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Brazilian Nickel PLC Receives Installation Licence for PNP1000 Project at its Piauí Nickel Project

Brazilian Nickel PLC (“BRN” or “Company”), the privately held UK company developing its nickel laterite heap leach project in Brazil, is pleased to announce the approved issue of the Installation Licence (Licença de Instalação) (“LI”) by SEMAR (the Brazilian Piauí State Environmental Agency) for the PNP1000 project at its Piauí Nickel Project (“PNP”). PNP1000 is BRN’s initial, small scale commercial production project at the PNP.

Summary

- The application for the Installation Licence was lodged in November last year and has now been granted by SEMAR to BRN’s subsidiary, Piauí Níquel Metais S.A. (“PNM”).
- Receipt of the Installation Licence enables construction work to commence on the PNP1000 project.
- The PNP1000 will allow BRN to accelerate into production and to access early cashflow, while simultaneously advancing its Bankable Feasibility Study (“BFS”) and, thereafter, construction of the full scale PNP.
- The PNP1000 is targeting operational start up in Q1 next year with first nickel and cobalt hydroxide products produced in Q2 next year.
- The PNP1000 also creates early job opportunities for the local community. When fully operational, this project is expected to generate about 120 direct jobs of which the target is for 90% to be local.
- The renewal of the Operational Licence for the demonstration plant was received at the same time.

Mike Oxley, Chief Executive Officer, said; *“I am immensely pleased that we have been granted the Installation Licence having submitted it for approval at the end of last year. The PNP1000 will be a true testament to the quality of products we are able to deliver as we build our customer base for the full scale PNP.*

“We are also thrilled that this quick route to production will help us to fulfil our stated commitment to providing employment for the local community. We anticipate a construction period of 12 months, occurring in parallel to the BFS work on the full scale PNP.

“It has been a team effort, and I would like to thank the BRN team, PNM’s Manager of Environment, Community and Institutional Relations, Marcelo Rideg, and SEMAR for their efficiency and a job well done.”

The Company intends to achieve a fast-track approach to production at the PNP through the application of the PNP1000 project. BRN will convert the demonstration plant, which successfully demonstrated the recovery of nickel and cobalt from the Piauí ore in 2016 and 2017, into a small scale operation producing c. 1,400 tonnes of nickel and c. 35 tonnes of cobalt per year contained in intermediate products, allowing the Company to take advantage of attractive commodity prices and, importantly, provide early access to revenue.

Following the approval of the LI at the end of January this year, BRN can begin construction activities for the PNP1000 after completion of the final tranche of financing. Initial preparatory activities have commenced at site including the expansion of the existing camp to accommodate the increased workforce and to enable social distancing measures during the Coronavirus Pandemic. Construction is expected to take 12 months with operational start up to be commissioned in the first quarter of next year and production of the first nickel and cobalt hydroxide products in the following quarter.

PNP1000 will utilise the newly granted LI along with existing environmental permits and the same mining method and metallurgical processes as used during the demonstration plant. These methods will also be used at the subsequent full scale project where the expected ore mining rate will increase from 100,000 to 3 million dry metric tonnes per annum.

Operations from the PNP1000 will provide the Company with a consistency of product volume and quality that will be used to develop the customer base for the full scale PNP.

The smaller scale PNP1000 operation will create a number of jobs for the local community and will allow BRN to continue to train its workforce as it works towards upscaling the plant for commencement of the full scale PNP, and to continuously develop and improve policies, procedures and performance in the areas of occupational health and safety, environment, community relations and corporate governance.

The Operating Licence (Licença de Operação) for the existing demonstration plant was also renewed at the same time as the award of the Installation Licence.

About Brazilian Nickel PLC

BRN is a privately held UK company established in May 2013 to develop nickel laterite heap leach projects worldwide, beginning with its flagship Project in Brazil. The BRN team are all highly experienced mining industry professionals with extensive experience in Latin America and worldwide. The team has been developing and commercialising the heap leaching of nickel laterites for over 20 years with a view to building a world class nickel and cobalt producing company.

BRN aims to provide long-term benefits through continuous improvements in health, safety and environmental performance, sharing the benefits of our activities with the communities within which we operate. BRN will achieve this by targeting zero harm to our employees, leaving a positive legacy in the community, conserving and where possible enhancing the natural environment, respecting and protecting the rights of employees and host communities, while doing business responsibly and transparently.

About the Piauí Nickel Project

The Piauí Nickel Project is an advanced-staged Battery Metals project with a JORC resource of 72 million tonnes at 1.0% Ni and 0.05% Co, with 73% of the resource in the JORC Measured category. All metallurgical test work in support of a BFS is complete and the key environmental permits (Licenças Previas) have been awarded. The project envisages near-term production of nickel hydroxide product and a cobalt hydroxide product to supply the surge in demand for these metals in, among others, electric vehicle batteries. The small scale PNP 1000 project will quick-start operations by expanding the existing demonstration plant at the site, and will allow BRN to benefit from today's increasingly strong nickel prices.

For more information please visit the company website at www.braziannickel.com, as well as following the company on [Twitter](#), [LinkedIn](#) and [YouTube](#).

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