

MEDIA RELEASE

Silkroad Nickel signs new 2-year offtake agreement, with a contract value over US\$90 million, with Tsingshan Group

Singapore, 15 March 2021 – SGX-Catalist listed Silkroad Nickel Ltd. (“**Silkroad Nickel**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), an established producer of laterite nickel ore in Morowali, Central Sulawesi, Indonesia, is pleased to announce that the Group had entered into a new offtake agreement (“**Agreement**”) with PT Ekasa Yad Resources, a Tsingshan Group¹ company.

The Agreement provides for, *inter alia*, the following:

1. the Group’s supply of an aggregate of 2.7 million metric tonnes of high grade nickel ore from March 2021 to December 2022, with a minimum quantity of 50,000 metric tonnes per month; and
2. an estimated contract value of over US\$90 million based on the benchmark price for nickel ore set by the Indonesian Government.

Mr Hong Kah Ing, Executive Director and Chief Executive Officer of Silkroad Nickel commented, “We are pleased to announce the entry of the Agreement with Tsingshan Group. The Group is preparing to deliver its first shipment under the Agreement within the next two weeks and expects to gradually increase its production from April 2021 onwards to fulfill the new offtake commitments under the Agreement. The nickel ore is expected to be used to meet the increasing demand from the emerging electric vehicle battery industry. The Group is in the

¹ 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.

process of investing in its downstream nickel pig iron processing facility in 2021 and intends to use part of the cash flows generated from this Agreement to build its proposed RKEF (Rotary Kiln Electric Furnace) smelter project.”

The Agreement is 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 2021.

None of the directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Agreement, 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 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.

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

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