Nickel 28 Releases Ramu Q2 2022 Operating Performance

written by Raj Shah | August 4, 2022

August 4, 2022 (Source) – Nickel 28 Capital Corp. ("**Nickel 28**" or the "**Company**") (TSXV: **NKL**) (FSE: **3JC0**) is pleased to provide operational results for the production quarter ending June 30, 2022 for the Company's largest asset, being the Ramu Nickel-Cobalt ("**Ramu**") integrated operation in Papua New Guinea. Nickel 28 currently holds an 8.56% joint-venture interest in Ramu which is operated by the Metallurgical Corporation of China ("**MCC**").

Q2 2022 Ramu Highlights:

- Ramu Q2 2022 production of 8,128 tonnes of contained nickel in MHP.
- Ramu Q2 2022 production of 695 tonnes of contained cobalt in MHP.
- Ramu Q2 2022 nickel sales of 6,624 tonnes of contained nickel.
- LME average nickel price of US$13.13/lb. in Q2 2022, a 67% increase from the same period last year. 2022 H1 LME nickel price is $12.50/lb. compared to nickel price of $7.92/lb. for H1 2021.
- Fast Markets average cobalt price of US$38.19/lb. in Q2 2022, an 81% increase from the same period last year. 2022 H1 Fast Markets cobalt price of $36.93/lb. compared to cobalt price of $21.38/lb. for H1 2021.
- Actual cash cost, net of by-product credits of $3.03/lb. of nickel produced as MHP, a 7% increase from the same period last year. H1 2022 cash cost, net of by-product credits of $2.22/lb. of nickel which is unchanged from the same period in the prior year.

“The second quarter of 2022 was one of unpredictable factors which Ramu has been able to successfully navigate through” stated Nickel 28’s Chairman, Anthony Milewski. “The continued conflict in Ukraine along with the suspension of nickel trading on the LME in March resulted in significant volatility and uncertainty in the nickel market. Coupled with significant volatility in input commodities, the consistent and stable production at Ramu cannot be understated. Sales in Q2 initially improved from Q1 levels as demand increased for lithium-ion batteries, only to see another curtailment due to continued impacts from the pandemic. We also saw significant price increases in sulphur which impacted our cash cost, however that was offset by higher by-product credits due to the strong cobalt price. We expect the balance of 2022 to stabilize as we are seeing demand and commodity prices return to 2021 levels. Sulphur prices have also returned to less than $100/tonne, down from a peak of $600/tonne in Q2. Our partners continue to demonstrate why the Ramu operation is considered the best HPAL in the world and we continue to see strong demand for MHP as the Chinese battery industry continues to emerge from the global pandemic.” continued Mr. Milewski.

Ramu’s operating performance for the period are presented below along with comparison to prior years, noting that these figures are unaudited.

	2021		2022	
	Q2	Half Year	Q2	Half Year
Ore Processed (dry kt)	829	**1,781**	810	**1,763**
MHP Produced (dry tonne)	20,221	**43,066**	20,402	**42,631**
Contained Nickel (tonne)	7,773	**16,578**	8,128	**16,884**
Contained Cobalt (tonne)	720	**1,533**	695	**1,525**
Nickel Capacity Utilization (% of design[1])	95%	**102%**	100%	**104%**
MHP Shipped (dry tonne)	28,042	**50,690**	17,384	**25,820**
Contained Nickel (tonne)	10,975	**19,721**	6,624	**9,960**
Contained Cobalt (tonne)	1,003	**1,790**	627	**932**
Cash Cost Actual [2]	**$ 2.83**	**$ 2.22**	**$ 3.03**	**$ 2.22**

Note 1.) Ramu design capacity of 32,600 tonnes/year of nickel contained in MHP

Note 2.) actual cost per pound of nickel contained in MHP net of by-product credits

A. These figures have not been audited and are subject to change. The information presented above has not been audited by the company's independent accountants, should not be considered a substitute for audited financial statements, and should not be regarded as a representation by the company as to the actual financial results.

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 Note 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 prospects of nickel and cobalt in the global electrification of vehicles; statements related to the repayment of the Company’s Ramu operating debt (and the timing thereof); statements related to the Company’s attributable cash flow and future cash flow receivable by the Company (and the receipt and timing thereof); statements related to the production impacts of the Covid-19 pandemic; statements related to future evaluation of mineral resource and reserve estimates by representatives of MCC and the Company; 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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