



Weathering the Winds of Change

How Nickel West is emerging as an innovative, dynamic and low cost producer

专题演讲：未雨绸缪 Nickel West 如何脱颖而出成为高创新，高活跃而低成本的镍生产者

Eduard Haegel Asset President Nickel West



Disclaimer

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This presentation contains forward-looking statements, including statements regarding: trends in commodity prices and currency exchange rates; demand for commodities; plans, strategies and objectives of management; closure or divestment of certain operations or facilities (including associated costs); anticipated production or construction commencement dates; capital costs and scheduling; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; tax and regulatory developments.

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Competent Person Statement

* Mt Keith, Yakabindie and Venus Mineral Resources are reported for the year ended June 30 2015 in the 2015 BHP Billiton Annual Report which can be found at www.bhpbilliton.com, and are compiled by M Menicheli (MAusIMM). M Menicheli is a full time employee of BHP Billiton, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". M Menicheli consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

All tonnes and grade information has been rounded, hence small differences may be present in the totals. Total tonnes of nickel is estimated multiplying the total resource tonnes converted to kilotonnes (kt) by the Ni grade (%Ni) before rounding of tonnes and grades for reporting. All of the Mineral Resources information is inclusive of Mineral Resources that have been converted to Ore Reserves.

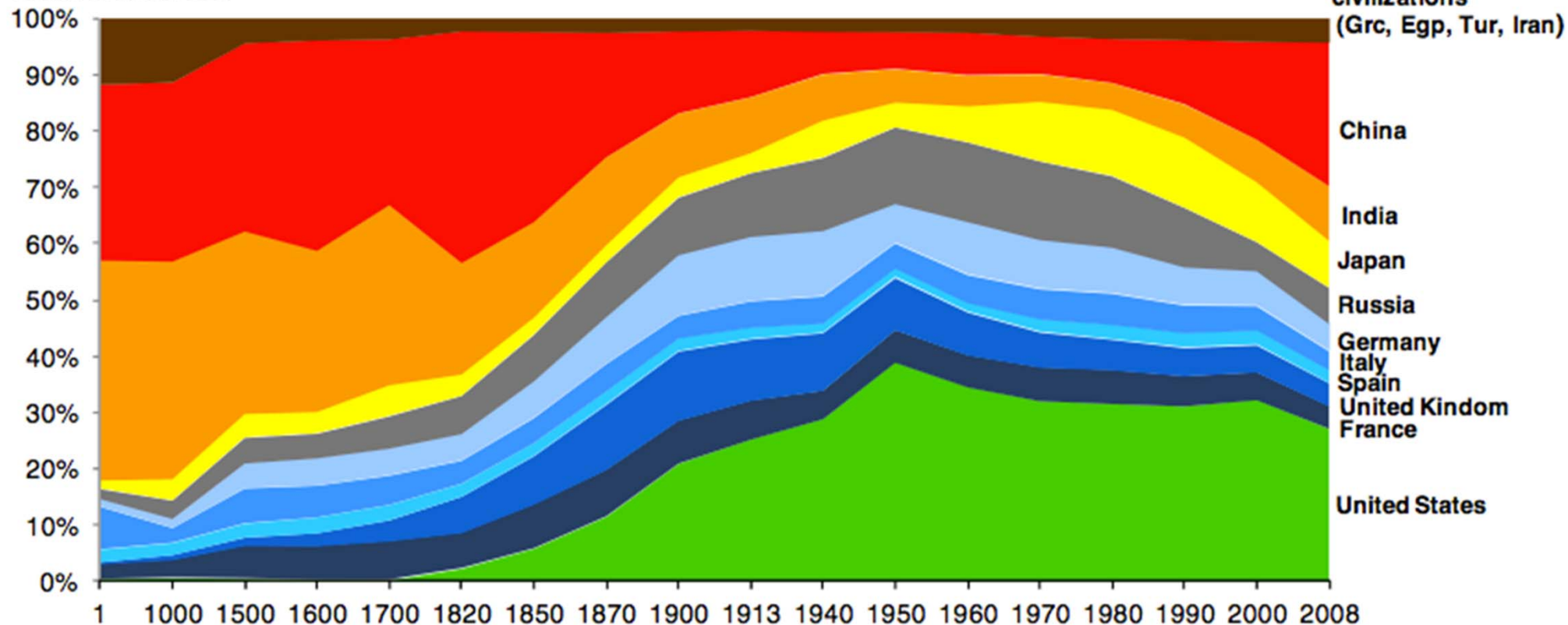
Venus Mineral Resources as at 30 June 2015 in 100% terms reported in accordance with the JORC Code

Ore Type	Indicated Resources		Inferred Resources		Total Resources	
	Million Tonnes	Ni%	Million Tonnes	Ni%	Million Tonnes	Ni%
Disseminated sulphide	0.47	2.4	5.4	1.7	5.9	1.8
Massive sulphide	-	-	1.5	5.8	1.5	5.8

China a leading economy

Economic history of China and other major powers

Share of world GDP



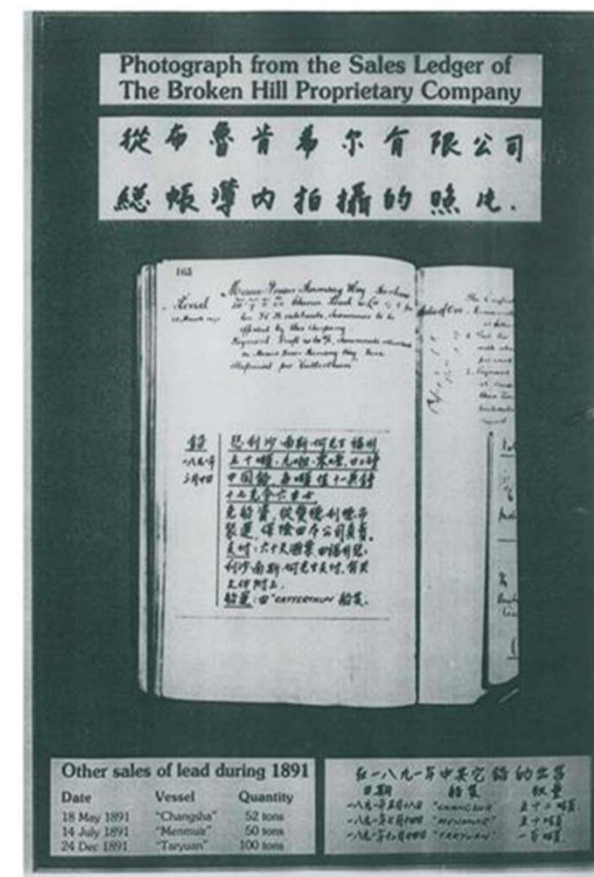
Source: "Statistics on World Population, GDP and Per Capita GDP, 1-2008 AD", Angus Maddison, University of Groningen.

BHP Billiton makes first sale in China in 1891



Great Wall of China visit in May 16 1973
Source: BHP Billiton

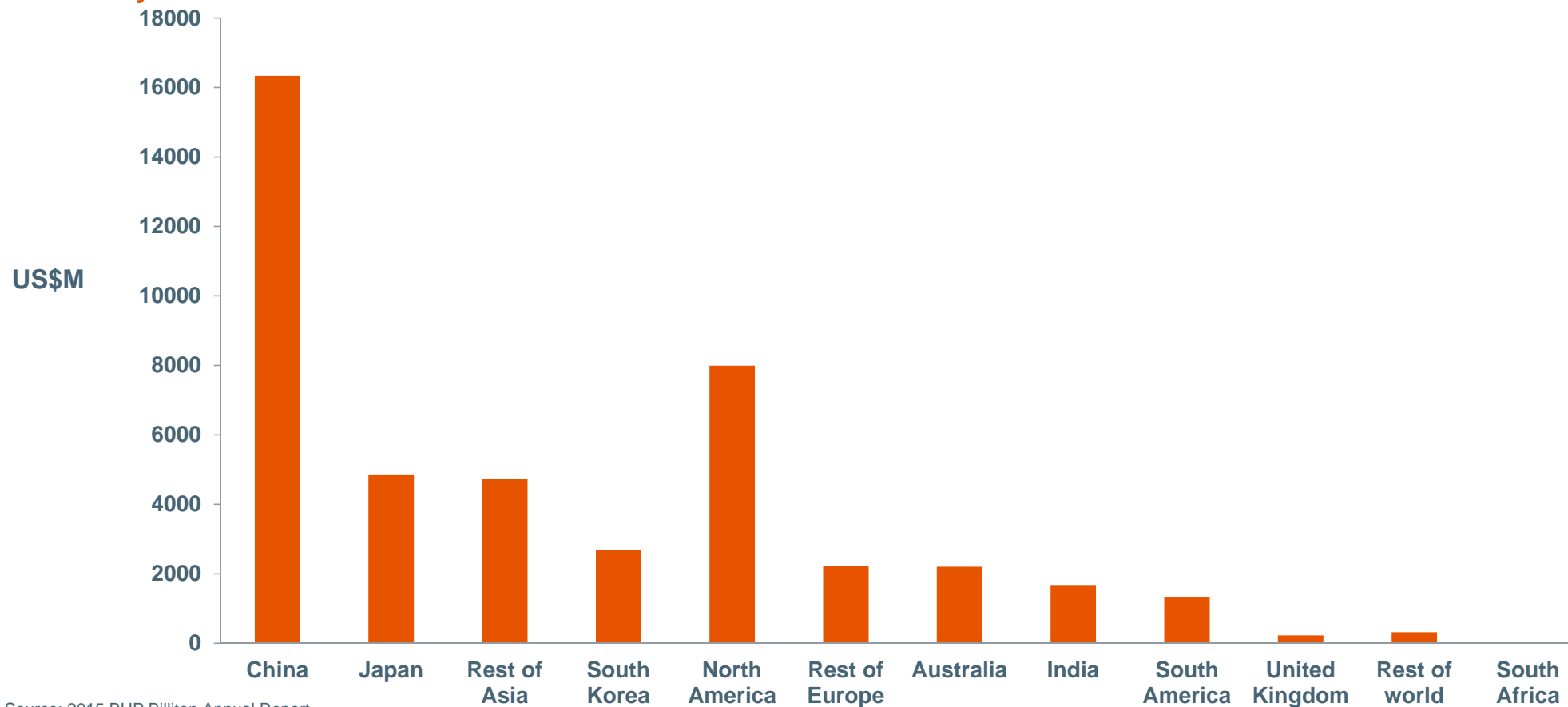
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Sales ledger of the Broken Hill Proprietary Company 1891
Source: BHP Billiton

BHP Billiton revenue increasingly sourced from Asia

Revenue by location of customer 2015



Source: 2015 BHP Billiton Annual Report

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Nickel West is a fully integrated nickel business



Mt Keith Mine and concentrator



Cliffs



Leinster Mine and concentrator



Kalgoorlie smelter



Kambalda concentrator

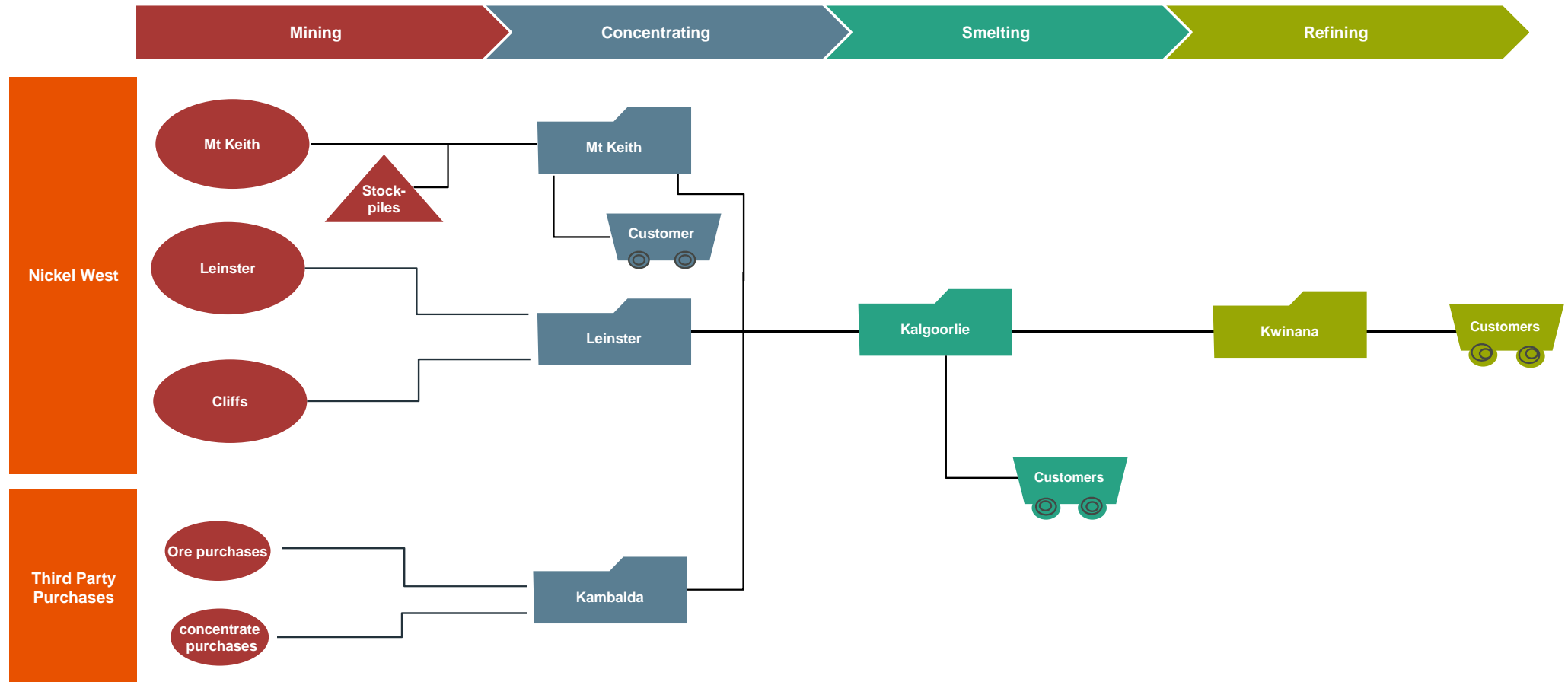


Kwinana refinery

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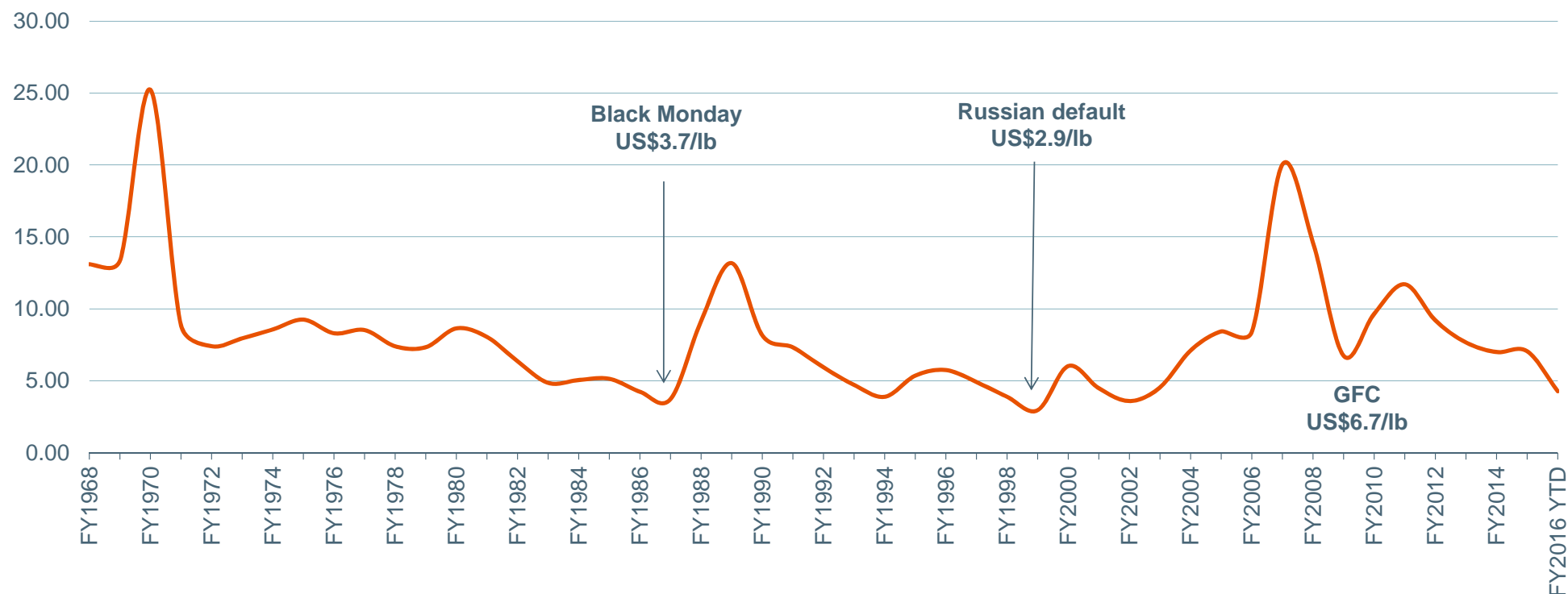
○ Nickel West Operations

Multiple feed sources with two primary saleable products



Nickel historical prices

Nickel historical prices
(US\$/lb real Jan 2016)



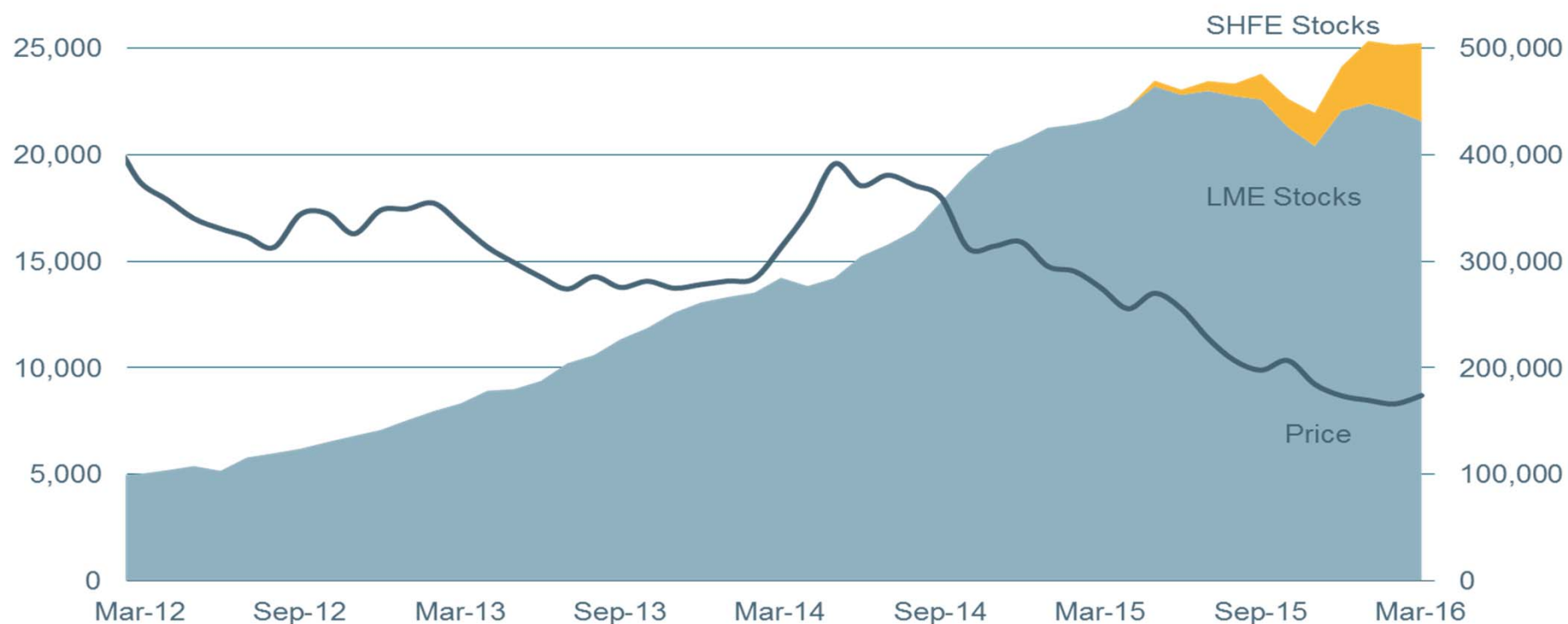
Source: LME
Note: FY2016 YTD prices are as of 29 April 2016

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Price has fallen as LME stocks rose

LME monthly average nickel price
(US\$/tonne)

LME/SHFE closing stocks
(tonnes)



Source: LME and SHFE

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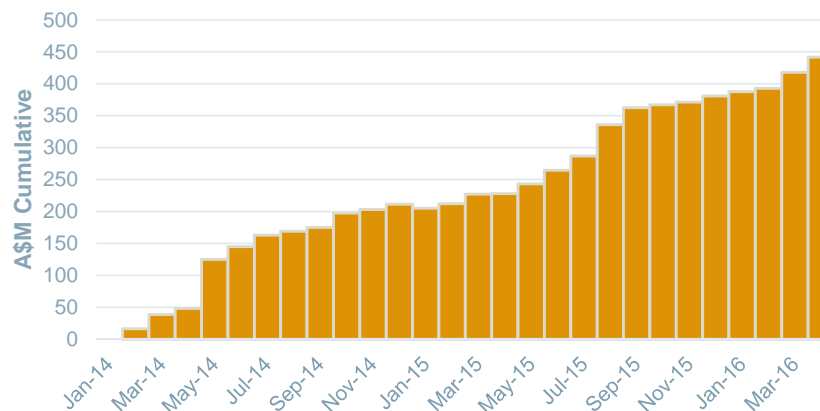
“The lean approach taken by Nickel West recently has led to improvement in many areas which have been replicated across the Company - Nickel West continues to punch above its weight.”

Andrew Mackenzie, BHP Billiton CEO
22 March 2016

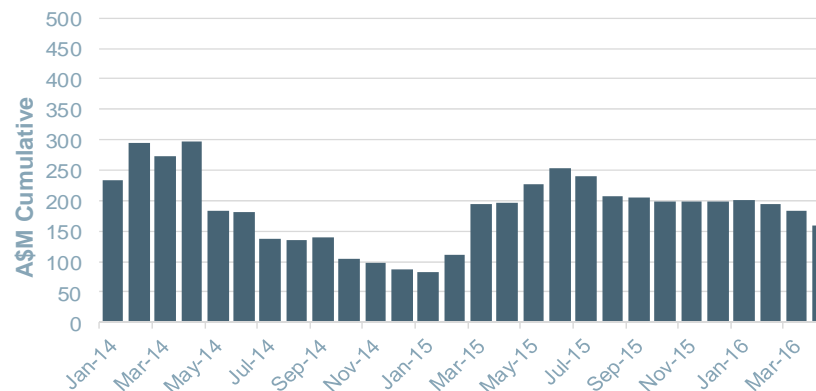
Transformation has significantly lowered Nickel West's cost base

- Transformation involves the generation of ideas and the execution of opportunities to deliver increased earnings
- It provides the framework to develop world class performance ambitions
- Transformation has been an important vehicle for engaging our people, identifying opportunities and successfully executing them

Executed Initiatives by Value (A\$M)



Idea Generation By Value (A\$M)

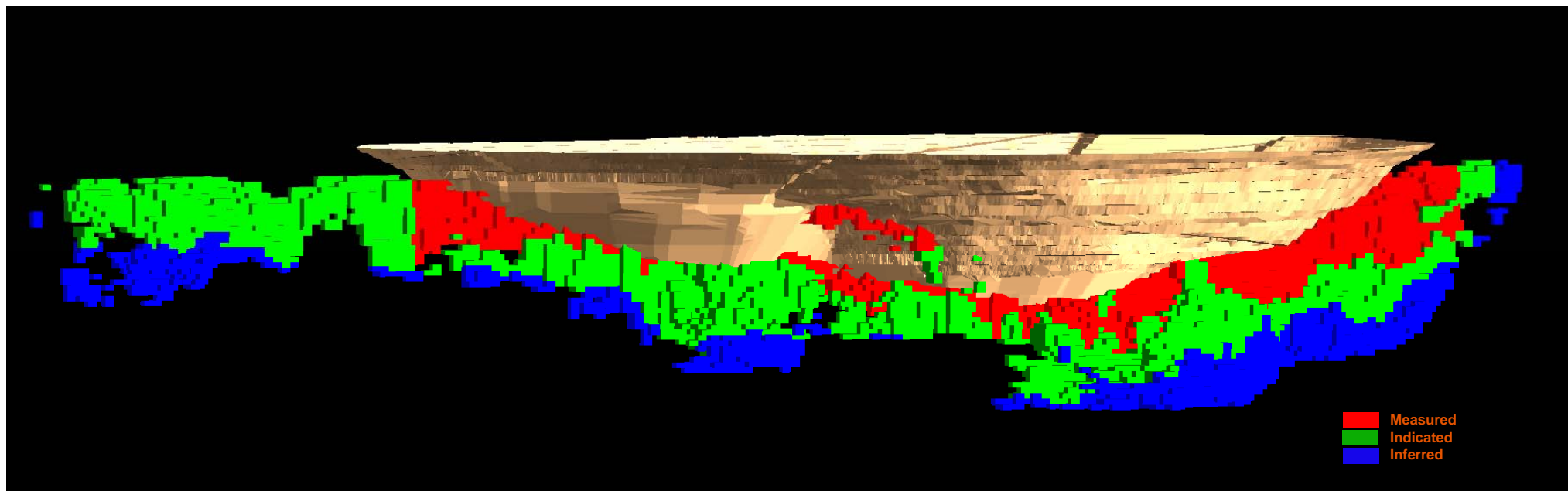


Source: BHP Billiton

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Mt Keith remains a rich source of opportunity...



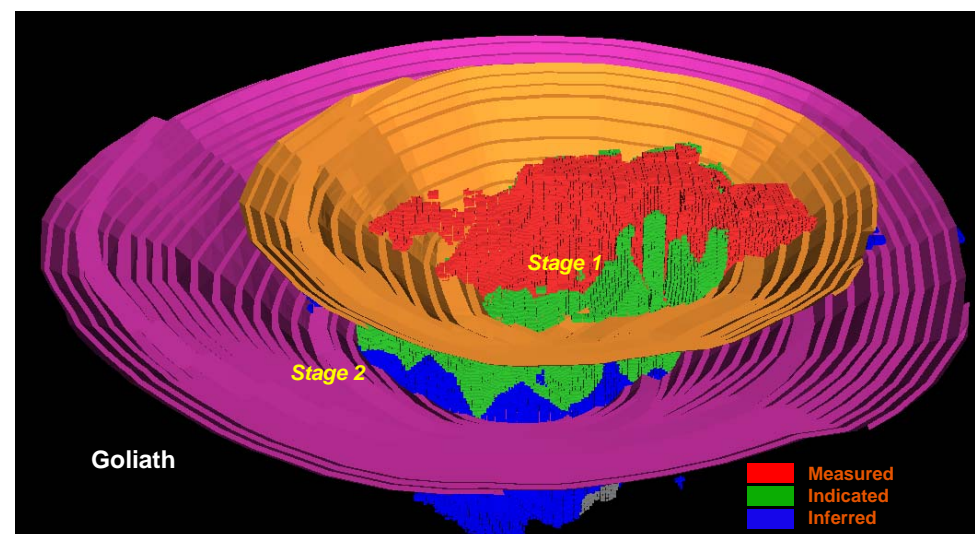
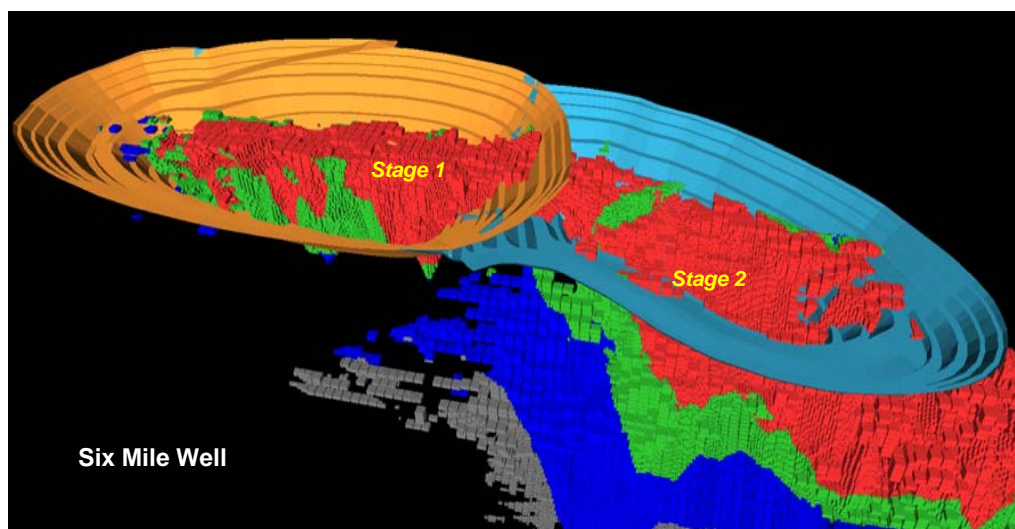
*Mt Keith Mineral Resources * as at 30 June 2015 in 100% terms reported in accordance with the JORC Code*

Ore Type	Measured Resources		Indicated Resources		Inferred Resources		Total Resources	
	Million Tonnes	Ni%	Million Tonnes	Ni%	Million Tonnes	Ni%	Million Tonnes	Ni%
Disseminated sulphide	168	0.5	107	0.5	35	0.5	310	0.5

*refer to disclaimer slide 3

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...and a new fit for purpose approach has lowered any future capital requirements for Yakabindie...



*Yakabindie Mineral Resources * as at 30 June 2015 in 100% terms reported in accordance with the JORC Code*

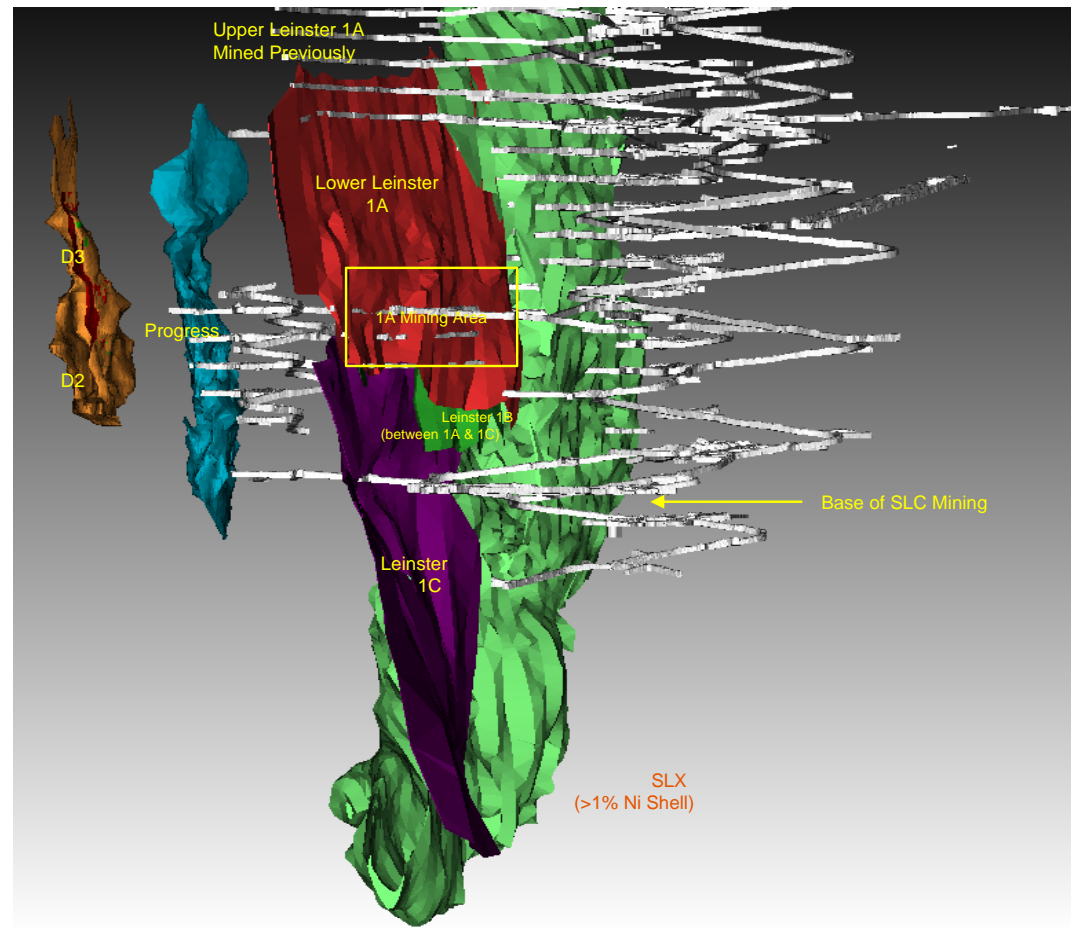
Ore Type	Measured Resources		Indicated Resources		Inferred Resources		Total Resources	
	Million Tonnes	Ni%	Million Tonnes	Ni%	Million Tonnes	Ni%	Million Tonnes	Ni%
Disseminated sulphide	156	0.6	113	0.6	171	0.6	440	0.6

*refer to disclaimer slide 3

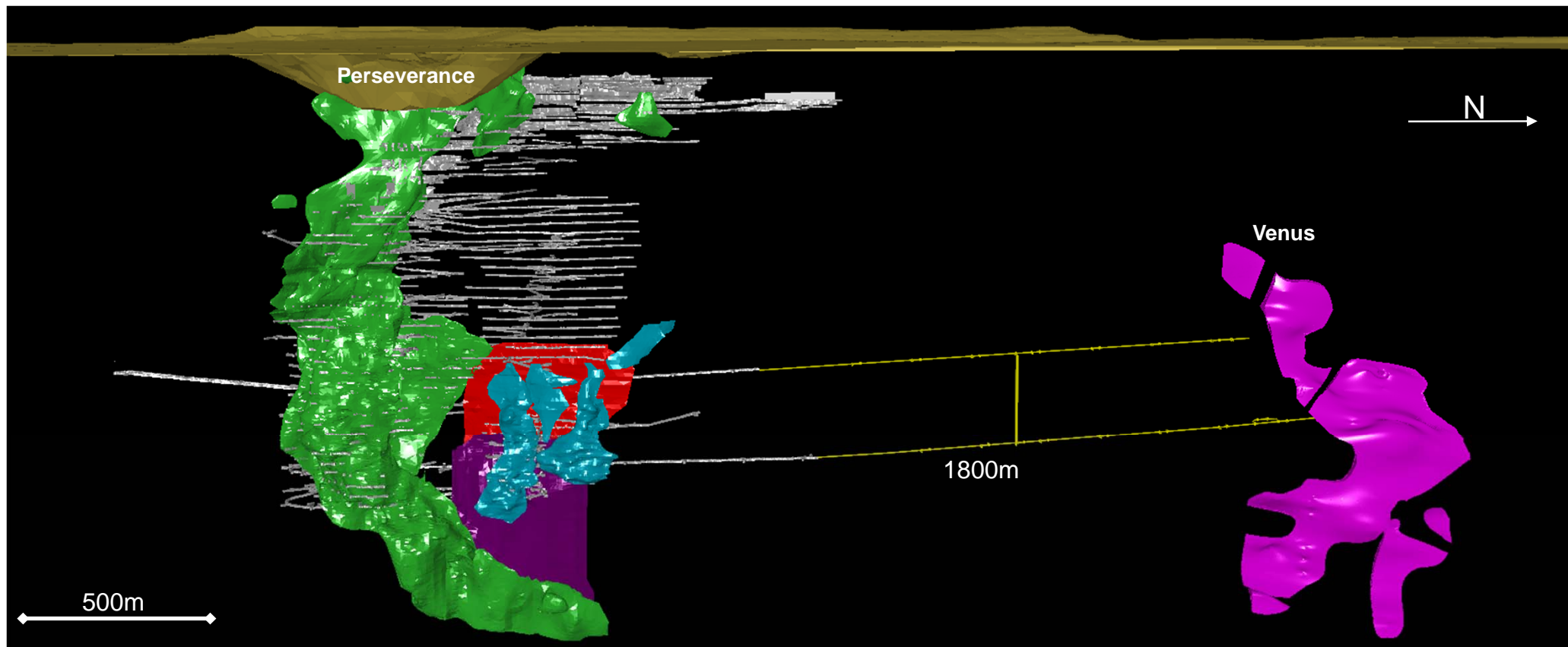
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Thorough analysis has allowed mining to safely resume at Leinster 1A

- Leinster 1A is geotechnically remote from the Sub Level Cave
- Existing mine infrastructure provides low cost access
- Conventional open stoping mining methods (same as our Cliffs underground operation)



...and provided the confidence to recommence the Venus access drives



*refer to disclaimer slide 3

193kt of Nickel currently in Venus resource*

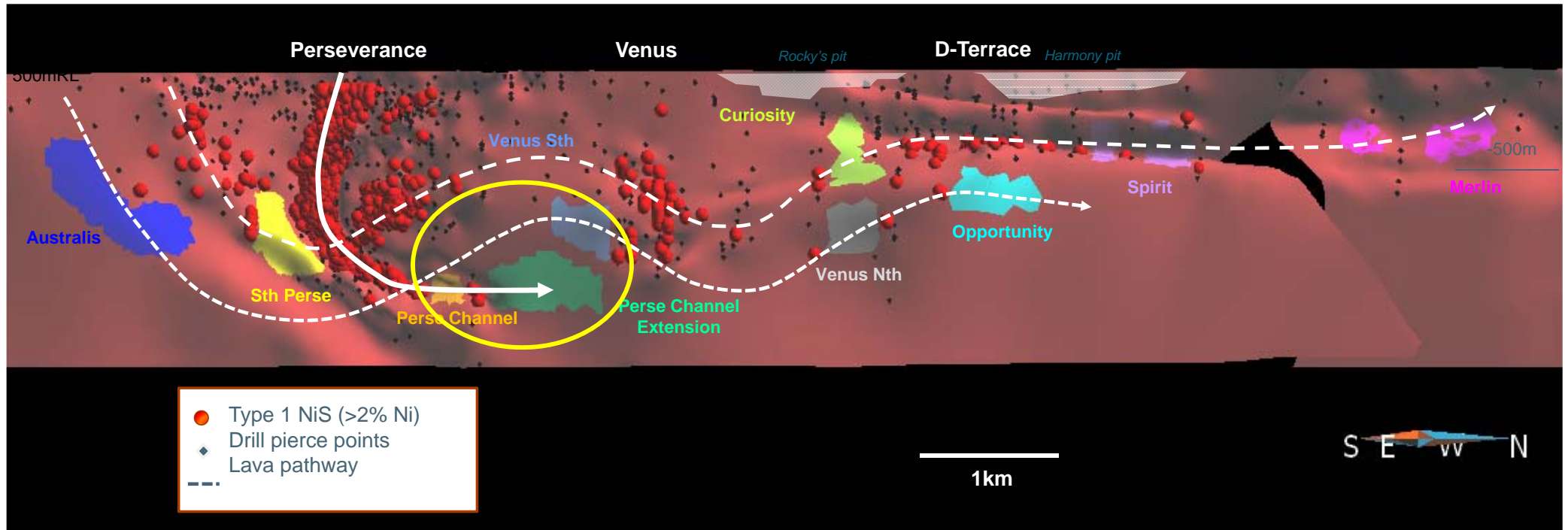
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Low capital requirements could unlock one of the best undeveloped nickel deposits in the world

Nova (Independence Group)	A\$M	Venus
Processing plant	169	✓ Spare capacity in existing mill
Paste plant	13	Possible new plant – to be confirmed
Tails facility	23	✓ Use existing facilities
Camp	34	✓ Leinster town and camp in place
Airstrip	10	✓ In place already
Roads	24	✓ All weather access already in place
Fuel storage and buildings	19	✓ In place already
Pre production development (box cut, decline, level development)	92	✓ Perseverance decline in place Recommencing Venus access drives
Management costs, contingency and other	89	✓ Use existing Nickel West team
Total	473	Significant CAPEX savings by leveraging existing infrastructure

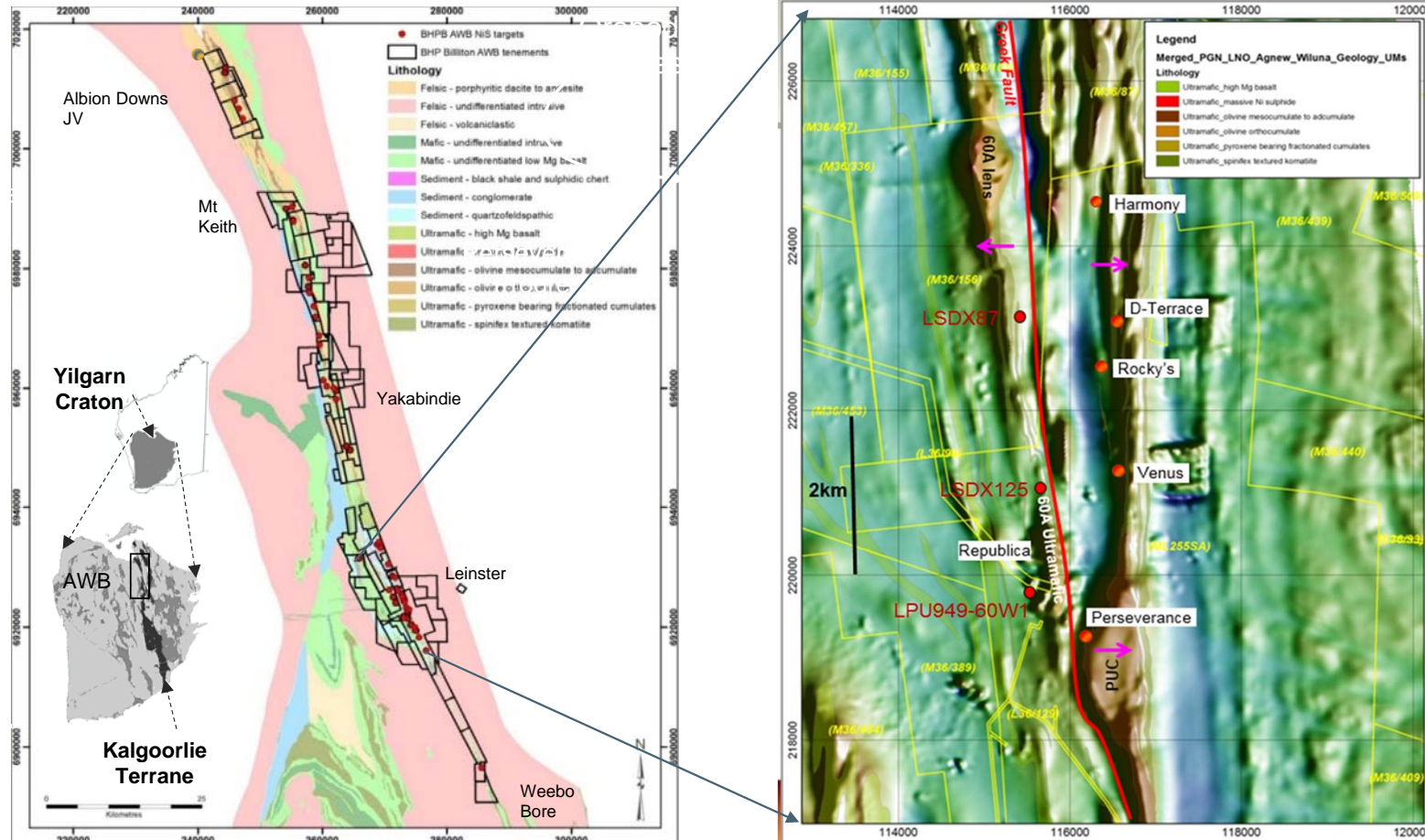
Source: SIR ASX Release 14/07/2014
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...providing a continuous exploration drilling platforms along the 2km access



Perseverance to Harmony exploration targets

...Leinster corridor provides outstanding exploration potential



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...Increased confidence in a life beyond 2023 to 2032

What would make this possible;

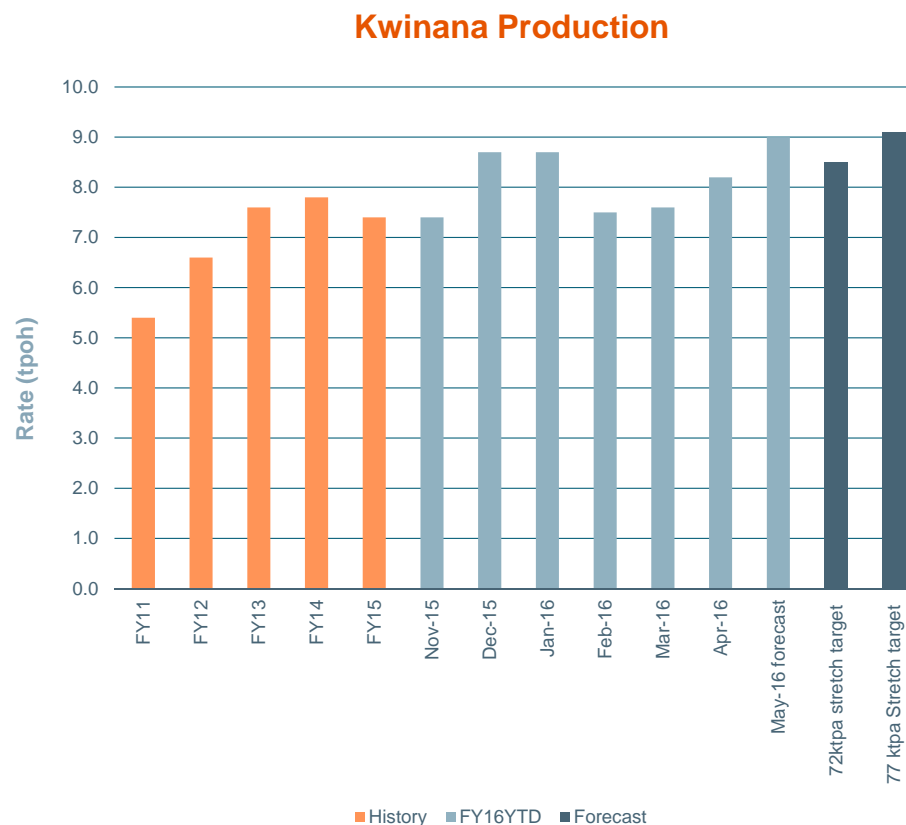
- The removal of A\$440 million from the Nickel West cost base
- A fit for purpose low cost capital approach to new projects
- The success of the Yakabindie project evaluation
- The development of Venus access drives
- The success of the Venus project evaluation
- The potential rebuild of the smelter furnace to enable the projects should they be successful



BHP Billiton Nickel West Kalgoorlie

Improving throughput rates by debottlenecking refinery

- 45 year production records for matte milled, nickel produced, and nickel packed achieved in consecutive months (Dec and Jan)
- Strong focus on “Lean Management” and Operating discipline
- Avoids exposure to a worldwide declining matte market
- Increases nickel sales margins
- Assures high quality LME deliverable product



Source: BHP Billiton

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Weathering the winds of change

- We have reimagined how an asset can operate from within the world's largest listed resource company
- We have leveraged the strength of this with the dynamism of a junior miner mindset to create an exciting and deliverable project pipeline that if successful will create an exciting future for Nickel West
- We are creating an innovative, dynamic and low cost producer
- We are weathering the winds of change



BHP Billiton Nickel West Mt Keith

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