

Silkroad Nickel Ltd.  
 (Company Registration Number 200512048E)  
 (Incorporated in the Republic of Singapore)

**DISCLOSURE PURSUANT TO RULES 705(6) AND 705(7) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) LISTING MANUAL SECTION B: RULES OF CATALIST (THE “CATALIST RULES”)**

Pursuant to Rules 705(6) and 705(7) of the Catalist Rules, the board of directors (the “**Board**”) of Silkroad Nickel Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide the following update.

**Rule 705(6)(a) of the Catalist Rules**

**(i) Use of funds/cash for the quarter:-**

For the first quarter from 1 January 2020 to 31 March 2020 (“**1Q 2020**”), funds/cash were mainly used by the Group for the following activities:-

<b>Purpose</b>	<b>Forecasted usage of funds (US\$’000)</b>	<b>Actual usage of funds (US\$’000)</b>
Development activities*	NIL	93
Production activities	750	122
General working capital	864	503
<b>Total</b>	<b>1,614</b>	<b>718</b>

\* Development activities include capital expenditures.

Actual funds used for development activities in 1Q 2020 was US\$0.1 million instead of NIL as forecasted as capital expenditures on infrastructure improvement works on the roads at the mine site were incurred in order for the Group to continue its mining operations.

Actual funds used for production activities in 1Q 2020 was US\$0.6 million lower than forecasted due to slower payments to suppliers as part of the Group’s measures to manage its cash flow.

Actual funds used for general working capital in 1Q 2020 was US\$0.4 million lower than forecasted as outstanding payments will be made in subsequent quarter as part of the Group’s measures to manage its cash flow.

**(ii) Projection on the use of funds/cash for the next immediate quarter, including material assumptions:-**

For the next immediate quarter from 1 April 2020 to 30 June 2020 (“**2Q 2020**”), funds/cash are expected to be used by the Group for the following activities:-

<b>Purpose</b>	<b>Amount (US\$’000)</b>
Development activities	114
Production activities	1,440
General working capital	735
<b>Total</b>	<b>2,289</b>

### Principal assumptions

Projected use of funds is based on local sales and for certain items, including, but not limited to, expenses incurred for the Group's mine development activities, will vary according to the Group's rate of nickel mining and production. Accordingly, if the Group's rate of nickel mining and production changes, the Group's use of funds for mine development activities will change as well.

### Rule 705(6)(b) of the Catalist Rules

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the information provided in this announcement to be false or misleading in any material aspect.

### Rule 705(7) of the Catalist Rules

**Details of any exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.**

During 1Q 2020, due to the recent novel coronavirus (COVID-19) pandemic and the travel ban to and from China declared by the Indonesia Government in early February 2020, exploration and production activities are temporarily halted as the workers from China working for the Group's mining contractor are unable to return to Indonesia. However, such exploration and production activities have resumed in April 2020 with the deployment of the Group's local Indonesian employees and the infrastructure improvement works to the mine site and jetty remain ongoing.

### **By Order of the Board**

Abdul Jabbar Bin Karam Din  
Company Secretary  
14 May 2020

*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 ("**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.*