

# Paydirt Battery Metals Conference Presentation

2 June 2021

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## **Forward-looking statements and forecasts**

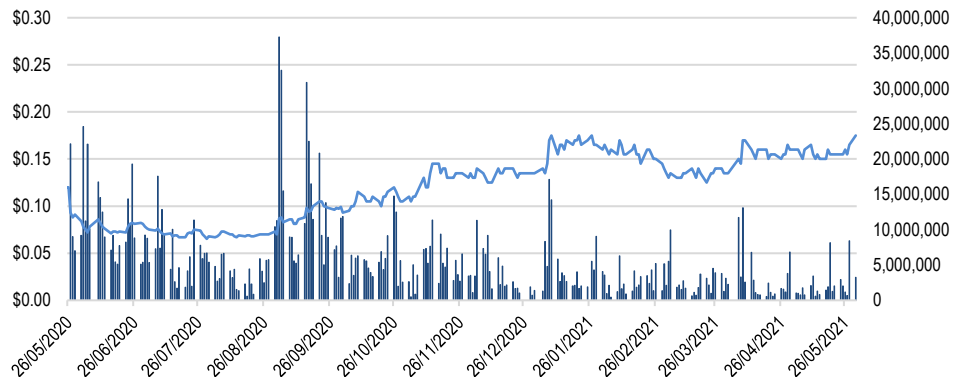
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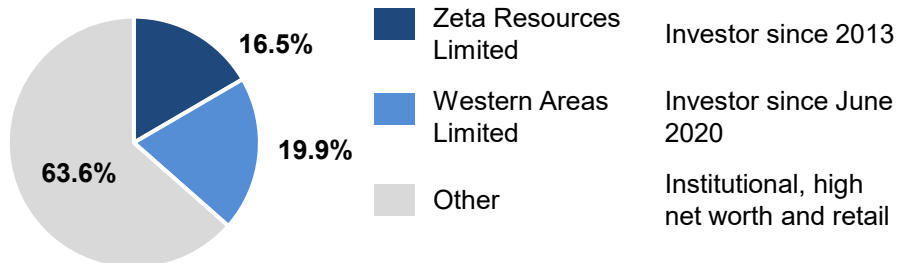
Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this Presentation.

# Corporate overview

## Share price and volumes



## Shareholder composition



## Capital structure

## Current

Shares on Issue	2,051m
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Options on Issue	28.5m
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Share Price (1 June 2021)	A\$0.165/share
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<b>Market Capitalisation</b>	<b>A\$338.4m</b>
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Cash (31 Mar 2021)	A\$26.4m
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Debt (31 Mar 2021)	Nil
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<b>Enterprise Value</b>	<b>A\$312.0m</b>
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# Board and Management



## **Nicholas Cernotta, Non-Executive Chair**

- Appointed: May 2018 as Non-Executive Director, May 2020 as Chairman
- 30+ years in mining industry with senior operational and executive roles in Australia and overseas
- Previously Director of Operations at Fortescue Metals Group, COO (Underground, International and Engineering) at Macmahon and Director of Operations for Barrick Australia Pacific
- Currently a Non-Executive Director of Pilbara Minerals, Northern Star Resources and New Century Zinc



## **Victor Rajasooriar, Managing Director & CEO**

- Appointed: November 2019
- 25+ years in mining industry with operational and technical experience across both underground and open pit operations
- Previously Managing Director of Echo Resources, CEO of Eastern Goldfields and COO of Barminto
- Holds a Bachelors of Mining Engineering from the WA School of Mines and a WA First Class Mine Managers Certificate



## **Grant Dyker, Chief Financial Officer**

- Appointed: September 2020
- 15 years of experience in CFO roles at ASX-listed resources companies with extensive project finance, feasibility studies, tendering, equipment finance, hedging and operational optimisation
- Previously CFO of Dacian Gold, Sirius Resources, Doray Minerals, Avoca Resources and Aztec Resources
- Chartered Accountant and Registered Tax Agent



## **Rebecca Hayward, Non-Executive Director**

- Appointed: June 2018
- Experienced infrastructure and resources lawyer with a background in mining, energy and large scale infrastructure transactions
- Currently manages the legal, contracts and procurement function for the Projects division of Fortescue Metals Group
- Previously a Senior Associate at Clayton Utz in the Melbourne Construction and Major Projects team



## **Gillian Swaby, Non-Executive Director**

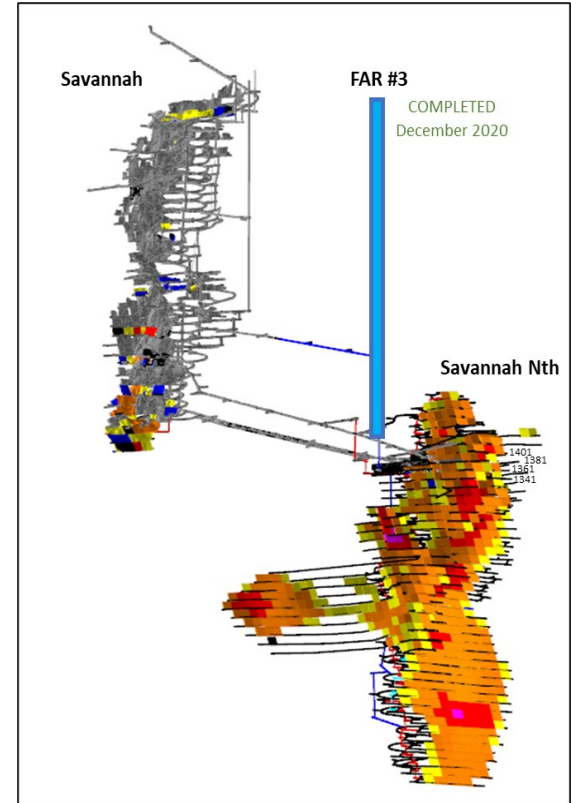
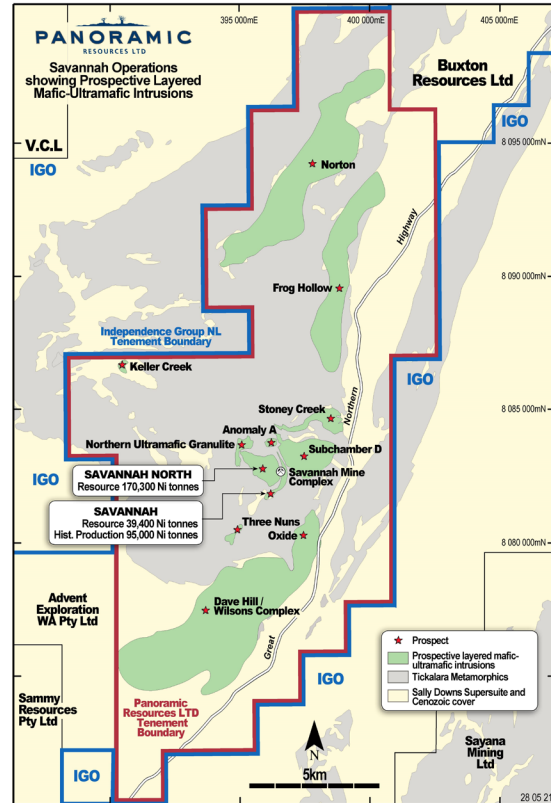
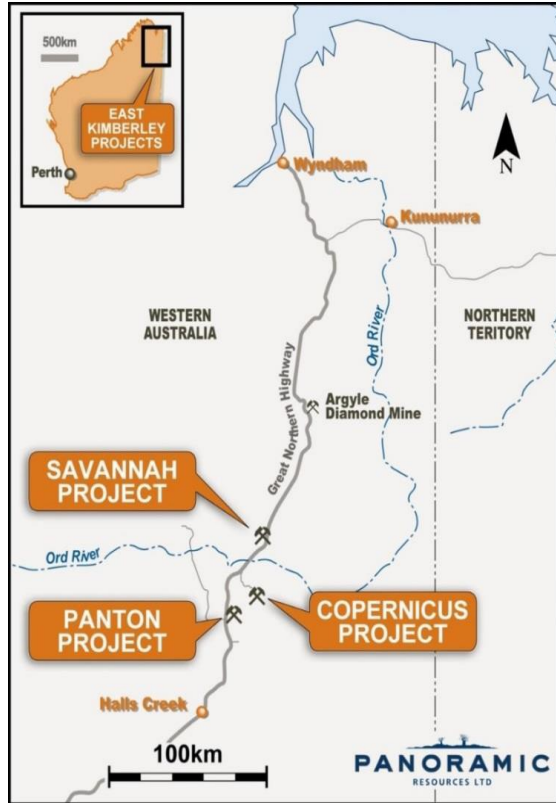
- Appointed: October 2019
- Experienced mining executive with a broad skill set across a range of corporate, finance and governance areas
- Previously an Executive Director for uranium company Paladin Energy for 10 years
- Currently an Executive Director of Deep Yellow and a Non-Executive Director of Comet Ridge



## **Peter Sullivan, Non-Executive Director**

- Appointed: October 2015
- 20+ years in mining industry with roles in engineering, corporate finance, investment banking, management and public company directorships
- Currently Non-Executive Chairman of Zeta Resources, a resources focused holding and development company
- Previously Managing Director of Resolute Mining for 14 years

# Savannah Nickel-Copper Project



# Programs to readiness – pathway to restart

- ✓ Strong results from technical and financial studies
- ✓ Lower risk contractor strategy with high quality partners on attractive terms
- ✓ New US\$45M debt financing facility and Offtake agreement secured until February 2028
- ✓ Meaningful improvement in nickel price outlook

## Programs to build operational readiness since mid-2020:

- Four-level development at Savannah North completed with ore available
- FAR#3 ventilation raise completed at Savannah North
- Staged mining and processing plan to build ore stockpiles at surface
- Ancillary surface and underground capital works (ongoing)

### Key highlights

Ni production	9,072t p.a.
Cu production	4,683t p.a.
Co production	676t p.a.
Life of Mine	12 years
All-in Cost <sup>1</sup>	A\$6.36/lb Ni
Pre-tax cashflow <sup>2</sup>	A\$610M
Pre-tax NPV <sub>8</sub> <sup>2</sup>	A\$353M

### Finance facilities<sup>3</sup>

- Secured US\$45m pre-payment loan/revolving credit facilities
- No penalty for additional voluntary repayments, including full early repayment
- No mandatory hedging

### Concentrate offtake agreement<sup>3</sup>

- 100% Savannah production
- Five-year offtake from 2023 – 2028
- Commences at end of Jinchuan agreement
- Attractive payabilities

1. All-in costs (AIC) are inclusive of all site and transport operating costs, capital costs, royalties, and net of by-product credits, but exclusive of corporate, funding and exploration costs.

2. Calculated using Base Case pricing of (US\$16,055/t Ni, US\$8,750/t Cu, US\$50,692/t Co) and AUD:USD rate of 0.76

3. For full details refer ASX release 6 April 2021

# Infrastructure – all in a ‘ready to go’ state



**1Mtpa Processing Plant**



**Paste Plant**



**Concentrate shed**



**Tailings Storage Facility**



**14 MW Power Station**



**Access to Wyndham port & storage**



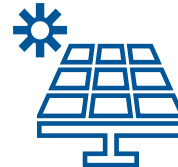
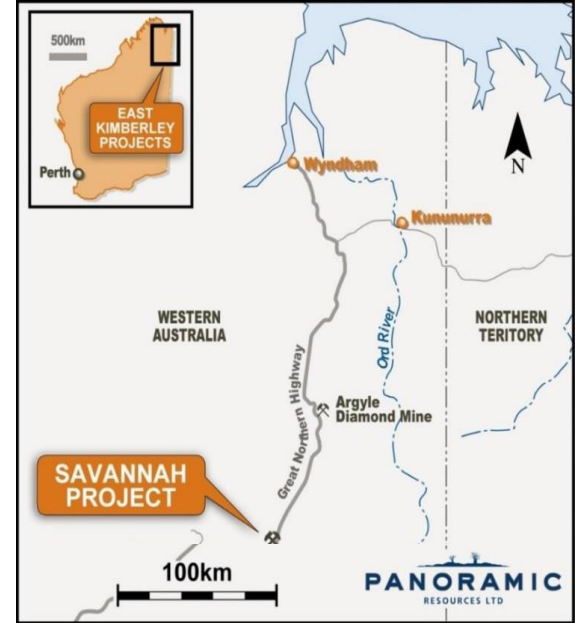
# Building a sustainable nickel-copper business

## Seeking to improve environmental sustainability in production

- Discussions underway involving potential renewable energy pathways:
  - Utilisation of existing nearby renewable energy (12MW hydro)
  - Solar farm with PAYG option (6.7MW)
  - Wind Turbine with PAYG option (4.5MW)
- Pivot to renewables would drastically reduce Carbon emissions
- Addition of EV fleet would reduce underground cooling and ventilation needs

## Community Support programs

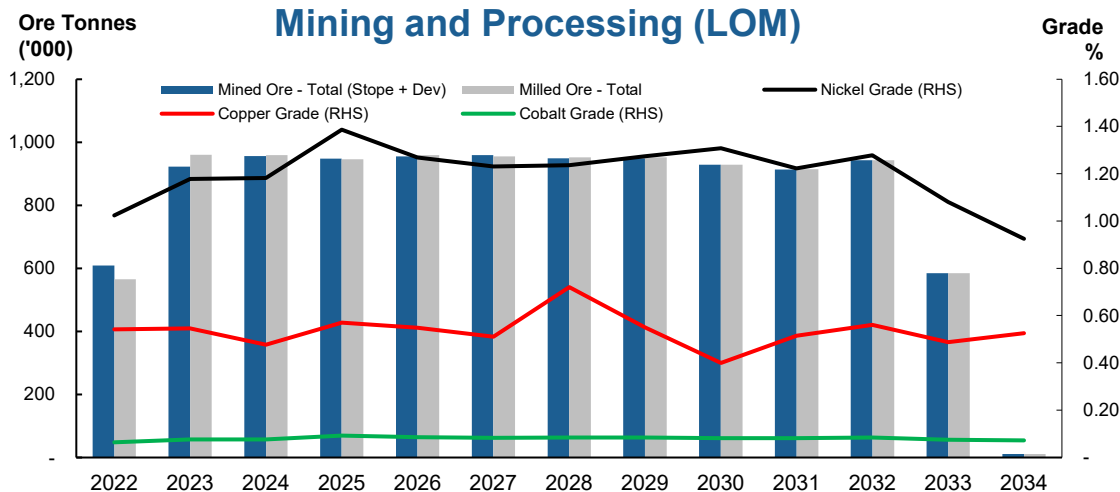
- 'Bridge the Gap' rural education partnership with Teach Learn Grow
- Supporting the communities in which we operate to bridge the education gap





# Mining and processing schedule

- Revised schedule with processing starting three months after mining
- Allows stockpiling of ore ~100kt, reducing pressure on initial mining rates
- Initial milling rate of 50%, ramping up to full production over nine months
- Nickel recovery of 83%



Savannah North ore drive – December 2020

# Attractive financial metrics

- Updated financial model based on April 2021 commodity price and exchange rate outlook
- Includes provision for contractor strategy
- Average AIC are inclusive of all site and transport operating costs, capital costs, royalties, and net of by-product credits, but exclusive of corporate, funding and exploration costs
- Strong leverage to any future nickel price upside

Key Metrics		April 2021 (Base Case)	28 May 2021 (Spot)
Ore mined & treated	kt	10,628	10,628
Ni grade	%	1.23	1.23
Cu grade	%	0.54	0.54
Co grade	%	0.08	0.08
Mine Revenue (Ni + Cu + Co)		A\$M	2,369
Mine Costs (total capital and operating)		A\$M	1,718
Upfront capital costs		A\$M	41
Average AIC (payable Ni, net of byproduct credits)		A\$/lb	6.36
Pre-tax mine cashflow		A\$M	610
Life of Mine (LOM)		years	12
Average nickel production (in concentrate)		t	9,072
Average copper production (in concentrate)		t	4,683
Average cobalt production (in concentrate)		t	676
Pre-tax NPV <sub>8</sub>		A\$M	353
Nickel price		USD/t	16,055
Copper price		USD/t	8,750
Cobalt price		USD/t	50,692
Exchange rate		AUD:USD	0.76

# LOM production

Contained Metal  
Tonnes

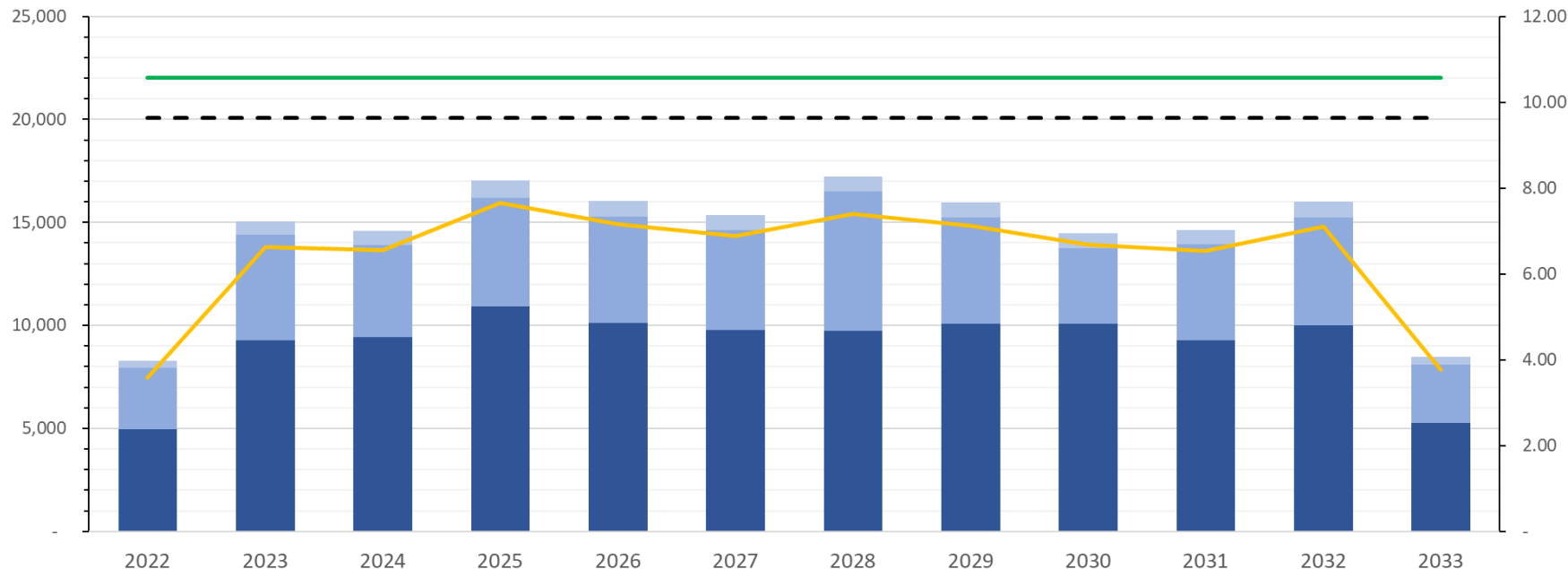
## Contained metal and nickel price

Contained Cobalt  
Contained Nickel Eq

Contained Copper  
Nickel Price - Spot 28 May 2021 (RHS)

Contained Nickel  
Nickel Price - Base Case (RHS)

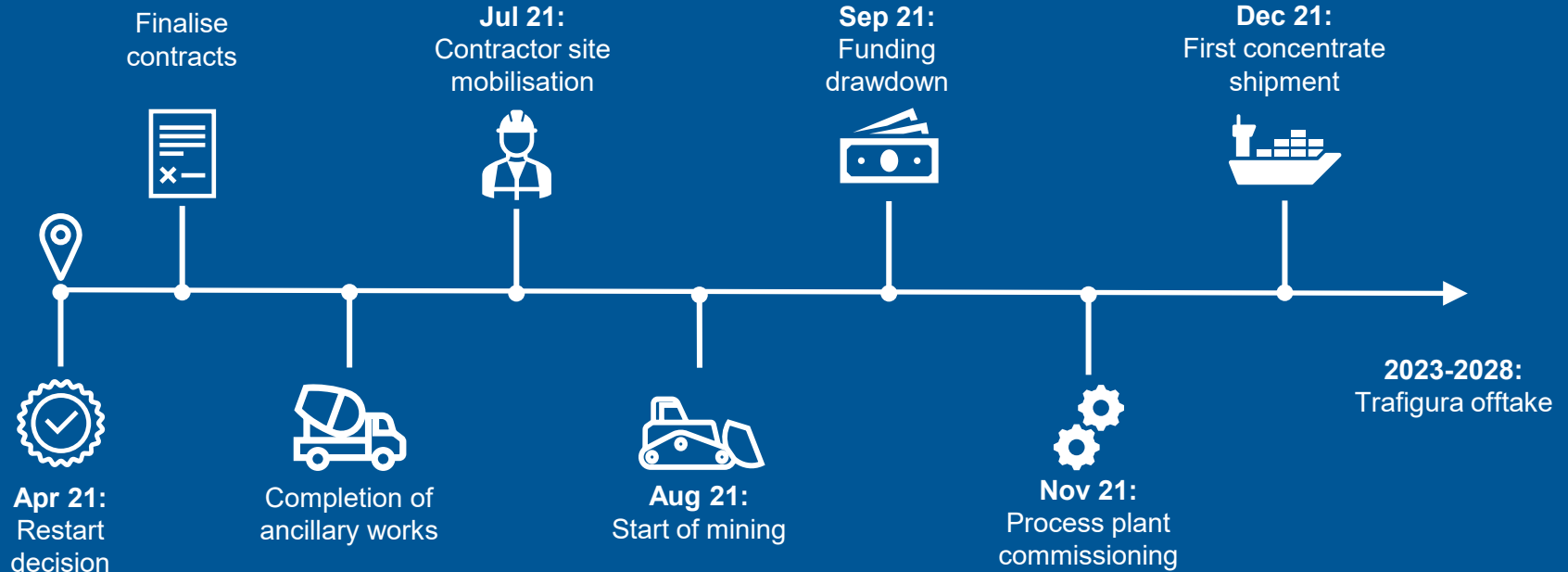
A\$/lb



NiEq grade and NiEq contained metal in Mineral Resource and Reserves for all projects calculated based on prevailing spot metal prices at 28 May 2021 (i.e. Ni US\$18,037/t, Cu US\$10,241/t, Co US\$44,092/t) and AUD:USD 0.77 FX.

Refer to the announcement "Updated Savannah Ore Reserve and Mine Plan" dated 31 July 2020. All material assumptions underpinning the production targets, and the forecast financial information derived from those production targets, which are referred to in the original announcement, continue to apply and have not materially changed.

# Pathway to first shipment

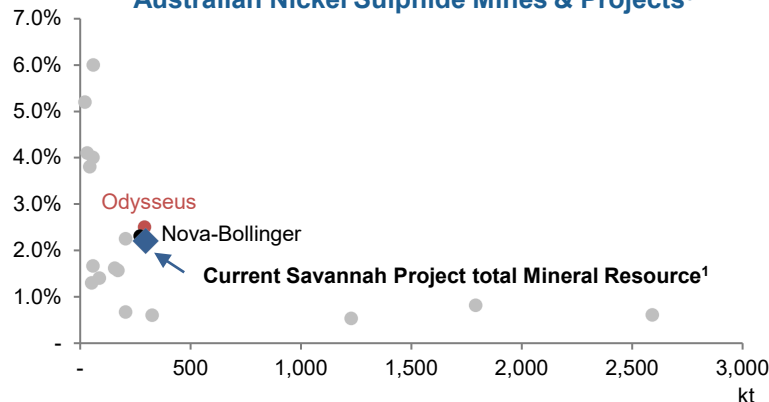




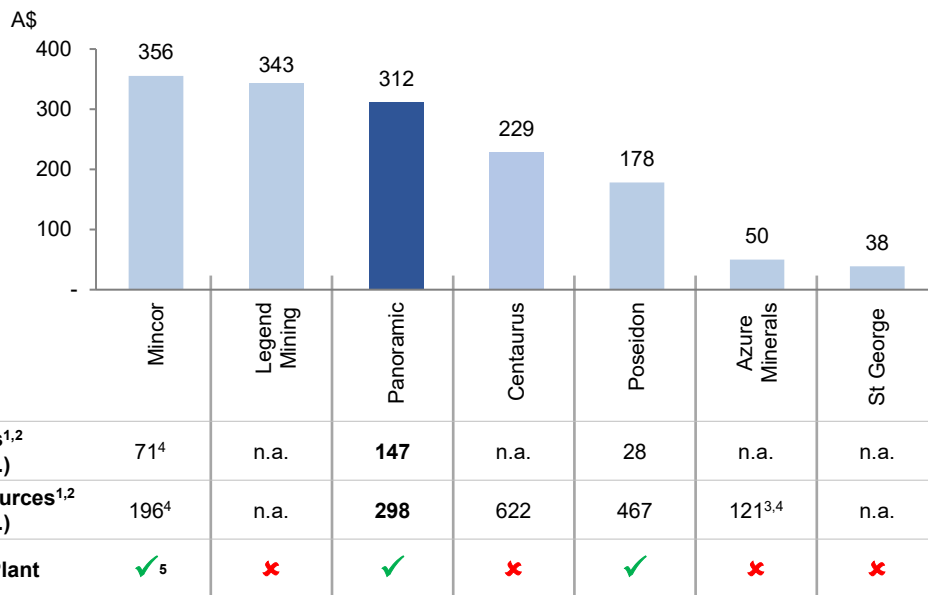
# Savannah is a high quality nickel asset

Unique combination of established infrastructure, operating history and +12 year mine life

Australian Nickel Sulphide Mines & Projects<sup>3</sup>



Enterprise Value of ASX-listed Nickel Sulphide Developers & Explorers



Savannah Mineral Resource	Metal	Total Tonnes	(%)	Metal Tonnes
Total	Nickel	13,456,000	1.56	209,800
	Copper		0.70	94,200
	Cobalt		0.10	13,700
Savannah Ore Reserve	Metal	Total Tonnes	(%)	Metal Tonnes
Total	Nickel	8,274,000	1.23	101,800
	Copper		0.59	48,500
	Cobalt		0.08	7,000

Ore Reserves <sup>1,2</sup> (NiEq kt cont.)	71 <sup>4</sup>	n.a.	147	n.a.	28	n.a.	n.a.
Mineral Resources <sup>1,2</sup> (NiEq kt cont.)	196 <sup>4</sup>	n.a.	298	622	467	121 <sup>3,4</sup>	n.a.
Processing Plant	✓ <sup>5</sup>	✗	✓	✗	✓	✗	✗

1. Refer to Appendix for Panoramic Mineral Resource and Ore Reserves tables
2. Mineral Resources and Reserves sourced from company announcements. NiEq grade and NiEq contained metal in Mineral Resource and Reserves for all projects calculated based on prevailing spot metal prices at 28 May 2021 (i.e. Ni US\$18,037/t, Cu US\$10,241/t, Co US\$44,092/t).
3. >20kt NiEq contained metal in Mineral Resources<sup>2</sup>
4. Mincor reported exclusive of the Widgemooltha Gold and Tottenham Copper-Gold projects. Azure Minerals inclusive of Ag, Au, Cu, Zn, and Pb Resources
5. Mincor has the right to process up to 600ktpa of nickel sulphide ore at the Kambalda Nickel Concentrator.

# Savannah North exploration upside

## Opportunities to increase the current Resource base

- A significant Inferred Resource sits adjacent to the current Ore Reserve and in close proximity to the planned underground workings
- Priority areas to increase Savannah North Resource and Reserve base:
  1. Upper Zone up plunge to the east
  2. Upper Zone down plunge to the north-west
  3. Lower Zone down plunge to the north

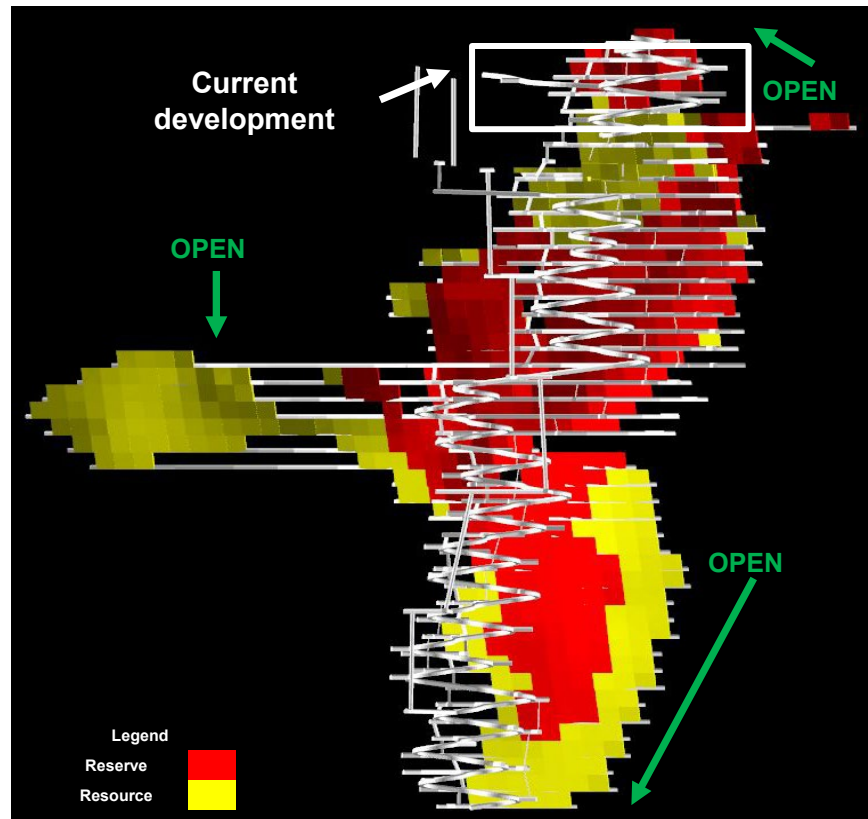
### Savannah North Resources\*

- 170,300t Ni
- 71,100t Cu
- 11,600t Co

### Savannah North Reserves\*

- 90,100t Ni
- 40,400t Cu
- 6,400t Co

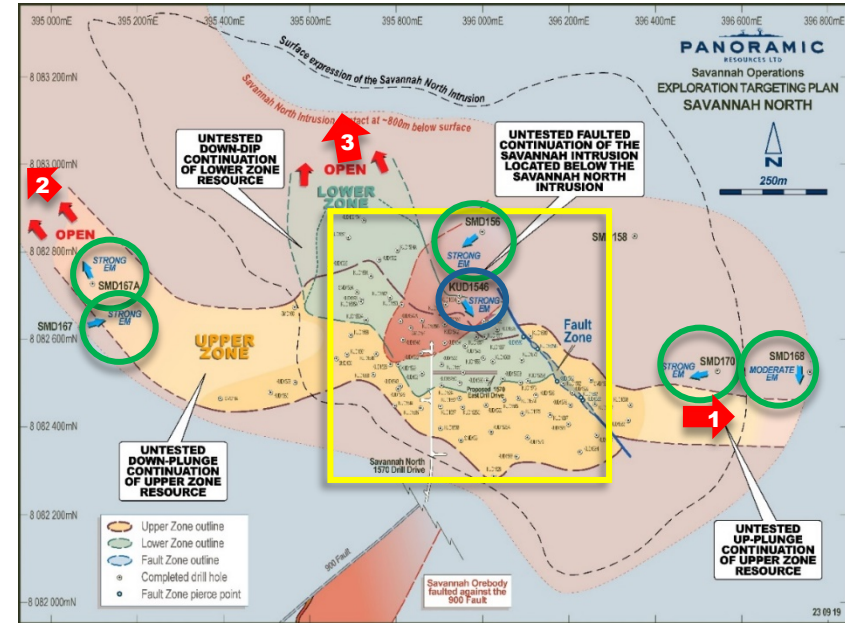
\*Refer Appendix Resources and Reserves Tables 30 June 2020



# Exploration pathway to extending mine life

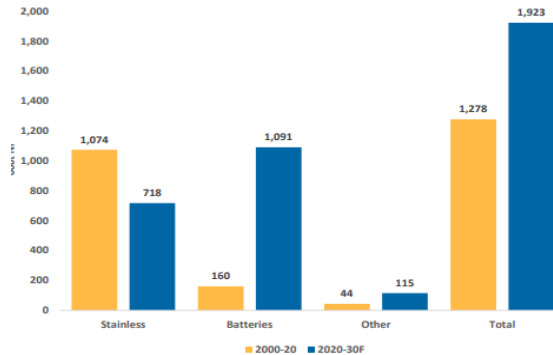
## Opportunities to increase the current Resource base

- Resource drilling completed to date is mostly confined to the Upper and Lower zones within an area between 5600mE to 6250mE
- 1 Exploration drilling and associated DHEM surveying indicate the Savannah North mineralisation may extend well beyond this area
- 2 For example, only half of the potential Upper Zone mineralisation has been adequately tested and remains open up-plunge to the east and down-plunge to the north-west
- 3 The Lower Zone resource remains open down plunge to the north
- Another priority exploration target is the faulted continuation of the Savannah intrusion located below Savannah North

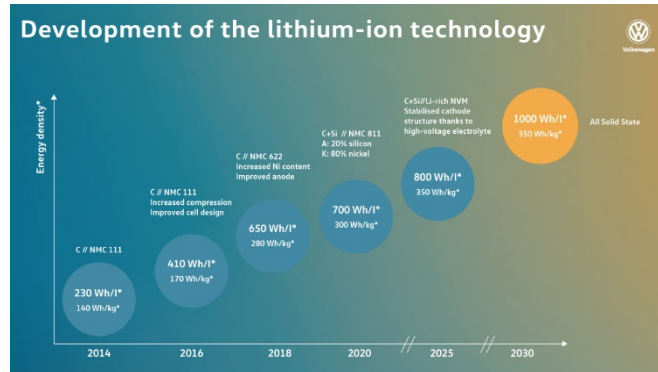


# Market outlook – a structural shift to EVs

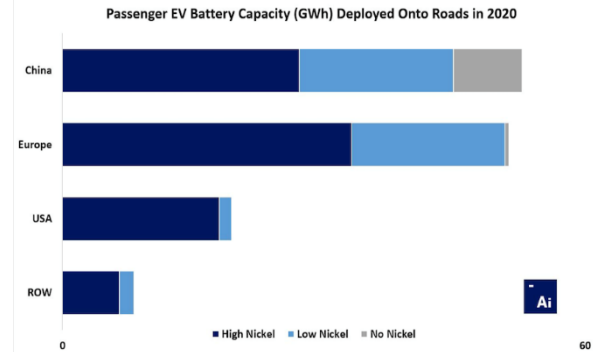
- Tesla delivered 184,000 EVs in Q1 2021, more than double Q1 2020 and expects a 50% increase throughout 2021<sup>1</sup>
- Tesla aims to achieve 3TWh of production capacity by 2030, while VW aims to achieve 240GWh battery capacity by 2030<sup>2</sup>
- Adamas Intelligence estimates in 2020 >60% of passenger EV battery capacity produced globally utilised high-nickel cells<sup>3</sup>
- Macquarie estimates nickel demand for batteries to increase from ~200kt (2000-20) to +1.0Mt (2020-30)
- Increased energy density requirements contributes to increase in Ni intensity:
- BHP foresees a quadrupling of primary nickel demand in the next 30 years under a Paris-aligned scenario<sup>4</sup>



Source: Macquarie Research



Source: Volkswagen



Source: Adamas Intelligence

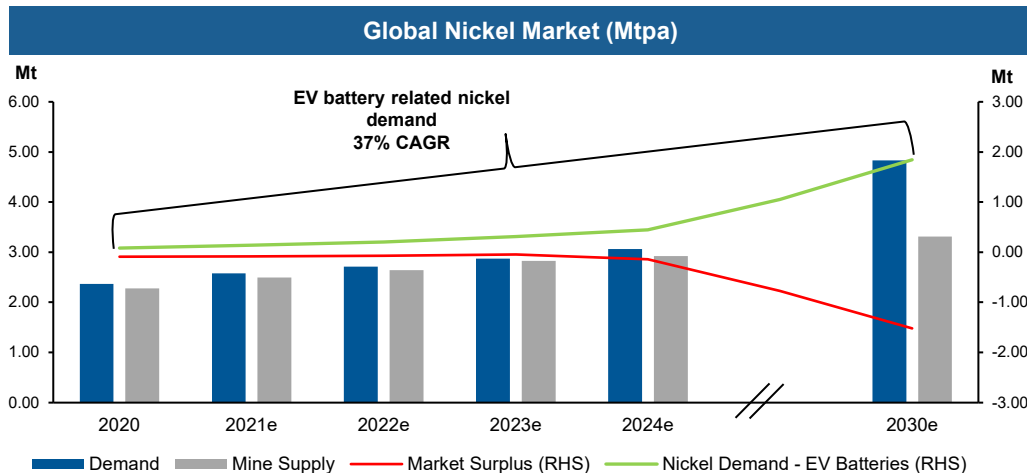
1. <https://www.wsj.com/articles/tesla-kicks-off-2021-with-rising-deliveries-11617368680>
2. <https://thedriven.io/2021/03/18/vws-power-day-shows-electric-vehicles-have-arrived-but-can-it-catch-tesla/>
3. <https://www.mining.com/nickel-was-king-in-ev-battery-capacity-deployment-in-2020/>
4. Compared to previous 30 years. BHP ASX release 'BoFA Metals, Mining and Steel Conference Presentation' 18 May 2021



# Market outlook – a structural shift to EVs

Vehicle manufacturers have committed >US\$500bn into electrification between 2017-25 and increasing

- A significant increase in nickel production will be required to satisfy this new source of demand
- High purity Class 1 nickel is the most important metal required in battery production
- Few new high quality nickel sulphide operations in the global project pipeline
- Downstream consumers increasingly seeking to secure supply from producers with low environmental impact



Source: UBS Research

**Rapid pivot of global vehicle markets towards EVs influences demand via:**

- Overall increase in demand for batteries as EV demand increases; and
- Majority of higher capacity battery cathodes require a higher nickel intensity

# Investment summary

>\$120m invested in mining and processing infrastructure over 12 year operating history

Major capital works completed and ancillary works underway. Restart planned for August, with first shipment December 2021

New offtake and financing package to support the restart decision

Base case LOM All-in Cost A\$6.36/lb Ni provides significant leverage to the demand outlook for nickel

Updated Mine Plan has outlined a 12 year mine life with attractive financial outcomes including a base case NPV<sub>8</sub> of A\$353M

High quality, cash generative nickel sulphide asset with near mine Resource extension potential

# APPENDICES

# Savannah Project Mineral Resource Estimate (May 2020)

Resource	Date	Metal	JORC Compliance	Measured Tonnes	(%)	Indicated Tonnes	(%)	Inferred Tonnes	(%)	Total Tonnes	(%)	Metal Tonnes
Savannah (above 900F)	Apr 20	Nickel	2012	1,010,000	1.44	565,000	1.77	-	-	1,575,000	1.56	24,500
		Copper			0.80		1.44				1.03	16,200
		Cobalt			0.07		0.08				0.07	1,200
Savannah (below 900F)	Jun 15	Nickel	2012	-	-	780,000	1.64	125,000	1.72	905,000	1.65	14,900
		Copper			-		0.76		0.75	-	0.76	6,900
		Cobalt			-		0.10		0.09	-	0.10	900
Savannah North (Upper)	Apr 20	Nickel	2012	1,840,000	1.48	3,050,000	1.43	1,544,000	1.25	6,434,000	1.40	90,100
		Copper			0.66		0.57		0.42		0.56	35,900
		Cobalt			0.10		0.10		0.07		0.09	6,100
Savannah North (Lower)	Apr 20	Nickel	2012	-	-	2,654,000	1.84	958,000	1.67	3,612,000	1.79	64,800
		Copper			-		0.90		0.73		0.85	30,800
		Cobalt			-		0.13		0.11		0.12	4,500
Savannah North (Other)	Apr 20	Nickel	2012	46,000	1.71	414,000	1.34	470,000	1.93	930,000	1.66	15,400
		Copper			0.49		0.48		0.46		0.47	4,400
		Cobalt			0.12		0.09		0.12		0.11	1,000
Total		Nickel								13,456,000	1.56	209,800
		Copper									0.70	94,200
		Cobalt									0.10	13,700



# Savannah Project Mineral Resource Estimate (May 2020)

## Qualifying Statements and Notes:

Refer to ASX announcement dated 7 May 2020 covering the Savannah Project May 2020 Mineral Resource update for detailed assumptions and estimation methodologies.

Figures have been rounded and therefore may not add up exactly to the reported totals.

All Mineral Resources are inclusive of Ore Reserves.

Mineral Resource cut-off grade is 0.50% Ni.

## Cross references to previous Company ASX announcements:

Savannah (above 900F) – refer to ASX announcement of 30 September 2019, titled "Mineral Resources and Ore Reserves at 30 June 2019"

Savannah (below 900F) – refer to ASX announcement of 30 September 2015, titled "Mineral Resources and Ore Reserves at 30 June 2015"

Savannah North – refer to ASX announcement of 24 August 2016, titled "Major Resource Upgrade for Savannah North"

## No New Information or Data

The Mineral Resource estimate tabled above for Savannah (below 900F), have been previously reported and the relevant market announcements cross referenced. Except where stated otherwise, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimate of Mineral Resources, that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

## Ni Equivalent References

References to Ni equivalent contained metal in Mineral Resources and Ore Reserves is based on assumed metal prices as noted in footnotes and calculated using the formula  $Ni\ Eq\ kt = [(Ni\ kt * Ni\ price + Cu\ kt * Cu\ price + Co\ kt * Co\ price) / Ni\ price]$ . Ni equivalent grade % in Mineral Resources are calculated using the formula  $Ni\ Eq\ \% = Ni\ Eq\ kt / Total\ Mineral\ Resource\ tonnes$ . It is the Company's opinion that all elements included in the metal equivalent calculation have a reasonable potential of being recovered and sold. Metallurgical recoveries for all metals are assumed to be equal.

# Savannah Project Ore Reserve Estimate (June 2020)

Ore Reserve	Metal	Proved		Probable		Total		Metal Tonnes
		Tonnes	(%)	Tonnes	(%)	Tonnes	(%)	
Savannah	Nickel	1,233,000	0.95	-	-	1,233,000	0.95	11,700
	Copper		0.66		-		0.66	8,100
	Cobalt		0.05		-		0.05	600
Savannah North	Nickel	1,795,000	1.21	5,246,000	1.28	7,041,000	1.28	90,100
	Copper		0.54		0.57		0.57	40,400
	Cobalt		0.09		0.09		0.09	6,400
Total	Nickel	3,028,000	1.10	5,246,000	1.28	8,274,000	1.23	101,800
	Copper		0.59		0.57		0.59	48,500
	Cobalt		0.07		0.09		0.08	7,000

## Qualifying Statements and Notes:

Calculations have been rounded to the nearest 1,000t of ore, 0.01% Metal grade and 100t of metal

Savannah & Savannah North Ore Reserve average cut-off (NSR) of \$135/t.

## Competent Person Statement

The information in this presentation that relates to Ore Reserves for Savannah and Savannah North is based on information compiled by or reviewed by Shane McLeay. Mr McLeay is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Principal Mining Engineer and full-time employee of Entech Consulting based in Perth, Western Australia.