

Nickel 28 Letter From the Chairman

28.12.2022 | [Business Wire](#)

[Nickel 28 Capital Corp.](#) ("Nickel 28" or the "Company") (TSXV: NKL) (FSE: 3JC0) provides the following update to shareholders from its Executive Chairman, Mr. Anthony Milewski.

As we close out 2022, I want to take a moment to provide an update to our shareholders and partners. As one of the few nickel producers listed on the Toronto Stock Exchange or TSX Venture Exchange, Nickel 28 is a unique vehicle providing shareholders with leverage to the price of nickel and cobalt through our interest in the producing Ramu Nickel mine as well as royalties on quality Canadian-based nickel sulphide deposits - Dumont and Turnagain.

2022 proved to be a unique year for the nickel markets with a short squeeze on the London Metals Exchange (LME) contract that defied anything the contract had ever experienced. We believe that the short squeeze, and the manner in which the LME reacted to the situation has likely changed the way nickel is priced for years to come. Producers, consumers, and financial players alike have reconsidered what the appropriate, if any, current reference price actually is. Moreover, the longer than anticipated affects of COVID-19 on Chinese and other economies and increased nickel supply from Indonesia meant that for much of 2022 nickel inventories were actually increasing. Management believes that these headwinds are temporary and that 2023 will see a "re-opening" trade as China comes out of COVID.

2022 also saw a fairly dramatic increase in production costs at Ramu Nickel. By way of example, spot sulfur costs went from approximately under \$100 per tonne in 2020 to over \$600/tonne in the middle of 2022. These costs have come down in recent months but remain materially inflated relative to last year. However, Ramu Nickel consistently ranks as either number one or two in terms of cost when ranked amongst the global HPAL operations as published by Wood Mackenzie, which is a testament to our partners and the continued performance of Ramu Nickel to achieve or surpass nameplate capacity. We do not have a view on cost inflation for 2023 but note that ultimately these costs should be reflected in the future price of nickel.

In 2022, we expect Ramu Nickel to produce approximately 34,000 tonnes of contained nickel and 3,000 tonnes of contained cobalt, ranking it as one of the top producers of Mixed Hydroxide Precipitate (MHP) in the world. Ramu Nickel sales were inconsistent in late 2021 and H1 2022, thus impacting our debt repayment, but we anticipate another debt repayment for H2 2022 results and currently remain on track to fully repay our construction debt sometime during 2024, subject to nickel prices and production costs. Our current outstanding construction debt balance is approximately \$73 million.

We believe management, by a large margin, remains the largest shareholders in the Company. As a result, we can think of few other companies in the mining space with such unique management and shareholder alignment. When asked what we intend to do with the Ramu Nickel cash flow once the construction debt is fully repaid, our answer remains the same - we intend to return nearly all of the cash in the form of a dividend. In late 2021 and early 2022, the Company repurchased a total of 1,322,500 common shares under the Company's previous normal course issuer bid (NCIB) program.

We are also encouraged by the progress at two of our important royalties. Dumont and Turnagain are two of the world's largest undeveloped nickel sulphide projects, which are both located in Canada. In 2022, Turnagain secured Mitsubishi as a development partner. It is also our understanding that the owners of the Dumont project continue to work towards advancing the project. As we have observed in previous years, the global energy transition continues and we believe that the Turnagain and Dumont projects have the potential to be low carbon footprint nickel mines and critical suppliers to OEMs and battery makers for decades to come.

We are excited about Nickel 28's portfolio. Its unique mix of producing and development nickel and cobalt projects provide investors with significant leverage to higher nickel and cobalt prices as the world continues its transition to a low carbon future.

Corporate Update

In accordance with the Company's omnibus long-term incentive plan, the Company granted an aggregate of 4,550,000 restricted share units to certain of its directors, officers, advisers and consultants.

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; statements with respect to the future prospects of nickel and cobalt; statements with respect to global economic conditions and commodities markets for nickel, cobalt and other commodities; statements with respect to production and production costs at the Ramu Nickel project; statements related to the repayment of the Company's Ramu operating debt (including the timing thereof); statements related to the impact of the COVID-19 pandemic; statements related to the Company's future use of excess cash flow and cash flow from the Ramu Nickel project; statements related to the future development of the Turnagain and Dumont projects; 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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