

## Clarification on Article Published in The Edge Singapore

**Singapore, 13 May 2020** – The board of directors (the "**Board**" or the "**Directors**") of SGX-Catalist listed Silkroad Nickel Ltd. ("**Silkroad Nickel**" or the "**Company**", and together with its subsidiaries, the "**Group**") wishes to make some clarifications with reference to the article entitled "*Silkroad Nickel resists cobalt temptation to focus on nickel amid demand from EVs*" published in The Edge Singapore for the week of 11 May 2020 to 17 May 2020 (the "**Article**").

Firstly, the Article states that *"In its latest FY2019 earnings, Silkroad Nickel reported earnings of US\$64,000 (\$90,507), compared to a loss in FY2018 of US\$4.8 million"*. The Company wishes to clarify that the reported earnings of US\$64,000 (\$90,507) refers to the Group's unaudited net profit for the financial year ended 31 December ("**FY**") 2019, reported by the Company in its announcement dated 28 February 2020 in relation to the Group's unaudited financial results for FY2019. Based on the Group's audited financial statements for FY2019 as set out in the Company's Annual Report for FY2019 (which was announced on 14 April 2020), the Group reported a net profit of US\$136,000 for FY2019.

Secondly, the Article also states that *"For FY2018, the company's financials were rather lacklustre as production halted for a period of time until the RTO exercise was completed"*. The Company wishes to clarify that in its announcement dated 1 March 2019 in relation to the Group's unaudited financial results for FY2018, it was stated that a lower quantity of ore was sold because the Group was conserving stock in anticipation of getting an export quota licence for export market sales, and not because of the RTO (reverse take-over) exercise undertaken by the Company which was completed in July 2018.

Thirdly, the Article also quotes Mr Syed Abdel Nasser Bin Syed Hassan Aljunied (Executive Director of the Company) saying *"Our contracts still continue on the mining side, and we are waiting for our blast furnace to come into commissioning, towards the end of the year, so*

*hopefully, we will be positive for the year*". The Company wishes to clarify that the reference that was made to the blast furnace smelter was not one of ownership, but of the fact that the Company is currently negotiating to enter into an operating agreement with PT Artabumi Sentra Industri ("**PT ASI**") as part of a joint venture with Renewable and Sustainable Energy Holding Pte Ltd ("**R&S**") to operate 12 blast furnaces and ancillary equipment for the production of for nickel pig iron ("**NPI**"), with the option to purchase the said blast furnaces from PT ATSI. More details can be found in the Company's announcement dated 5 December 2019 ("**Announcement**"), where the Company announced that it had signed a definitive binding heads of agreement with R&S, PT ASI and PT Anugrah Tambang Smelter to form a joint venture to build and operate smelter facilities for the production of NPI on the Group's mine site in Sulawesi, Indonesia (the "**Joint Venture**"). Please refer to the Announcement for more details.

Fourthly, the Article states that *"On April 20, the company announced that further to the non-binding memorandum of understanding that it had previously entered into with Shandong Xinhai (Singapore), a subsidiary of Shandong Xinhai Technology, the two parties will sign a non-binding heads of agreement, where both parties will build and operate a rotary kiln electric furnace (RKEF) nickel smelter in Sambalagi Village"*. The Company wishes to clarify that at the time of its announcement dated 20 April 2020, the parties had already signed the non-binding heads of agreement. Please refer to the Company's announcement dated 20 April 2020 for more details.

Lastly, the Article states that the *"The Edge Singapore understands that the smelter facility has been completed, but due to current travel bans amid the Covid-19 pandemic, the group has to delay the start of operations for its smelter facility, as it lacks the manpower."* The Company wishes to clarify that six (6) blast furnaces are already built and owned by PT ASI, one of the Company's partners for the aforementioned Joint Venture. The partners of the Joint Venture will deploy the necessary manpower to commence the blast furnace operations once the travel restrictions imposed by the Indonesian government due to COVID-19 have been lifted. The Company is also in the process of finalising the Completion Agreements (as defined in the Announcement) in relation to the Joint Venture.

Shareholders of the Company and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers. The Company will make further announcements, in compliance with the requirements of the Catalist Rules, upon the execution of the Completion Agreements and/or when there are material developments in respect of the Group's operations.

End.

***About Silkroad Nickel Ltd. (Bloomberg Ticker: SROAD SP; SGX Ticker STP)***

*Silkroad Nickel Ltd. ("Silkroad", and together with its subsidiaries, the "Group") is listed on the Catalist board of the Singapore Exchange Securities Trading Limited. The Group is principally engaged in the business of exploration, mining, production and sale of nickel ore and has been granted the Production Operations IUP to conduct nickel ore mining operations in the mining concession area, covering approximately 1,301 hectares located in Morowali, Sulawesi, Indonesia. Based on the standards of the JORC Code 2012, the independent qualified person's report dated 30 September 2019 estimated the mineral resources covering the mining concession area to be 146.6 million wet metric tonnes including an estimated 56.8 million wet metric tonnes being defined as indicated resources and an estimated 89.7 million wet metric tonnes being defined as inferred resources. Of the total resources, an estimated 44.5 million wet metric tonnes were defined as probable ore reserves.*

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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").*

*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.*