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
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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

<table>
<thead>
<tr>
<th>Ore Type</th>
<th>Indicated Resources</th>
<th>Inferred Resources</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Tonnes</td>
<td>Ni%</td>
<td>Million Tonnes</td>
</tr>
<tr>
<td>Disseminated sulphide</td>
<td>0.47</td>
<td>2.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Massive sulphide</td>
<td>-</td>
<td>-</td>
<td>1.5</td>
</tr>
</tbody>
</table>
China a leading economy

Eduard Haegel, Asset President Nickel West
24 May 2016
BHP Billiton makes first sale in China in 1891

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

Eduard Haegel, Asset President Nickel West
24 May 2016
BHP Billiton revenue increasingly sourced from Asia

Revenue by location of customer 2015

Source: 2015 BHP Billiton Annual Report

Eduard Haegel, Asset President Nickel West
24 May 2016
Nickel West is a fully integrated nickel business

Eduard Haegel, Asset President Nickel West
24 May 2016
Multiple feed sources with two primary saleable products

Mining → Concentrating → Smelting → Refining

Nickel West
- Mt Keith
- Leinster
- Cliffs
- Stock piles

Third Party Purchases
- Ore purchases
- concentrate purchases

Mt Keith purchases
Kalgoorlie
- Leinster
- Kambalda
- Kalgoorlie
- Customers

Kwinana
- Customers

24 May 2016
Eduard Haegel, Asset President Nickel West
Nickel historical prices

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

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

Eduard Haegel, Asset President Nickel West
24 May 2016
Price has fallen as LME stocks rose

LME monthly average nickel price (US$/tonne)

LME/SHFE closing stocks (tonnes)

Source: LME and SHFE
Eduard Haegel, Asset President Nickel West
24 May 2016
“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

Source: BHP Billiton
Eduard Haegel, Asset President Nickel West
24 May 2016
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*

<table>
<thead>
<tr>
<th>Ore Type</th>
<th>Measured Resources</th>
<th>Indicated Resources</th>
<th>Inferred Resources</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Tonnes</td>
<td>Million Tonnes</td>
<td>Million Tonnes</td>
<td>Million Tonnes</td>
</tr>
<tr>
<td>Disseminated sulphide</td>
<td>168</td>
<td>107</td>
<td>35</td>
<td>310</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

*refer to disclaimer slide 3

**Eduard Haegel**, Asset President Nickel West
24 May 2016
…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

<table>
<thead>
<tr>
<th>Ore Type</th>
<th>Measured Resources</th>
<th>Indicated Resources</th>
<th>Inferred Resources</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Tonnes</td>
<td>Ni%</td>
<td>Million Tonnes</td>
<td>Ni%</td>
</tr>
<tr>
<td>Disseminated sulphide</td>
<td>156</td>
<td>0.6</td>
<td>113</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*refer to disclaimer slide 3

Eduard Haegel, Asset President Nickel West
24 May 2016
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

Eduard Haegel, Asset President Nickel West
24 May 2016
Low capital requirements could unlock one of the best undeveloped nickel deposits in the world

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

Source: SIR ASX Release 14/07/2014
Eduard Haegel, Asset President Nickel West
24 May 2016
providing a continuous exploration drilling platforms along the 2km access

Possible lava pathway positions

Type 1 NiS (>2% Ni)

Drill pierce points with bottom contact

Orebody plunges

Perseverance to Harmony exploration targets
...Leinster corridor provides outstanding exploration potential
...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
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
Eduard Haegel, Asset President Nickel West
24 May 2016
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