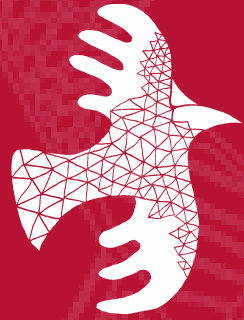


# Welcome to Prony Resources New Caledonia



**Press conference**  
**Paris – Nouméa – Goro**  
**Wednesday, October 13**





**PRONY**  
Resources  
New Caledonia

## AGENDA

- PRNC in action on Covid-19
- Our production & forecasts
- Our commitments and projects
- An innovative and ambitious company, the future of PRNC

# The speakers

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Antonin BEURRIER  
PDG/CEO, Paris



Didier VENTURA  
DG/COO, Prony



Daniel RONEICE  
Conseiller du Pdt/PDT Advisor



Christian FRATEUR  
Dir. Projet Lucy/Project Dir.



Denis LOUSTALET  
Dir. HSERO/ HSEOR Dir.



Anthony MARCHAND  
Dir. Achats/Procurement Dir.





# 1 – All in action against Covid-19

➤ Denis LOUSTALET, Directeur Hygiène Santé Environnement et Risques Opérationnels

## ❑ PRNC has anticipated

- ✓ Storage of masks, hygiene and cleaning products, temperature sensors
- ✓ Prepared equipment and signage for impletation of social distance

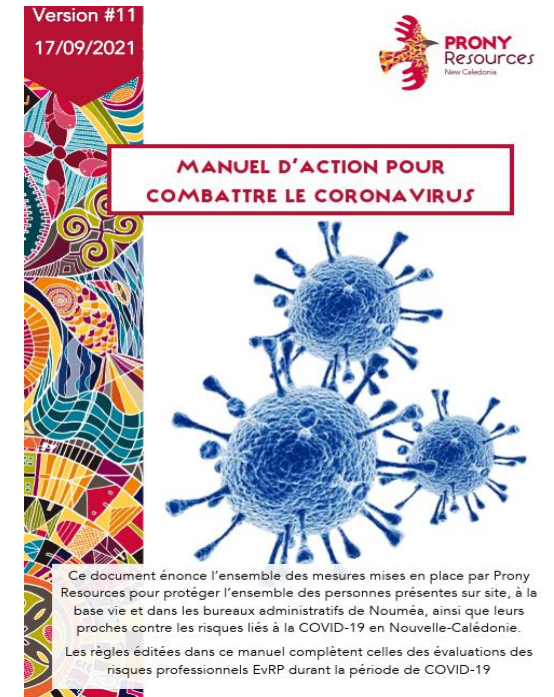
## ❑ Mandatory vaccination by October 31

- ✓ Vaccination operations with the support of health authorities on and off site
- ✓ 43% of PRNC employees vaccinated (2 doses)
- ✓ 17% of employees (1 dose)

## ❑ A business continuity plan

- ✓ Work organization
- ✓ Taking action to reduce the risk of infection on site

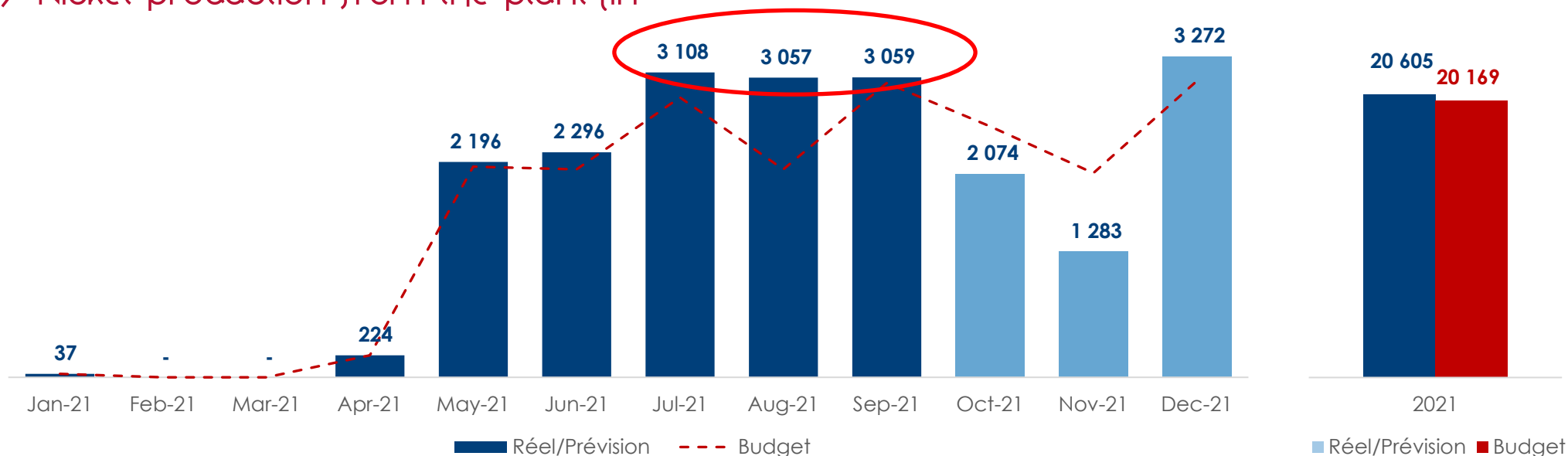
## ❑ Cultivating the trust of our employees and partners



## 2-1 Nickel production at the end of September 2021

➤ Par Didier Ventura, Directeur général adjoint en charge des opérations

/ Nickel production from the plant (in

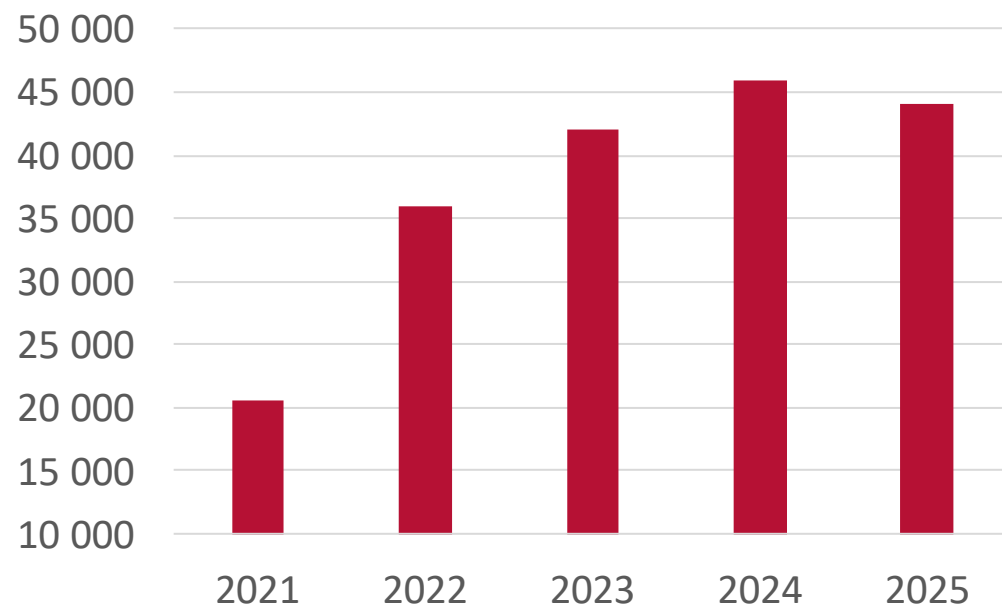


- 3 consecutive months of more than 3,000 tonnes of nickel, the best performance since January 2018
- Lower forecast in October and November due to the absenteeism of the Mine (Covid), and the unavailability of the LPG boiler during the scheduled shutdown from October 21 to November 20

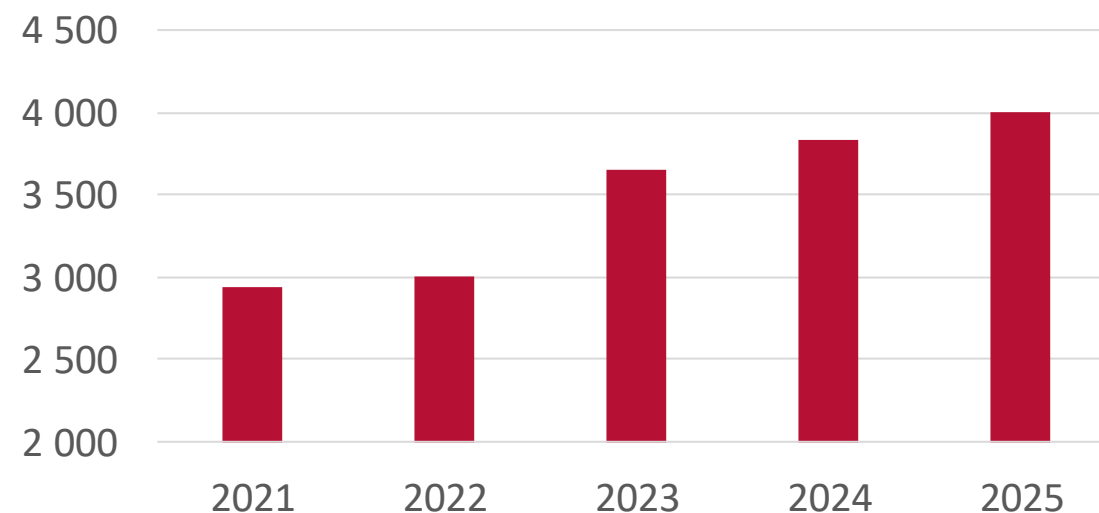
## 2-2 Our production forecasts: 2021 already on the pace of 2022

Investments in 2022 (NHC facilities, ten-year refurbishments,...) will ensure the 2023/2024 production ramp-up

### Production Tonnes Nickel



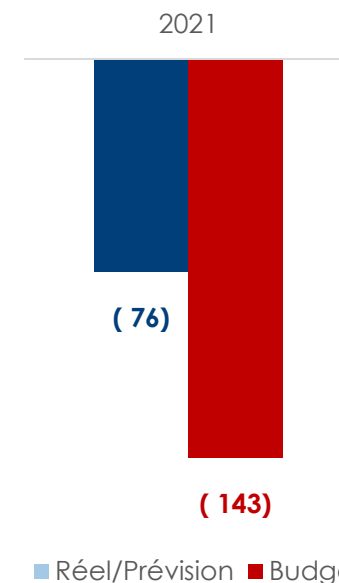
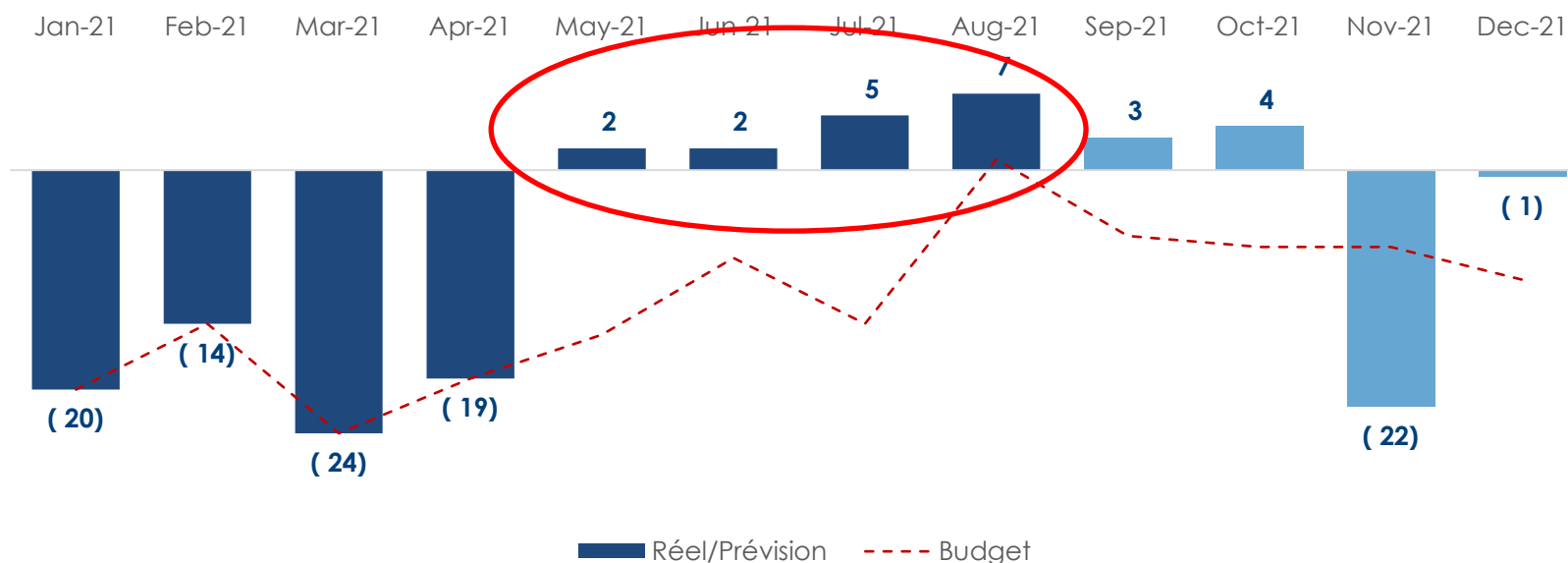
### Production Tonnes Nickel/month excluding stops



## 2-3 Financial elements

2021 EBITDA driven by high nickel prices but also reflecting the commitment and discipline of all

### / EBITDA mensuel 2021 (en millions d'USD)



- 4 consecutive months with a positive EBITDA (before the end of September which could again highlight a positive EIBTDA)
- Cash consumption that will remain high in 2022 and 2023 to finance the Lucy project and other investments to transform and maintain the tool

## 2-1 Environmental expertise

➤ Denis LOUSTALET, Directeur Hygiène Santé Environnement et Risques Opérationnels

- ☐ Specifications and calls for tenders are finalized with selected experts.
- ☐ 4 studies have been launched for several weeks, 3 will start:
  1. Earthquakes and KO2
  2. Risk of liquefaction
  3. Risk of water pollution by infiltration
  4. Risk of pollution from effluent discharge into the Havannah Canal
  5. Hydrogeological risk of mining
  6. Relevance of the environmental monitoring network
  7. Southern Workers' and Populations' Health Surveillance Strategy
- ☐ Results are expected by the end of the year and for 2022 for further studies



## 2-2. Local sub-contracting – A successful restart!

- Anthony MARCHAND, Directeur des Achats
- Daniel RONEICE, Conseiller du Président



- Since restarting:
  1. Significant economic spinoffs:
    - 30 multi-year contracts signed by the end of 2021 (50% already in place)
    - More than 10 Billion XPF (100 Million \$US, 80 Million €) of multi-year contracts will be signed by the end of 2021, which represents 600 recurring jobs for our subcontractors
    - 50% of the activities are subcontracted activities to community businesses in the Great South
  2. PRNC's unprecedented contractual commitments to local subcontractors:
    - Multi-year contracts of 3 to 5 years will be signed and renewed by the end of 2021 (more than 50% already in place)
    - Visibility for our community subcontractors to invest and sustain their activities
  3. Activities contracted via local subcontracting and focused on community subcontracting:
    - Earthmoving, drilling, mine shooting, civil engineering
    - In industrial services: Industrial cleaning, mechanics, boilermaking and electricity
    - In support services: Transport, fuel distribution, building maintenance, etc....

### 3 – The LUCY project

➤ Par Christian FRATEUR, Directeur du projet LUCY



Currently  
Discharges from the plant are sent  
liquid, after neutralization,  
in the KO2 tailings pond



Tomorrow, thanks to the LUCY project  
The residues will be filtered at the factory,  
before being poured :

- Vital for the Usine du Sud
- A great step forward for the environment



## 3-1 KEY FIGURES

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- A very large project on the scale of New Caledonia
- **700 local jobs generated at the peak of construction**
- Additional addition of 450 foreign technicians at the peak of the project in the following specialties :
  - mechanical fitters, piping, electricity
  - site inspectors and managers
- **120 long-term jobs created: ongoing programme, recruitment and training launched at the end of 2021**
- Project cost remaining to be committed 25 billion XPF (i.e. 210 M€)
- Peak employment on the project expected between June 2022 and June 2023 for the dewatering unit to operate at 100% of its capacity at the end of 2023

## 4-1 Market & Outlook

➤ Par Antonin BEURRIER, Président Directeur Général

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- Overall market deficit: in 2021, demand exceeded supply
  - This deficit situation is expected to end at the end of 2021, including in Prony Resources' Refined Nickel (Class I) segment with a double threat:
    - **Projects to convert NPI to matte, especially in Indonesia with:**
      - Le projet Morowali de Tsingshan
      - Le projet Weda bay
- Les projets HPAL qui malgré des investissements significatifs pourraient voir le jour rapidement**
- By 2026, the exponential demand for Nickel for electric batteries should allow a return to a deficit market
  - **In this context, it is essential for Prony Resources to accelerate its efforts so as not to depend on market conditions.**

## 4-2. Strong and committed partners

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- **FRANCE** has confirmed its support for Prony Resources with a €200 million loan in April 2021. A second loan is envisaged in 2022 as well as the benefit of the tax exemption scheme linked to investments in overseas France known as "Girardin";
- The partnership with **TRAFIGURA** is bearing fruit from 2021, including:
  - A multi-year supply contract between Trafigura and Tesla for Prony Resources' product,
- Partnership with Trafigura allows Prony Resources to:
  - **secure the marketing of its production ;**
  - to **benefit from favourable market conditions** through flexible and innovative solutions.



## 4-3 Our destiny is in our hands

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- The massive investment plan of the company (Lucy in particular) on the one hand, the volatility of the nickel market on the other hand leave little room for manoeuvre ;
- It is now up to Prony Resources to ensure its future, by succeeding the **Lucy project on time and on budget**, by carrying out its **Horizon 2024 cost reduction plan**;
- It is only under these conditions that the 2024 target of a **production of 44,000 tons** and a **full cost** (including investments) of **\$ 12,500 / t.** can be achieved.







# PRONY Resources

New Caledonia