Silkroad Nickel Ltd.
(Company Registration No.: 200512048E)
50 Armenian Street #03-04, Singapore 179938
Tel: (65) 6327 8971 / Fax: (65) 6327 8596

RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 30 SEPTEMBER 2021

The board of directors (the "**Board**") of Silkroad Nickel Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's circular to shareholders dated 15 September 2021 in relation to the Company's Extraordinary General Meeting to be convened and held on 30 September 2021 at 2.00 p.m. by electronic means ("**EGM**").

The Company has received questions from its shareholders in respect of the EGM and the Board is pleased to provide the Company's responses to these questions as set out below:

Question 1. What is the key timeline for the Company to reach 1 million metric tonnes ("mt") of nickel ore production per annum?

Company's response

The Group is currently fulfilling its ongoing contract with Tsingshan Group to supply an aggregate of 2.7 million mt of high-grade nickel ore from March 2021 to December 2022. From March 2021 to September 2021, the Group has supplied more than 400,000 mt of high-grade nickel ore to Tsingshan Group and has achieved a supply rate of more than 100,000 mt in the month of September 2021. Moving forward, the Group is targeting to ramp up production and supply to 150,000 mt of nickel ore per month. To handle the additional production supply, the Company has widened and upgraded its Torete block jetty to allow up to 2 barges to be loaded simultaneously. Barring unforeseen circumstances, the Company expects to reach the 1 million mt production and supply rate of nickel ore per annum in 2022.

Question 2. When does the Company expect to commence construction on its Rotary-Kiln Electric Furnace (RKEF) project and when is the RKEF expected to be fully operational?

Company's response

The Company expects to commence construction for its RKEF project in 2022, barring unforeseen circumstances, and subject to the necessary financial resources and arrangements being made available. A RKEF project would typically take 18 to 24 months to complete. Accordingly, the project is expected to be fully operational beyond third quarter of 2023.

Question 3. What is the risk of earthquakes? Based on the extraction data so far, were the findings of the technical report credible?

Company's response

The Group's nickel ore mining concession ("**Concession**") is located in Central Sulawesi, Indonesia, which is an area that is at risk of natural disasters such as earthquakes and tsunamis. There can be no assurance that natural disasters will not occur and result in major damage to the Concession or the supporting infrastructure facilities in the vicinity, which could adversely affect the business and operations of the Group. All of the Group's contracts have a *force majeure* clause which offers some

protection due to unforeseen circumstances from natural disasters like earthquakes. The Group has also prepared and implemented evacuation plans and processes to keep its employees safe.

The Group's mining production plan is updated annually, taking into consideration, among others, the estimated ore reserves as well as the existing and future offtake contracts of the Group. The Group's production of nickel ore to-date and the relevant extraction data have been reviewed by the independent consultants and are consistent with the findings as reported by the independent consultants in accordance with the JORC Code, 2012 Standards.

By Order of the Board

Hong Kah Ing
Executive Director and Chief Executive Officer
29 September 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road. #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.