

## MEDIA RELEASE

For Immediate Release

### **Silkroad Nickel signs two offtake agreements totalling over S\$65 million with Tsingshan Group**

- **The Group’s production volume for August 2018 is expected to increase by 200% from 10,000 metric tonnes per month to 30,000 metric tonnes per month and, barring unforeseen circumstances, the Group will gradually increase production volume to 100,000 metric tonnes per month by December 2018**
- **Negotiations underway to form a joint venture with a Chinese steel manufacturing company to build a smelter on the Group’s mine site in Sulawesi**

**Singapore, 13 August 2018** – SGX-Catalist listed Silkroad Nickel Ltd. (“**Silkroad Nickel**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), an Indonesian nickel mining group, is pleased to announce that it has entered into two offtake agreements (“**Agreements**”) with PT Ekasa Yad Resources, a company within the Tsingshan Group<sup>1</sup>. The Agreements provide for the following:

1. the Group’s supply of 30,000 metric tonnes per month in the domestic market for 12 months from 1 September 2018 with an estimated contract value of over S\$12 million;  
and

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<sup>1</sup> Tsingshan Group is a privately owned, multinational conglomerate based in Wenzhou City, Zhejiang province in the People’s Republic of China and is primarily engaged in the production and sale of stainless steel and related products to a diverse range of industries, including the petroleum, machinery, electric power, automobile, shipbuilding, defence, construction and pharmaceutical industries.

2. the Group's supply of 100,000 metric tonnes per month of high grade nickel for export for 12 months with an estimated contract value of over S\$53 million. The fulfillment of this agreement will commence only after the Group has obtained the necessary export licence.

Mr Hong Kah Ing, Chief Executive Officer of Silkroad Nickel commented, "We are pleased to announce an increase in monthly production volumes and our new offtake agreements. We are also confident in obtaining the necessary export quotas and licence before the end of 2018. In addition, we are also pleased to announce that we have begun negotiations with another Chinese steel manufacturer to form a potential joint venture to build a smelter on our mine site in Sulawesi."

The Agreements are expected to have a positive impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2018.

None of the directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Agreements, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

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, the independent qualified person's report dated 11 May 2018 had estimated nickel resources covering certain sections of the mining concession area with a total coverage area of 494 hectares to be at 66.5 million wet metric tonnes. No ore reserves have been estimated.*

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