result may not be representative as it came from only one location but does indicate the potential for acid leach processing of limonite ore from IMM.
Environmen-tal 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*	• Environmental Impact studies will be completed as part of the mining operation permitting process. • Sediment including mud volcano deposits and top soil composites were extracted separately and considered as overburden waste for future mine planning and rehabilitation of ex-opencast pit areas. This material usually occurs in the first 1-3meters from the surface and is usually below grade cutoff ranges and was not included in the Mineral Resource

Criteria	JORC Code explanation	Commentary
	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.*	• An assumed density for each lithological layer based on density values used in other mining operations for this reason we don't believe there will be any significant impact using an assumed density at this time. • An assumed density value for limonite of 1.8 and saprolite 1.6 was applied to the Resource estimate based on other projects in Indonesia. • Density measurements appear to be less than representative probably due to samples drying out during shipment to Jakarta from Papua is the reason an assumed density was used.
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 for Inferred Resources and 50m for Indicated Resources. 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. • INFERRED - Areas of 100m of drill 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. • INDICATED -Areas of 50m of drill spacing on a continuous grid pattern, where significant influence from Pass 1, 2 and 3 dominate the search ellipsoids, with 25m 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.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audit was carried out by comparisons between 2 modeling methods namely; Ordinary Kriging model and a manual model to confirm the Resource volume. • Historical estimates from Battle Mountain and Mineserve International also show relatively similar laterite volumes.

Criteria	JORC Code explanation	Commentary
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 IMM project to delineate a significant deposit of nickel laterite. The drilling used for the Mineral Resource estimate is based on systematic drill grids of 50m and 100m. The Resource classification is all Indicated for the 50m grid drilling and Inferred based on 100m spacing of points of observation. According to the geostatistical analysis, the data provides sufficient detail for the purpose of the Indicated and 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 from to refining facilities owned by Nickel Industries Limited, already in operation, significantly enhance the potential for eventual economic extraction of the IMM nickel laterite Mineral Resource