Nickel 28 Releases Ramu Q1 2023 Operating Performance and Provides Update on Shareholder Engagement

written by Raj Shah | May 3, 2023

- *Nickel 28 confirms receipt of largest ever cash distribution from Ramu joint venture of US$9.7 million.*
- *Concurrent with cash distribution, Nickel 28's Ramu construction debt reduced by US$18.1 million leaving a balance of approximately US$55.8 million as of January 2, 2023.*
- *Nickel 28 provides update on shareholder engagement efforts.*

May 03, 2023 (Source) – Nickel 28 Capital Corp. ("**Nickel 28**" or the "**Company**") (TSXV: **NKL**) (FSE: **3JC0**) is pleased to provide operational results for the quarter ending March 31, 2023 for the Company's largest asset, the Ramu Nickel-Cobalt integrated operation in Papua New Guinea ("**Ramu**"), as well as an update on its shareholder engagement efforts.

Q1 2023 Ramu Highlights

Nickel 28 currently holds an 8.56% joint-venture interest in Ramu, which is operated by Metallurgical Corporation of China. In respect of the quarter ending March 31, 2023 ("**Q1 2023**"), the Company is pleased to update as follows:

- Ramu Q1 2023 production of 9,016 tonnes of contained

nickel in Mixed Hydroxide Precipitate ("**MHP**"), compared to 8,756 tonnes in the same period last year.

- Ramu Q1 2023 production of 798 tonnes of contained cobalt in MHP, compared to 830 tonnes in the same period last year.
- Ramu Q1 2023 nickel sales of 7,914 tonnes of contained nickel, compared to 3,336 tonnes in the same period last year.
- LME average nickel price of US$11.83/lb. in Q1 2023, essentially unchanged from the same period last year and a 3% increase from Q4 2022.
- Fast Markets average cobalt price of US$16.98/lb. in Q1 2023, representing a 53% decrease from the same period last year and 26% decrease from Q4 2022.
- Actual cash cost, net of by-product credits of $3.12/lb. of nickel produced as MHP, compared to $1.48/lb. in the same period last year.
- On April 24, 2023, the Company received its largest ever cash distribution of approximately US$9.7 million from the Ramu joint venture.
- Concurrent with the cash distribution, Nickel 28's Ramu construction debt was reduced by US$18.1 million, leaving a balance of approximately US$55.8 million as of January 2, 2023.

"Ramu delivered strong operational and financial results again with operations performing at 111% of nameplate capacity in the first quarter of this year," stated Nickel 28's Executive Chairman, Anthony Milewski. "In addition, we are seeing reductions in input and operational costs which resulted in improved production costs compared to the last quarter. We expect that Ramu's full year costs and production will remain within guidance being 33,000 tonnes of contained Ni in MHP and cash costs in the range of $2.50-$3.50/lb. of Ni. The first

quarter saw sales improve from traditionally sluggish first quarters and we anticipate sales to remain strong for the balance of 2023 as EV production increases globally," continued Mr. Milewski.

Ramu's unaudited operating performance for the period is presented below (along with a comparison to prior years).

	2021	**2022**	**2023**
	Q1	**Q1**	**Q1**
Ore Processed (dry kt)	952	953	928
MHP Produced (dry tonne)	22,845	22,229	22,623
Contained Nickel (tonne)	8,805	8,756	9,016
Contained Cobalt (tonne)	813	830	798
Nickel Capacity Utilization (% of design[1])	108%	107%	111%
MHP Shipped (dry tonne)	22,648	8,436	19,663
Contained Nickel (tonne)	8,746	3,336	7,914
Contained Cobalt (tonne)	787	305	673
Cash Cost Actual[2]	**$1.68**	**$1.48**	**$3.12**

Notes:

1. Ramu design capacity of 32,600 tonnes/year of nickel contained in MHP.
2. Actual cost per pound of nickel contained in MHP net of by-product credits.
3. The foregoing production figures have not been audited and are subject to change. As the Company has not yet finished any audit or review procedures in respect of the fiscal quarter, the financial information presented in this press release is preliminary, subject to adjustment and may

change materially. The information presented above has not been reviewed or audited by the Company's auditor, should not be considered a substitute for reviewed or audited financial statements and should not be regarded as a representation by the Company as to the actual financial results.

Shareholder Engagement Update

Consistent with Nickel 28's commitment to shareholder engagement, Nickel 28 has had discussions with several of the significant shareholders of the Company on governance and compensation related matters. These shareholders do not include Pelham Investment Partners LP, which has not engaged with the board of directors (the "**Board**") or senior management of the Company since the launch of its unsolicited and now expired "mini-tender" offer.

Having publicly articulated Nickel 28's vision for the future, and considered the feedback provided by shareholders, the Board and management have determined not to seek renewal of the Company's existing equity-based compensation plan at the forthcoming annual and special meeting of shareholders of the Company to be held on June 12, 2023. Given the significant equity ownership of the Board and management, Nickel 28 continues to believe that there is strong alignment between shareholders and the Board and management. Nickel 28 believes that its decision demonstrates a continued commitment to acting in the best interests of all of Nickel 28's shareholders.

The long-term, significant shareholders management has spoken with support Nickel 28 and appreciate the complexity of managing the Company's active joint-venture interest in one of the world's largest operating nickel-cobalt mines, the Ramu project, as well as managing a portfolio of royalty interests in some of

the world's largest undeveloped nickel projects. These shareholders recognize that the Ramu project joint venture is not a passive stream or royalty interest, but an actively managed relationship with the Company's partners.

Management of Nickel 28's Ramu joint venture interest and royalty portfolio requires significant experience in mining, operations, commodity trading and sales, geology and mergers and acquisitions, as well as experience managing local relationships, many of which have been forged over decades with Nickel 28's partners in Papua New Guinea and the People's Republic of China. For example, senior members of management are currently in Turkey engaged in collaboration with representatives of the Ramu project joint venture on marketing efforts, given that the sale of the MHP product produced by Ramu is not a simple matter of selling refined metal over a metals exchange, and noting that it requires considerable time and effort to develop and maintain sales relationships. Other members of management are in Singapore and a third team member in Papua New Guinea next week for joint venture related matters. In addition, Nickel 28's Executive Chairman, Mr. Anthony Milewski, will be participating in Canaccord Genuity's Global Metals and Mining Conference next week from May 10-12th. Shareholders interested in meeting with Mr. Milewski, or a member of the Nickel 28 team, are encouraged to contact info@nickel28.com.

Shareholders can be confident that the Nickel 28 team will continue to leverage its expertise and experience in order to deliver on the Company's vision and business plan.

About Nickel 28

Nickel 28 Capital Corp. is a nickel-cobalt producer through its 8.56% joint-venture interest in the producing, long-life and

world-class Ramu Nickel-Cobalt Operation located in Papua New Guinea. Ramu provides Nickel 28 with significant attributable nickel and cobalt production thereby offering our shareholders direct exposure to two metals which are critical to the adoption of electric vehicles. In addition, Nickel 28 manages a portfolio of 13 nickel and cobalt royalties on development and exploration projects in Canada, Australia and Papua New Guinea.

Cautionary Statements Regarding Forward-Looking Statements

This news release contains certain information which constitutes ‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements and figures with respect to the operational and financial results of the Ramu project; statements with respect to the global market for electric vehicles; statements related to the repayment of the Company’s Ramu operating debt (including the timing thereof) and the timing of repayments and payments under the Ramu Nickel project joint venture agreement by the operator; statements related to the Company’s future use of excess cash flow from the Ramu Nickel project (and the receipt and timing thereof); and statements with respect to the business and assets of the Company and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company’s control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or

should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No securities regulatory authority has either approved or disapproved of the contents of this news release.

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