

ASX ticker: NIC

ASX release: 29 April 2025

Shares on issue: 4.34B

Market capitalisation: A\$2.26B  
(@ A\$0.52)

## Board of Directors

*Executive Chairman*

Norman Seckold

*Managing Director*

Justin Werner

*Executive Director and CFO*

Chris Shepherd

*Non-Executive Directors*

James Crombie

Emma Hall

William Shangjaya

Muliady Sutio

Haijun Wang

Yuanyuan Xu

## Substantial shareholders

(as per last substantial holder notices)

Shanghai Decent 22.7%

PT DTN 20.0%

LI Capital 6.8%

## Further enquiries

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## QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2025

### US\$97.3m Adjusted EBITDA from Operations

#### RKEF operations

Key reporting metrics	Units	Q4 2024	Q1 2025	Variance
Production	Ni tonnes	32,784	31,793	(3%)
Sales	Ni tonnes	32,120	32,184	0%
Cash cost	US\$/t Ni	10,576	9,896	(6%)
Adjusted EBITDA	US\$m	42.0	44.3	5%
Adjusted EBITDA/t	US\$/t Ni	1,309	1,376	5%

#### HPAL operations

Key reporting metrics	Units	Q4 2024	Q1 2025	Variance
Attributable production	Ni tonnes	2,099	2,118	1%
Cash cost	US\$/t Ni	7,311	7,197	(2%)
Attributable EBITDA	US\$m	14.7	22.0	50%

#### Mining operations

Key reporting metrics	Units	Q4 2024	Q1 2025	Variance
Ore production	wmt	7,194,202	5,648,914	(21%)
Ore sales	wmt	2,798,530	2,840,966	2%
Unit operating cost	US\$/wmt	17.5	11.7	(33%)
Adjusted EBITDA	US\$m	36.5	31.0	(15%)
Adjusted EBITDA/wmt	US\$/wmt	13.0	10.9	(16%)

#### Highlights

- Feasibility Study approved for increase in RKAB from 9m wmt to 19m wmt
- Declaration of a A\$1.5c per share Final Dividend and Dividend Reinvestment Plan
- Agreement reached with Shanghai Decent to defer the remaining ENC acquisition payments (of US\$126.5m each) by 6 months respectively

<sup>1</sup> Adjusted EBITDA is defined by the Company as profit/(loss) for the period, plus depreciation and amortisation costs, plus impairment, plus foreign exchange gains/(losses), plus interest income/(expenses), plus withholding tax expense. EBITDA reconciliation included on page 8.

The Directors are pleased to present the March 2025 Quarterly Activities Report for Nickel Industries Limited (**Nickel Industries** or **the Company**) and its controlled entities (**the Group**).

For the quarter under review, the Company held an 80% interest in the Hengjaya Nickel (**HNI**), Ranger Nickel (**RNI**), Angel Nickel (**ANI**) and Oracle Nickel (**ONI**) rotary kiln electric furnace (**RKEF**) projects, an 80% interest in the Hengjaya Mine and a 51% interest in the Siduarsa Nickel Cobalt Project, a 10% interest in the Huayue Nickel Cobalt HPAL project (**HNC**) and a 44% interest in the Excelsior Nickel Cobalt HPAL project (**ENC**), which is under construction.

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

*"We are pleased to report another strong quarter delivering US\$97.3m in Adjusted EBITDA. This result has been achieved despite the average LME nickel price declining to US\$15,530 for the first quarter of 2025, highlighting the robustness and consistency of our operations.*

*A significant milestone was achieved during the quarter with the approval of the Hengjaya Mine Feasibility Study to move from 9 million wmt per annum to 19 million wmt of nickel ore sales per annum. The environmental study (AMDAL) to support the ramp-up is currently under review by the Indonesian Mines department, and the Company remains confident of receiving this approval in the near term. Increasing the mining quota is a key milestone for the Group as the Hengjaya Mine delivered Adjusted EBITDA of US\$100.9m in 2024 for just 9 million wmt.*

*We continue to remain an ESG nickel leader in Indonesia, with the Hengjaya Mine awarded the coveted Green PROPER rating for a 3rd consecutive year and now striving to achieve Gold rating next year.*

*In February, we released our full year 2024 results along with the declaration of A\$1.5 cents per share final dividend, which took the full year 2024 dividend paid to A\$4 cents per share during a time when many of our peers were cutting or declaring nil dividends.*

*Finally, we are pleased to announce the deferral of our remaining ENC payments, which total US\$253m, by 6 months to 1 January 2026 (US\$126.5m) and 1 April 2026 (US\$126.5m). The decision is reflective of the strong relationship that we maintain with our partner and largest shareholder, Shanghai Decent, and our shared alignment of interests in the success of Nickel Industries. Although management is looking forward to the commissioning of the ENC HPAL in Q3 2025, management made the decision to preserve its cash and balance sheet during this period and defer its final two payments. The strong performance at the HNC project, with a record quarter of US\$22m Attributable EBITDA bodes well for the anticipated commissioning of the ENC cathode plant in July and MHP and sulphate plant in October this year."*

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## Safety

The Company-wide 12-month lost time injury frequency rate (**LTIFR**) as at the end of March 2025 was 0.05, with no lost time injuries (**LTI**) recorded during the quarter, against 4.8 million work hours registered. For the twelve months to 31 March 2025, there were 18.3 million work hours registered, with one LTI occurring.

The Company-wide 12-month rolling total recordable injury frequency rate (**TRIFR**) as at the end of March 2025 was 1.48.

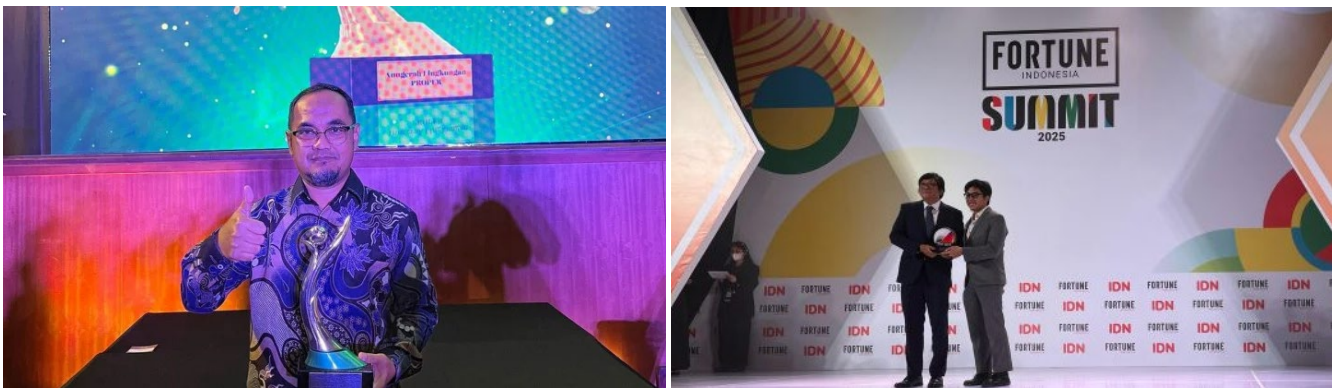
## Sustainability

### Third Green PROPER rating

In February, the Company's Hengjaya Mine was awarded a third consecutive Green PROPER Award from the Ministry of Environment and Forestry, which indicates beyond compliance practices in terms of ESG implementation and reporting. The Hengjaya Mine became the sole entity from Morowali and the only mining company from Central Sulawesi to achieve this rank, confirming its growing status as a showpiece mine for responsible and sustainable nickel mining in Indonesia. The ESG leading awards will further support the Hengjaya Mine's application to increase the annual mining quota from 9 million wmt to 19 million wmt. The Green PROPER rating places Nickel Industries among the industry's sustainability leaders and positions the Company well for future Gold PROPER candidacy.

### Performance and Awards

The Company's leadership in sustainability has been further acknowledged through multiple awards during the quarter. A major milestone was achieved with Nickel Industries' inclusion in the Fortune Indonesia Change the World 2024 list, a prestigious recognition that highlights companies making a meaningful impact on society and the environment while maintaining strong business performance. This accolade reflects the Company's ongoing efforts to drive sustainable mining practices and community development initiatives. In February, the Company's Hengjaya Mine gained international recognition in Vietnam, receiving an award for outstanding corporate social responsibility in Asia. This achievement underscores the Company's proactive approach in supporting local communities, improving health and education standards, and driving sustainable economic development.



**PROPER and Fortune Indonesia Award ceremonies**

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

Production	Units	Q4 2024	Q1 2025	Variance
NPI production	tonnes	273,600	262,530	(4%)
Nickel grade	%	12.0	12.1	1%
<b>Total nickel production</b>	<b>tonnes</b>	<b>32,784</b>	<b>31,793</b>	<b>(3%)</b>
Cash costs	US\$/t Ni	10,576	9,896	(6%)

Sales	Units	Q4 2024	Q1 2025	Variance
Sale price	US\$/t Ni	11,884	11,317	(5%)
Sales	tonnes	32,120	32,184	0%
Revenue	US\$m	377.9	361.9	(4%)
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>42.0</b>	<b>44.3</b>	<b>5%</b>
Adjusted EBITDA/t	US\$/t Ni	1,309	1,376	5%

RKEF production of 31,793 tonnes of nickel metal was down 3.0% from the December quarter (32,784 tonnes). ONI production levels (11,403 tonnes) were 7.8% lower than the 12,362 tonnes of nickel metal produced in the December quarter due to a temporary halt of operations at the Company's ONI RKEF operations to reduce the risk of potential contamination from flood water to the electrode and shell furnace cooling channels. The Company is also performing ongoing maintenance at ONI, which is expected to reduce nickel production by approximately 1,000 tonnes during the second quarter.

Combined operating cash costs were 6.4% lower quarter on quarter, predominantly driven by lower nickel ore costs. Refer to the mining operations section below for further information on the changes in nickel ore prices.

Realised NPI contract pricing of US\$11,317/t for the quarter was 4.8% lower than the December quarter. Despite lower realised contract prices, reduced operating costs during the March quarter resulted in a 5% improvement in Adjusted EBITDA margins.

Further RKEF detail is contained in Appendix A.

### HPAL operations

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

Key reporting metrics	Units	Q4 2024	Q1 2025	Variance
Attributable production	Ni tonnes	2,099	2,118	1%
	Co tonnes	200	192	(4%)
Cash costs <sup>2</sup>	US\$/t Ni	7,311	7,197	(2%)
<b>Attributable EBITDA</b>	<b>US\$m</b>	<b>14.7</b>	<b>22.0</b>	<b>50%</b>
Equity investees ITDA <sup>3</sup>	US\$m	(3.3)	(3.3)	0%
<b>Equity accounted profit</b>	<b>US\$m</b>	<b>11.4</b>	<b>18.7</b>	<b>65%</b>

During the quarter, HNC produced 21,184 tonnes of nickel and 1,922 tonnes of cobalt in mixed hydroxide precipitate (MHP), outperforming HNC's nameplate capacity (60,000 tonnes of nickel) by 41%. Nickel Industries' attributable share of HNC production was 2,118 tonnes of nickel and 192 tonnes of cobalt.

Combined operating cash costs were 1.6% lower quarter on quarter, predominantly driven by lower nickel ore costs.

Whilst HNC undertakes its own sales of MHP, offtake is also distributed to Tsing Creation (TC) for sale. The EBITDA of HNC for the quarter on a 100% basis (with Nickel Industries holding a 10% interest) was US\$90.8m, and the EBITDA for Tsing Creation (with Nickel Industries holding a 100% interest) was US\$13.0m<sup>4</sup>, giving a combined Attributable EBITDA of US\$22.0m, a new quarterly record (December quarter US\$14.7m).

### HPAL construction

**Excelsior Nickel Cobalt Project** (44% indirect interest currently held by Nickel Industries)<sup>5</sup>

During the quarter, there was significant progress at ENC with thickeners, counter-current decantation, storage tanks, and reactors well progressed towards completion. The sulphur incineration plant, absorption towers and associated power generation infrastructure are under construction, and two of the three HPAL autoclaves are now housed and being connected with pre- and post-treatment stages. At the refinery, the solvent extraction workshops and cellhouse are having equipment installed in preparation for commissioning in July 2025.

Subsequent to the end of the quarter, the Company has reached an agreement with its largest shareholder, Shanghai Decent, to defer the two remaining ENC acquisition payments of US\$126.5m each by 6 months respectively to 1 January 2026 and 1 April 2026.



*ENC HPAL (left) and sulfate and cathode refinery (right) construction progress*

<sup>2</sup> Cash costs do not include credits from byproducts such as cobalt and chrome.

<sup>3</sup> Interest, tax, depreciation and amortisation.

<sup>4</sup> The Company is equity accounting its 10% interest in HNC and therefore will report in its financials its 10% share of the net profit of HNC, including any amortisation on the fair value of the acquisition. Tsing Creation is a Hong Kong entity through which the Company holds its 10% interest in HNC.

<sup>5</sup> The Company is scheduled to move to a 55% equity interest in ENC by 1 April 2026.



## Mining operations

Hengjaya Mine (80% interest held by Nickel Industries)

Production	Units	Q4 2024	Q1 2025	Variance
Saprolite production	wmt	1,642,118	923,500	(44%)
Limonite production	wmt	5,552,084	4,725,414	(15%)
<b>Total production</b>	<b>wmt</b>	<b>7,194,202</b>	<b>5,648,914</b>	<b>(21%)</b>
Overburden	BCM <sup>6</sup>	771,902	482,071	(38%)
Strip ratio	BCM/wmt	0.11	0.09	(20%)

Sales	Units	Q4 2024	Q1 2025	Variance
Saprolite sales <sup>7</sup>	wmt	1,545,585	1,356,439	(12%)
Limonite sales	wmt	1,252,944	1,484,527	18%
<b>Total sales</b>	<b>wmt</b>	<b>2,798,530</b>	<b>2,840,966</b>	<b>2%</b>
Saprolite grade	%	1.56	1.45	(7%)
Limonite grade	%	1.17	1.13	(4%)
Saprolite sale price	US\$/wmt	40.6	26.3	(35%)
Limonite sale price	US\$/wmt	18.1	19.1	6%
<b>Average sale price</b>	<b>US\$/wmt</b>	<b>30.5</b>	<b>22.6</b>	<b>(26%)</b>
Unit operating costs <sup>8</sup>	US\$/wmt	17.5	11.7	(33%)
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>36.5</b>	<b>31.0</b>	<b>(15%)</b>
Adjusted EBITDA/wmt	US\$/wmt	13.0	10.9	(16%)

During the quarter, the Hengjaya Mine production decreased 21% whilst sales increased 2%. Saprolite production and grades decreased 44% and 7%, respectively, due to underperformance by the saprolite mining contractor and accessing a lower-grade area in the mine plan. Management has worked closely with the contractor and production has returned to normal levels in April, and grade is expected to improve in July with the opening of a higher-grade mining pit area.

The saprolite contract price is based on the Indonesian benchmark price plus a local premium. During the quarter, the saprolite contract price decreased 35%, driven by a reduction in the local premium. Despite the limonite nickel grade decreasing during the quarter, the limonite contract price increased due to the increased demand for limonite ore from Indonesian HPAL projects.

Adjusted EBITDA for the quarter of US\$31.0m was 15% lower than the US\$36.5m reported in the December quarter. This result was driven by lower nickel ore prices and partially offset by lower operating costs.

The Indonesian Government increased the royalties on nickel ore from 10% to 14% on 27 April 2025. Based on the mining operations sales revenue of US\$205 million in 2024, if the new legislation was in place for the whole of 2024, the royalties paid would have increased by approximately US\$8m.

<sup>6</sup> BCM represents 'bank cubic metres'.

<sup>7</sup> Sales of saprolite ore by Hengjaya Mine to HNI, RNI and ONI are intra-group transactions and are eliminated on consolidation. Profit from saprolite ore sales is recognised on a consolidated level as a reduction in the cost of operations, once the saprolite ore has been consumed by the group in NPI operations.

<sup>8</sup> Unit operating costs include mining, transport, royalty and administration costs.

**Sampala Project** (Nickel Industries with rights to acquire a 60% interest)

The Sampala Project has maintained steady progress, with 14 drill rigs completing 1,158 drill holes for 30,390 metres during the quarter. The Company anticipates releasing an updated Mineral Resource Estimate in the September 2025 quarter. Geotechnical drilling has been finalised to support the initiation of pit design. Project development has gained momentum with the recruitment of key staff, completion of various government approvals, and the mobilisation of equipment for the construction of essential infrastructure, including the main haul road, bridge, accommodation, and other facilities. The Company expects production to commence in first half of 2026.

**Siduarsi Project** (51% interest held by Nickel Industries, with rights to acquire a 100% interest)

During the quarter, geological exploration identified an additional area of interest within the CoW. Geological and ground mapping outlined a new target area of approximately 1,200 hectares inside the concession, located directly northwest of the current IUP (3,777 hectares) boundary. Exploration efforts will continue in the second quarter, including ground penetrating radar (GPR) surveys and ground auger sampling to further evaluate the site's potential.

Project development remains ongoing, with an additional 4 tonnes of limonite bulk sample collected across the project area. The sample has been dispatched to the BRIN Mining Research Centre in Lampung, Indonesia, for metallurgical testing, including nickel leaching, acid consumption analysis, and further assessments on the recovery of scandium and other rare earth elements.



*Hengjaya Mine camp*

Finance<sup>9</sup>

## Balance sheet – 31 March 2025

	Units	Cash and cash equivalents	Trade receivables	Inventories
RKEF	US\$m	117.4	193.4	104.9
HPAL	US\$m	11.9	23.5	-
Mining	US\$m	20.2	37.0	77.7
Head office	US\$m	66.9	-	-
<b>Total</b>	<b>US\$m</b>	<b>216.4</b>	<b>253.9</b>	<b>182.6</b>

The Angel Nickel and Hengjaya Nickel projects distributed dividends, net of withholding tax, during the quarter to Nickel Industries and Shanghai Decent (and its associates), in proportion to the respective ownership interests. Nickel Industries received US\$10.2m, and Shanghai Decent received US\$2.6m. Additionally Angel Nickel made shareholder loan and interest payments during the quarter of \$18.2m to the Company and \$4.2m to Shanghai Decent (and its associates), after withholding tax. During the quarter, Angel Nickel received US\$36.4m of VAT refunds for 2022. The remaining VAT balance of ~US\$110m is expected to be received over the next 12 months.

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

Also during the quarter, the Company received dividend distributions from Tsing Creation totalling US\$9.0m.

## EBITDA from operations reconciliation

	Units	Q4 2024	Q1 2025	Variance
RKEF Adjusted EBITDA	US\$m	42.0	44.3	5%
HPAL Attributable EBITDA	US\$m	14.7	22.0	50%
Mining Adjusted EBITDA	US\$m	36.5	31.0	(15%)
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>93.2</b>	<b>97.3</b>	<b>4%</b>
FX gains / (losses) <sup>10</sup>	US\$m	(20.8)	(7.3)	65%
<b>EBITDA</b>	<b>US\$m</b>	<b>72.4</b>	<b>90.0</b>	<b>24%</b>

<sup>9</sup> Unaudited numbers from monthly operating entity financial reporting.

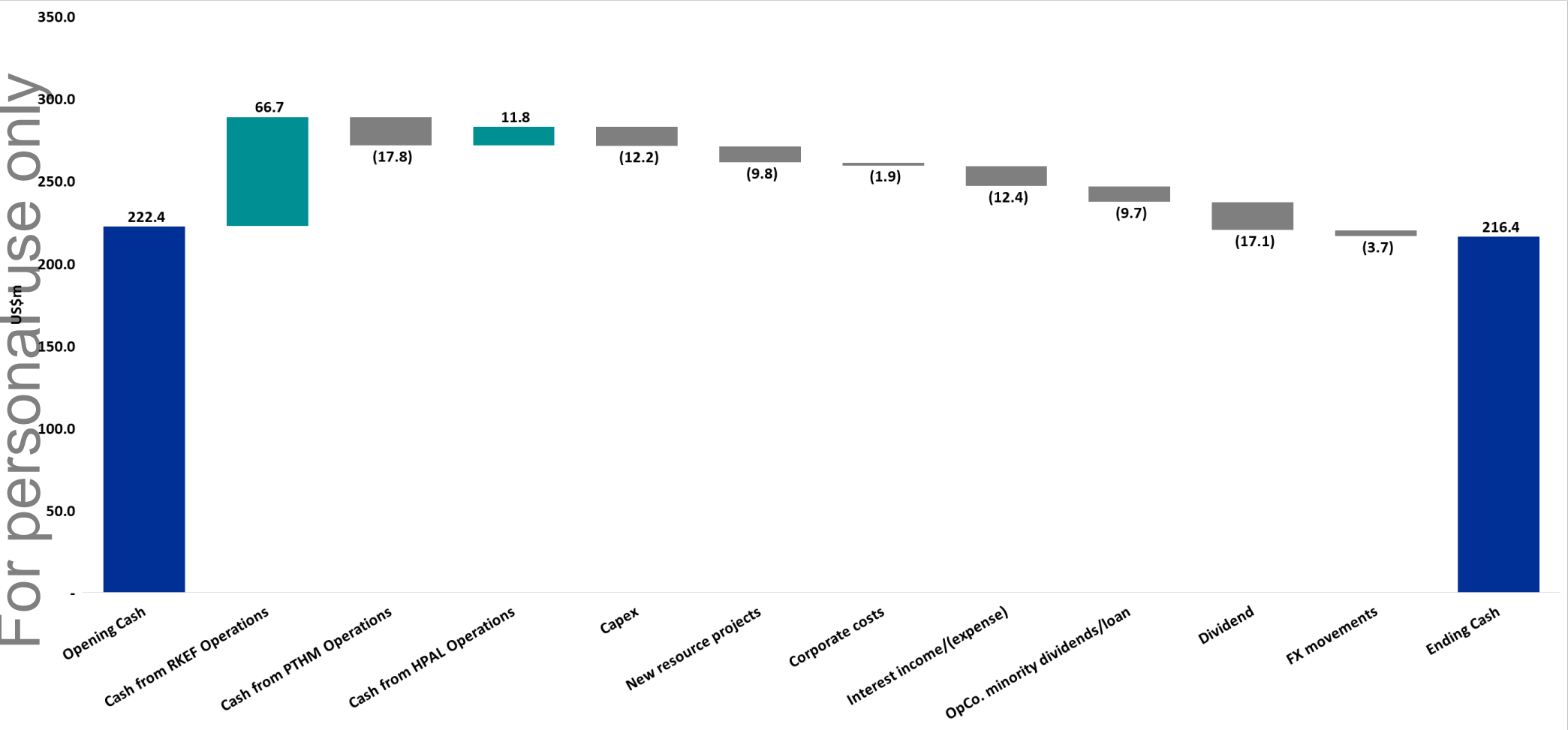
<sup>10</sup> The FX exposure is arising predominantly from the RKEF operations working capital IDR exposure. This includes ~ US\$110m of historical value-added tax (VAT) receivable between ANI and ONI. The Company anticipates receiving this remaining historical VAT receivable over the next twelve months.



Cashflow

The following cashflow waterfall provides a reconciliation of cash movements for the Group during the March 2025 quarter.

Cash flow waterfall – March 2025 quarter



### Expenditures

Expenditure on mine production and development activities at the Hengjaya Mine during the quarter totalled US\$56.5m, of which US\$0.7m was capex.

Expenditure on exploration activities undertaken at the Hengjaya Mine during the quarter totalled US\$0.2m. Additional expenditures shown in the waterfall above by PTHM relate to administration costs and taxes paid.

Exploration expenditure at the Siduarsi project totalled US\$0.2m. Expenditure on the Sampala Project was US\$9.5m, of which US\$6.5M was exploration expenditure and US\$3.0m were development loans. Additional exploration expenditure across other potential new resource project opportunities totalled US\$0.1m.

### Related party expenditures

During the quarter, the aggregate amount of payment to related parties and their associates totalled US\$482,620, comprising US\$388,260 of payments to Directors or Director-related entities for Directors' consulting fees and US\$94,360 in fees were paid to The Trustee for Mining Services Trust (**MIS**), an entity in which Director Norman Seckold has a controlling interest. MIS provides full administrative services, including administrative, accounting, company secretarial and investor relations staff both within Australia and Indonesia, office premises, services and supplies to the Group.

### Corporate highlights

[5 February 2025 – Sampala Project Update](#)

[12 March 2025 – Proposed Indonesian Royalty Changes](#)

[19 March 2025 – Feasibility Study Approval Received for Increase in RKAB](#)

### Contact information

For further information please contact:

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## Appendix A

## RKEF operations – additional details

Production	Units	HNI	RNI	ANI	ONI	Total
<b>Total nickel production</b>	<b>tonnes</b>	<b>4,538</b>	<b>4,431</b>	<b>11,421</b>	<b>11,403</b>	<b>31,793</b>
- December quarter	tonnes	4,470	4,606	11,347	12,362	32,784
<b>Cash costs</b>	<b>US\$/t</b>	<b>10,593</b>	<b>10,802</b>	<b>9,643</b>	<b>9,520</b>	<b>9,896</b>
- December quarter	US\$/t	11,239	11,387	10,396	10,200	10,576

Sales		HNI	RNI	ANI	ONI	Total
<b>Tonnes sold</b>	<b>tonnes</b>	<b>4,538</b>	<b>4,431</b>	<b>11,811</b>	<b>11,403</b>	<b>32,184</b>
- December quarter	tonnes	4,470	4,606	10,683	12,362	32,120
<b>Adjusted EBITDA</b>	<b>US\$m</b>	<b>3.2</b>	<b>2.6</b>	<b>14.1</b>	<b>24.4</b>	<b>44.3</b>
- December quarter	US\$m	(1.2)	1.5	19.9	21.8	42.0
<b>Adjusted EBITDA/t</b>	<b>US\$/t</b>	<b>695</b>	<b>580</b>	<b>1,197</b>	<b>2,140</b>	<b>1,376</b>
- December quarter	US\$/t	(272)	335	1,863	1,764	1,309

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