

25 February 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(33 pages by email)

BMO CONFERENCE PRESENTATION

Nickel Mines Limited is pleased to advise that Managing Director Justin Werner will be delivering the attached presentation to the 28th BMO Capital Markets Global Metals & Mining Conference in Florida, USA and to other meetings scheduled across New York and Toronto.

Yours sincerely



Richard Edwards
Company Secretary

pjn9816

NICKEL
MINES LIMITED

JOINING THE RANKS OF GLOBAL NICKEL PRODUCERS

NORTH AMERICA - FEBRUARY 2019



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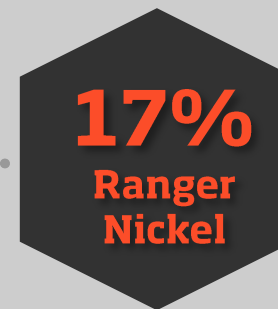
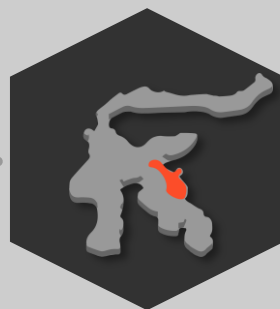
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EXECUTIVE SUMMARY

JOINING THE RANKS OF GLOBAL NICKEL PRODUCERS



Nickel Mines Limited (NIC) is an Australian company publicly listed on the ASX.

A\$200M IPO completed on 20 August 2018.

NIC holds an **80%** interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine (HM).

HM is located in Morowali Regency, Central Sulawesi, Indonesia, adjacent to Tsingshan Holding Group's (Tsingshan) Indonesian Morowali Industrial Park (IMIP).

2 Line RKEF Plant
~16.5Kt attributable nickel production.

For **US\$120M** NIC has acquired a **60%** interest in Hengjaya Nickel ('HNI').

Option to increase ownership up to **100%** at a valuation of **US\$120M** upon first NPI production.

Commissioning has commenced.

2 Line RKEF Plant
~16.5Kt attributable nickel production.

For **US\$50M** NIC has acquired a **17%** interest in Ranger Nickel ('RNI')

Option to increase ownership to **80%**.

Commissioning scheduled for **April 2019.**

MOU signed to supply limonite ore to the IMIP's new HPAL plant.

Limonite ore previously mined as overburden now able to be monetized, lowering overall mining costs.

Potential for future equity participation.

CORPORATE SNAPSHOT

TRADING INFORMATION

22 FEBRUARY 2019

ASX Code	NIC
Shares on Issue	1.388B
Share Price	A\$0.425
Range	A\$0.22-A\$0.425

Market Capitalisation

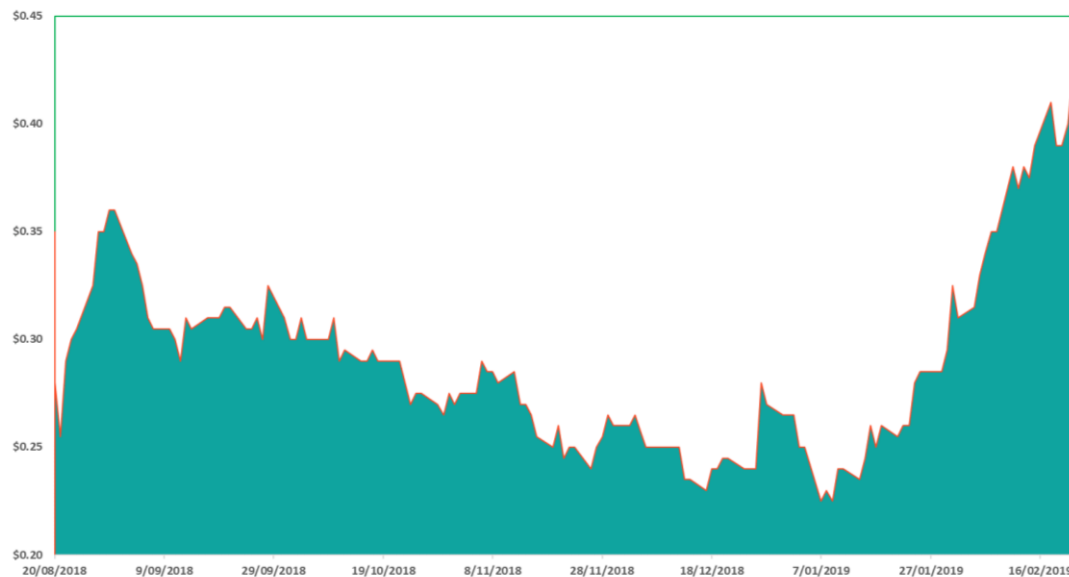
A\$589.9M

Cash (31 December 2018)	A\$20.8M
Debt	nil

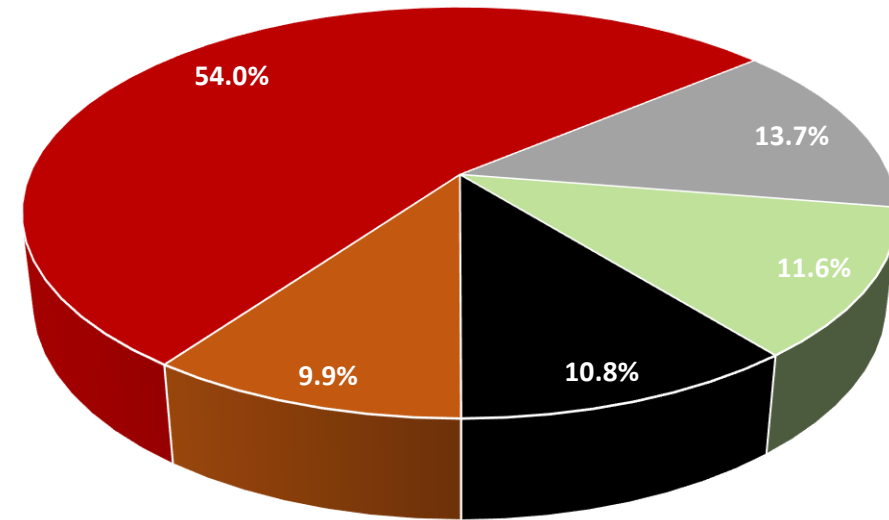
Enterprise Value

A\$569.1M

20 August 2018 - 22 February 2019



Shareholder Structure



■ Directors and Management ■ Shanghai Decent (SDI) ■ Shanghai Wanlu ■ Blackrock ■ Other

Substantial Shareholders and Free Float

- NIC's "free float" comprises ~1.107B shares or ~80% of total issued capital.

Substantial shareholders (22 February 2019):

- Shanghai Decent (SDI) 11.6%
- Shanghai Wanlu 10.8%
- Blackrock 9.9%
- Norman Seckold 8.9%
- Regal FM 5.1%

OVERVIEW OF HENGJAYA MINE



I N D O N E S I A



LOCATION

- Morowali Regency, Central Sulawesi, Indonesia.
- A large tonnage, high grade, open-cut mine in close proximity to IMIP.

LICENCE

- IUP licence covering 6,249 hectares.
- 20 year mining operation/ production licence with a further 2 x 10 year extensions (issued May 2012).

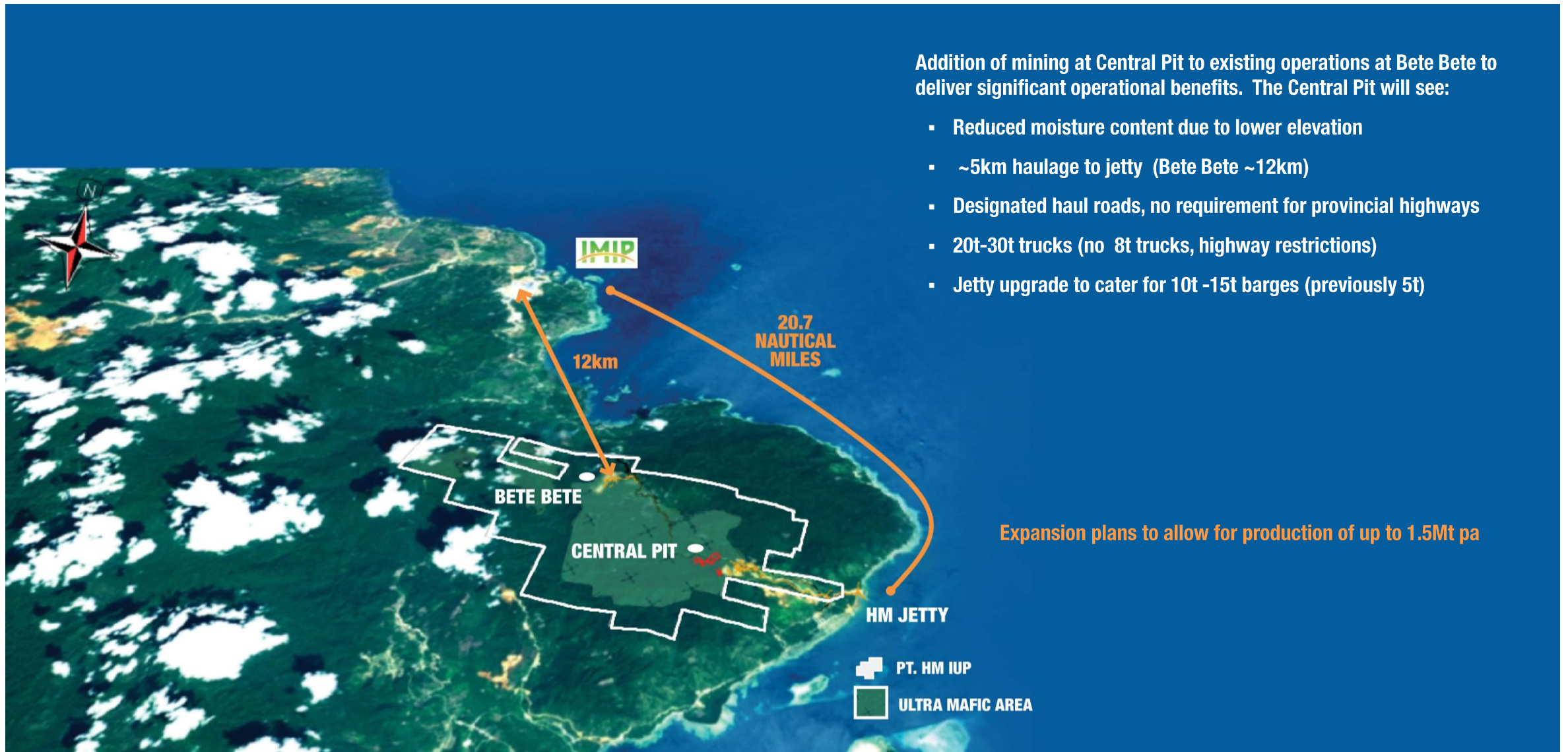
RESOURCE

- JORC compliant resource:
 - 37.5M dmt at 1.81% nickel (1.5% COG) for ~680k tonnes contained nickel.¹
 - 180M dmt at 1.30% nickel (1.0% COG) for ~2.3M tonnes contained nickel.²
- 1,402 holes over 30,296 metres.
- Resource not fully defined – approximately half of the mapped ultramafic nickel bearing area has been resource drilled.
- 30+ year resource life based on a 1.5M wmt pa mining operation.

MINING

- Geology de-risked by mining activity to date.
- Excellent mining reconciliations to date with higher than predicted nickel grade and tonnes and lower than expected Fe/Si/Mg.
- 2015 – commenced supplying ~30K wmt/m to IMIP.
- 2017- superseded by contractual agreement to supply ~50K wmt/m to IMIP.
- Plans underway to increase mining capacity to ~1.5M wmt pa.

HENGJAYA MINE EXPANSION PLANS



Addition of mining at Central Pit to existing operations at Bete Bete to deliver significant operational benefits. The Central Pit will see:

- Reduced moisture content due to lower elevation
- ~5km haulage to jetty (Bete Bete ~12km)
- Designated haul roads, no requirement for provincial highways
- 20t-30t trucks (no 8t trucks, highway restrictions)
- Jetty upgrade to cater for 10t -15t barges (previously 5t)

Expansion plans to allow for production of up to 1.5Mt pa

INTRODUCTION TO TSINGSHAN, SDI and IMIP



- Currently the world's largest stainless steel producer with output of 7.48 Mt in 2017.
- Established a clear early mover advantage in building in-country processing capacity within Indonesia.
- A recognised global leader in RKEF processing technology to produce NPI.
- Pioneers of 'hot-charging' molten forms of NPI directly into stainless steel operations.
- Vertical integration and logistics management underpin the Group's 'Lowest Cost Producer' philosophy.

- Shanghai Decent is a Tsingshan Group company.
- Manager of IMIP.
- Key architect in establishing Tsingshan's integrated stainless steel industry supply chain from mining, to NPI smelting to stainless steel output in the form of slab, hot rolled coil (HRC) and cold rolled coil (CRC).
- Responsible for Tsingshan's international project management, including project construction, equipment design and procurement, logistics and raw material importation/supply.
- A counterparty to the Collaboration and Subscription Agreement (CSA) with NIC and Wanlu.

- Built in anticipation of the Indonesian Government's ban on the exportation of unprocessed minerals.
- Currently ~24,000 employees.
- 3.0 Mt pa stainless steel capacity
- 0.5 Mt pa carbon steel capacity (currently expanding to 3.5 Mt pa).
- 0.6 Mt pa high carbon ferrochrome capacity.
- 1.5 Mt pa NPI capacity (expanding to 1.95 Mt pa).
- 2GW coal-fired power plant
- Lime plant, coke plant, acid plant.
- Significant port facilities.
- Executive guest quarters and 5-star hotel.

INDONESIAN MOROWALI INDUSTRIAL PARK (IMIP)



“The PT SMI facility is world-class and arguably the lowest cost FeNi operation in the world.”

- Glencore Nickel Market Developments (September 2016)

FULLY INTEGRATED NPI & STAINLESS STEEL PLANT



Rotary Kiln



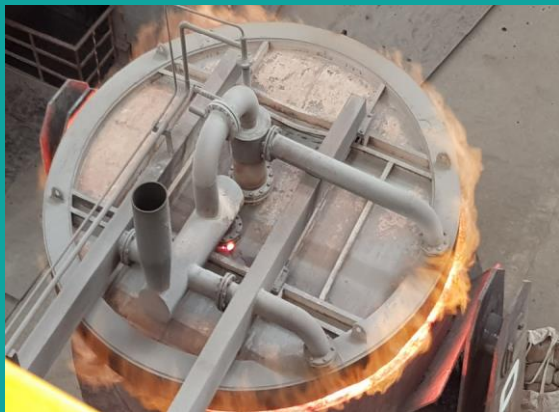
RKEF Control Room



Electric Furnace



NPI Ingot Casting



Molten NPI



Stainless Steel Mix



Stainless Steel Slab



Hot Rolled Coil (HRC)

SUPPORTED BY WORLD CLASS FACILITIES & INFRASTRUCTURE



Surrounded by Ni Laterite Deposits



2GW Coal Fired Power Station



Stockpile Areas



Significant Port Facilities



Executive Quarters and Helipad



5-Star Hotel

TSINGSHAN - THE GLOBAL LEADER IN RKEF TECHNOLOGY

Tsingshan's Indonesian NPI production capacity has set new industry standards for operating costs and capital intensity.

PROJECT	YEAR	PLANT	NI CAPACITY (Kt pa)	CAPITAL COST (US\$M)	COST/t NiEq (US\$)
Murrin Murrin	1999	HPAL	40	1,700	42,500
Ravensthorpe	2007	HPAL	40	3,000	75,000
VNC (Goro)	2010	HPAL	60	6,000	100,000
Ambatovy	2012	HPAL	60	5,500	91,667
Koniambo	2013	FeNi	30	6,300	105,000
Onca Puma	2011	FeNi	52	3,200	61,538
Barro Alto	2011	FeNi	40	1,900	47,500
Ramu	2012	HPAL	34	1,490	43,823
Dumont	DFS	HPAL	41	2,700	65,746
CleanTeq	DFS	HPAL	17	920	53,933
Hengjaya Nickel	2018	NPI	16.5	200	12,121*

Source: Macquarie Research, CLSA, Company data

CONSTRUCTION AND OPERATIONAL EXPERTISE

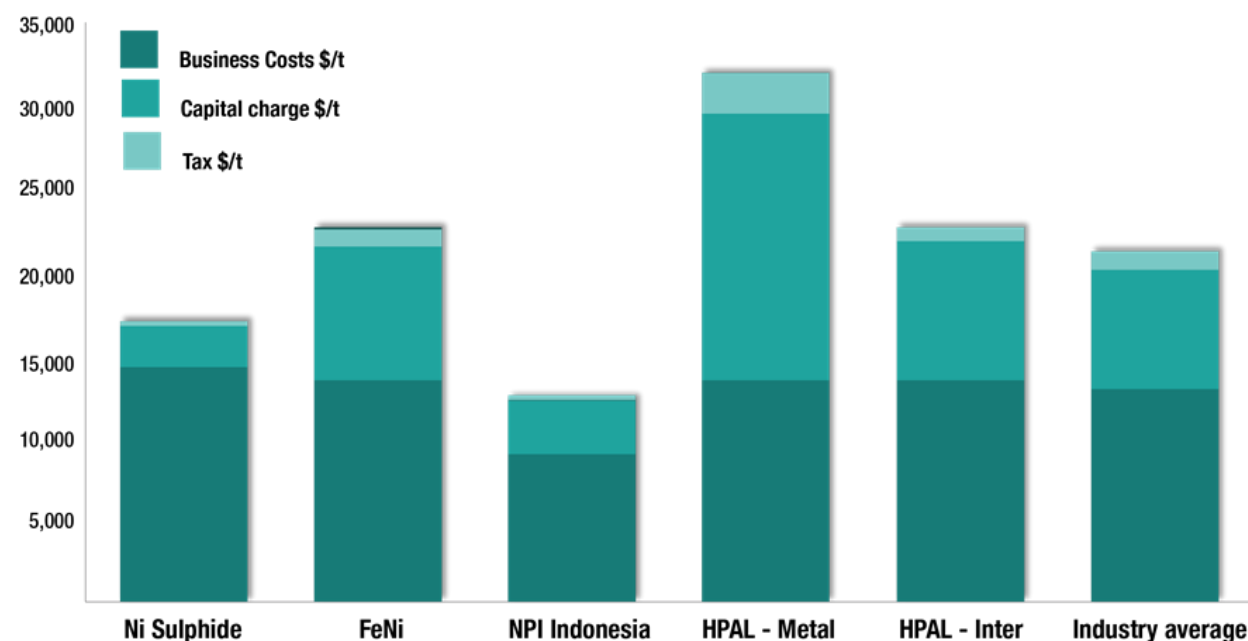
- Track record of on-time, under budget project delivery.
- 20-lines already built and operating.
- Well established commissioning and ramp-up process.

GLOBAL INDUSTRY LOWS IN CAPITAL INTENSITY

- 'Chinese IP' and pre-fabrication of key components in China deliver the lowest capital intensive nickel units produced in global markets.

BOTTOM QUARTILE OPERATING COSTS

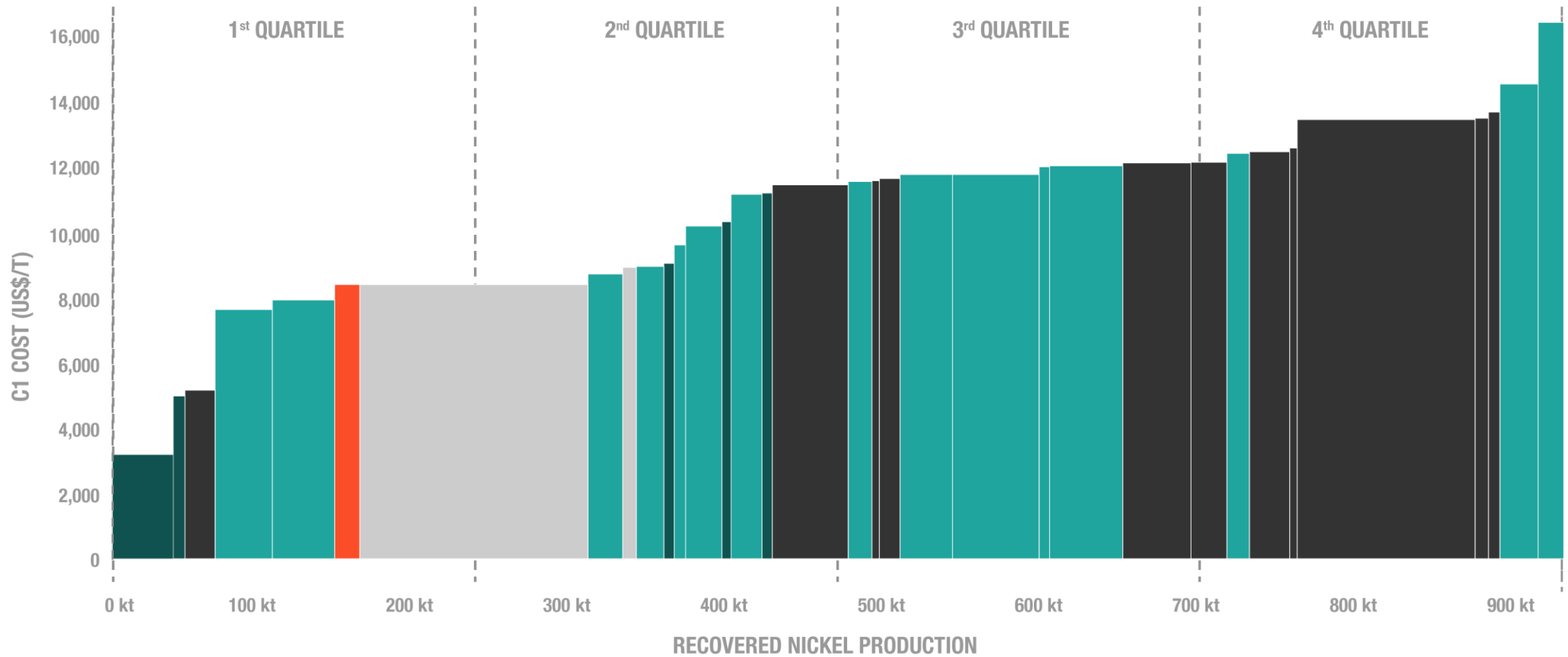
- Significant cost advantages from locally sourced high grade nickel ore as NPI feedstock and thermal coal for reliable power generation.
- IMIP's fully integrated production chain delivers significant cost and logistics savings.



Source: CRU Research

* NIC's initial 60% stake in HNI has been acquired at a cost of \$12,121/t NiEq. Any subsequent ownership interests in HNI will be acquired at \$18,181/t NiEq. NIC's interest in RNI will be acquired at valuations of US\$280M-US\$300M equating to US\$16,969-US\$18,181/t NiEq.

A BOTTOM QUARTILE NPI PRODUCER



■ FeNi
 ■ NPI BF
 ■ Chinese NPI
 ■ Indonesian NPI
 ■ NML

Source : Wood Mackenzie

2018 12 MONTH REVIEW

2017

January
US\$77M Pre-IPO
funding round.
Shanghai Decent
and Shanghai
Wanlu become
NIC shareholders

June
MOU signed
to acquire
interest in RNI

September
Increased interest
in HNI to 60% for
US\$70M

November
Collaboration
Agreement
signed for RNI.
Secured initial
interest of 17%

September
Signed CSA for
Hengjaya Nickel

2018

March
Acquired initial 25%
interest in HNI

August
A\$200M IPO
& ASX Listing

November
Significant income
tax concessions
granted to HNI

Executing on our objective to become a globally significant nickel producer

INITIAL PUBLIC OFFERING 20 AUGUST 2018

- Successfully completed a A\$200M Initial Public Offering (IPO).
- Official admission to the ASX.
- One of the largest resource IPOs in Australia over the last decade.
- Strong global institutional support.
- Geographically diverse shareholder base.
- Healthy diversity of investment mandates – specialist resources, special situations, generalist funds, private equity and Asian focused, signalled broad based appeal.



Managing Director Justin Werner and Chairman Rob Neale

HENGJAYA NICKEL ('HNI')

- Formalised with signing of a Collaboration and Subscription Agreement ('CSA') in September 2017.
- Initial 25% interest acquired in April 2018 (Pre-IPO funding round).
- Interest increased to 60% in September 2018 following IPO.
- Option to move up to 100% within 12 months of first NPI production.
- Guaranteed Capex.
- 1st quartile NPI operating costs underpinned by IMIP's ability to source cheap, high-grade nickel ore and thermal coal for reliable power.
- Guaranteed offtake backstop for all NPI produced by HNI at a floor price of 90% of LME nickel price. During 2018 IMIP NPI prices ranged from 95%-105% of LME nickel price.
- **First NPI produced 31 January 2019 (12 months after breaking ground)**
- Commissioning targeting at least 80% of nameplate capacity within 6-8 weeks.





COMMISSIONING AT HENGJAYA NICKEL – NPI PRODUCTION UNDERWAY

By official decree of the Minister of Finance of the Republic of Indonesia material tax concessions have been granted to HNI

- **100%** Corporate Income Tax Reduction for **7 years** commencing from the year of commercial production.
- **Plus** an additional **2 Years** Corporate Income Tax Reduction at **50%** of payable income tax, starting from the end of the initial seven year period.
- **Exemption** from withholding and tax collection by third parties on sales proceeds that would normally be remitted to the Indonesian Revenue Department for a period of seven years, also commencing from the tax year in which commercial production is achieved.



Tax concessions further strengthen HNI's impressive EBITDA and FCF profile and enhance future growth/dividend optionality

RANGER NICKEL ('RNI')



- MOU for additional 2 RKEF Lines signed in June 2018.
- Formalised with signing of a Collaboration Agreement ('CA') in October 2018.
- Initial 17% interest acquired November 2018 for US\$50M.
- 'Second Acquisition Option' to increase ownership to 51%-60%.
 - < 60 days of first NPI production, valuation of US\$280M.
 - > 60 days of first NPI production, valuation of US\$300M .
- 'Third Acquisition Option' to move up to 80% ownership within 18 months of first NPI production.
- Identical operating, offtake and pricing arrangements as HNI.
- All major capital items now at the IMIP with assembly well advanced.
- **Targeting first NPI production during April 2019.**
- Commissioning targeting 80% capacity 6-8 weeks from first NPI production.

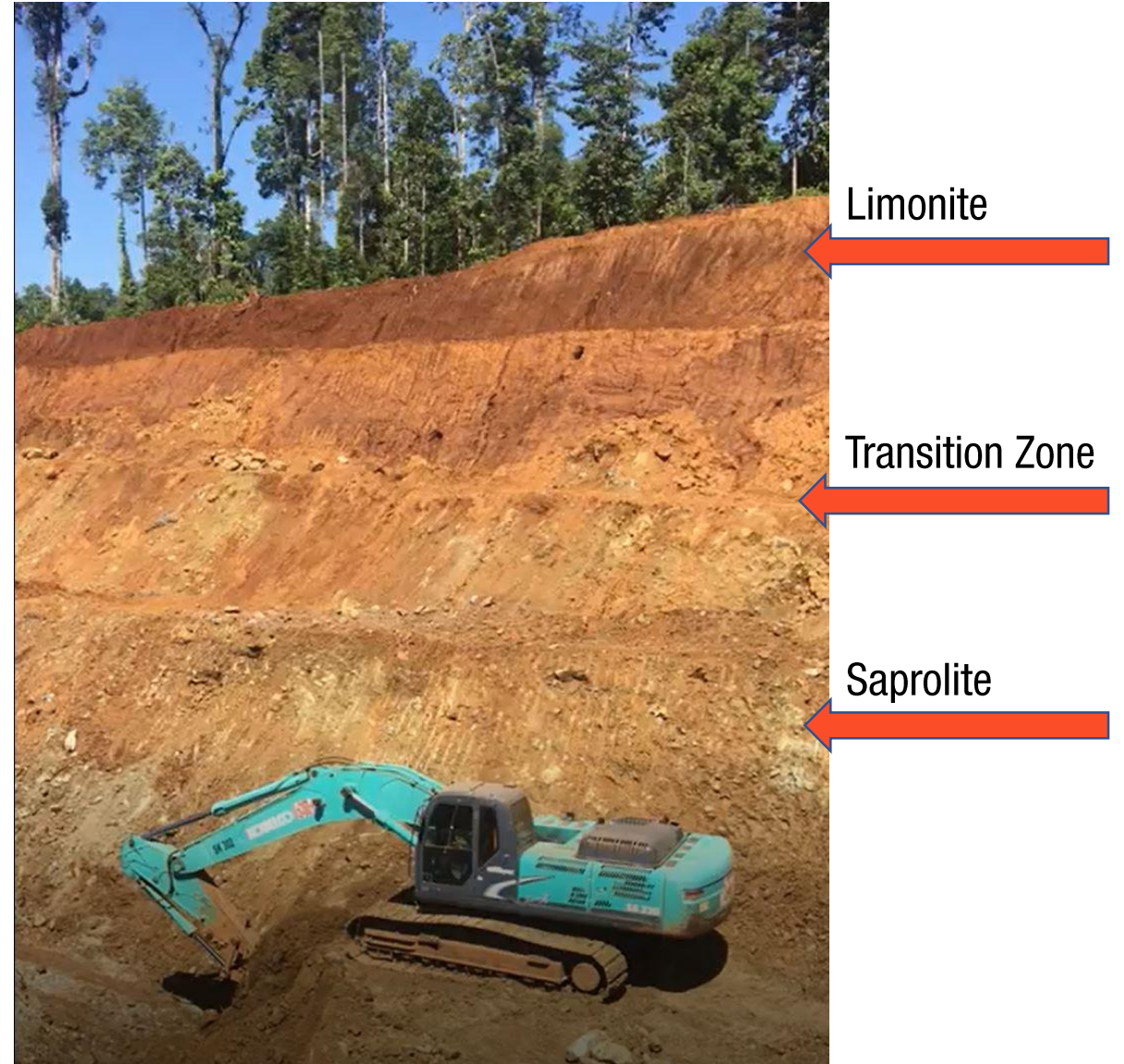
LIMONITE ORE SUPPLY TO IMIP HPAL PLANT

- MOU announced to supply limonite to HPAL plant recently announced to be constructed within the IMIP.
 - Consortium includes two Tsingshan group companies.
 - Project to produce 50kt Ni / 4kt Co per annum.

- Opportunity to optimise the value of HM Mine Resource.
 - 180M dmt at 1.30% Ni (2.3Mt contained Ni) and 0.08% Co (140kt contained Co) utilising a 1.0% Ni cut-off grade).
 - One of the largest tonnage, highest grade operations in Central Sulawesi.

- Limonite ore previously mined as overburden to reach saprolite ore.
 - Monetising limonite turns mining cost into a profit centre.
 - Material reduction in overall mining costs.

- Potential for future equity participation in HPAL plan, providing diversity into the rapidly growing nickel sulphate and hydroxide markets.



COMMUNITY & ENVIRONMENT

Community

- > 20,000 locals employed at the IMIP, > 350 locals employed at HM Mine.
- Co-ordinated assistance from NIC and Shanghai Decent for the victims of the Palu earthquake - cranes, medical vans, food, blankets and clothing.

Environment

- Hengjaya Mine - open cut, at surface truck and shove operation - no tailings.
- IMIP processing plants have a nil discharge tailings process.
- Silica slag and fly-ash are recycled for use as industrial brick and concrete slab works and dedicated landfill.
- Minimal liquid waste managed via settlement ponds and waste water treatment plants.
- Gaseous waste managed through continuous emission monitoring systems for air quality and adherence to air quality standards.
- IMIP runs a waste utilisation program to re-use organic waste.
- Non-organic waste is minimised and treated by either incineration or approved waste management methods and land fill.



PT Hengjaya truck ready to leave site for Palu



ESP Dust Collector (left) and official emission testing of dust collector at an RKEF smelter(right)

**RKEF
Operations**

Objective

- Successfully complete commissioning and ramp to full production of the Hengjaya and Ranger Nickel Projects.
- Increase interest in Hengjaya Nickel beyond 60%.
- Increase interest in Ranger Nickel beyond 17%.

Outcome

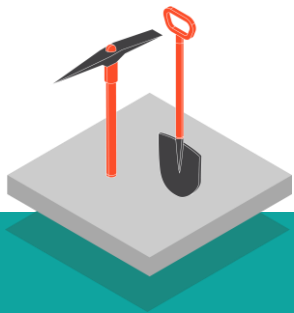
- Delivery of these objectives will see NIC move rapidly to an attributable nickel production of >25k tonnes of the lowest capital intensive, most highly profitable nickel units produced in the global market.

**Hengjaya
Mine**

- Expand mining output by opening up new pits, upsizing trucking fleet and increasing jetty capacity.
- Convert MOU for Limonite ore supply to the IMIP's HPAL Plant into a binding agreement.

- Delivery of these objectives will enable NIC to optimise the enormous untapped value of the Hengjaya Mine and consolidate its long-term strategic importance to Tsingshan and the IMIP.

NIC intends to rapidly establish a profile as one of the world's largest listed pure play nickel producers



WORLD CLASS NICKEL RESOURCE

JORC compliant resource with significant extension potential.

- 37.5M dmt at 1.81% nickel (1.5% COG) for ~680k tonnes contained nickel.¹
- 180M dmt at 1.30% nickel (1.0% COG) for ~2.3M tonnes contained nickel.²

Ability to supply RKEF plant for 30+ years (at 1.5M wmt pa).

Adjacent to Tsingshan's IMIP.



STRATEGIC PARTNERSHIP WITH GLOBAL INDUSTRY LEADER

Multi-faceted Collaboration Agreement with the world's largest stainless steel and NPI producer.

SDI currently operating 2Mt pa stainless steel plant and 20 RKEF lines at IMIP with further expansion plans.



PROVEN LOW COST PROCESSING TECHNOLOGY

Tsingshan is a leading exponent of pyrometallurgical technology using the RKEF process to produce NPI from laterite ores.

RKEFs built at industry-low levels of capital intensity.

Current C1 cash operating costs across existing RKEF lines averaging ~US\$8,500/t NiEq.

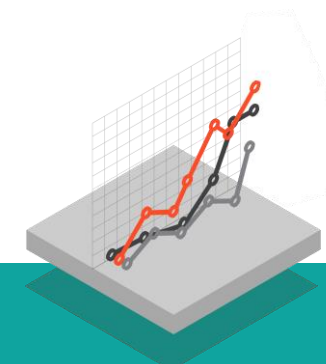


ABILITY TO LEVERAGE IMIP INFRASTRUCTURE

IMIP is a fully permitted industrial zone jointly sanctioned by the Indonesian and Chinese Governments.

Largest vertically integrated NPI/Stainless Steel facility in the world.

Supported by world class infrastructure and logistics – featuring on site power station and port facilities.



STRENGTHENING NICKEL MARKET FUNDAMENTALS

Nickel demand expected to grow 2-3% over medium to long term underpinned by improving outlook for stainless steel and growing EV battery market.

Global nickel supply deficit emerged in 2016 and is expected to remain in place until at least 2027.

Consensus outlook for long term nickel price materially above current levels.

A COMPELLING NICKEL INVESTMENT THESIS



Indonesia is now the epicentre of global nickel supply growth.

- If you want nickel exposure you need to be invested in this region.



NPI is the now the most prevalent source of new nickel supply.

- While NPI is currently predominantly consumed by the stainless steel market, it may soon provide an alternative source of supply (to sulphides) for the battery market.



Tsingshan is by far the most dominant producer of Indonesia's NPI and has established clear competitive advantages with regards to the cost and supply of nickel ore and power.



Tsingshan has demonstrated an ability to build nickel capacity at industry-low levels of capital intensity.

- As an investor you cannot buy exposure to cheaper operational nickel units.

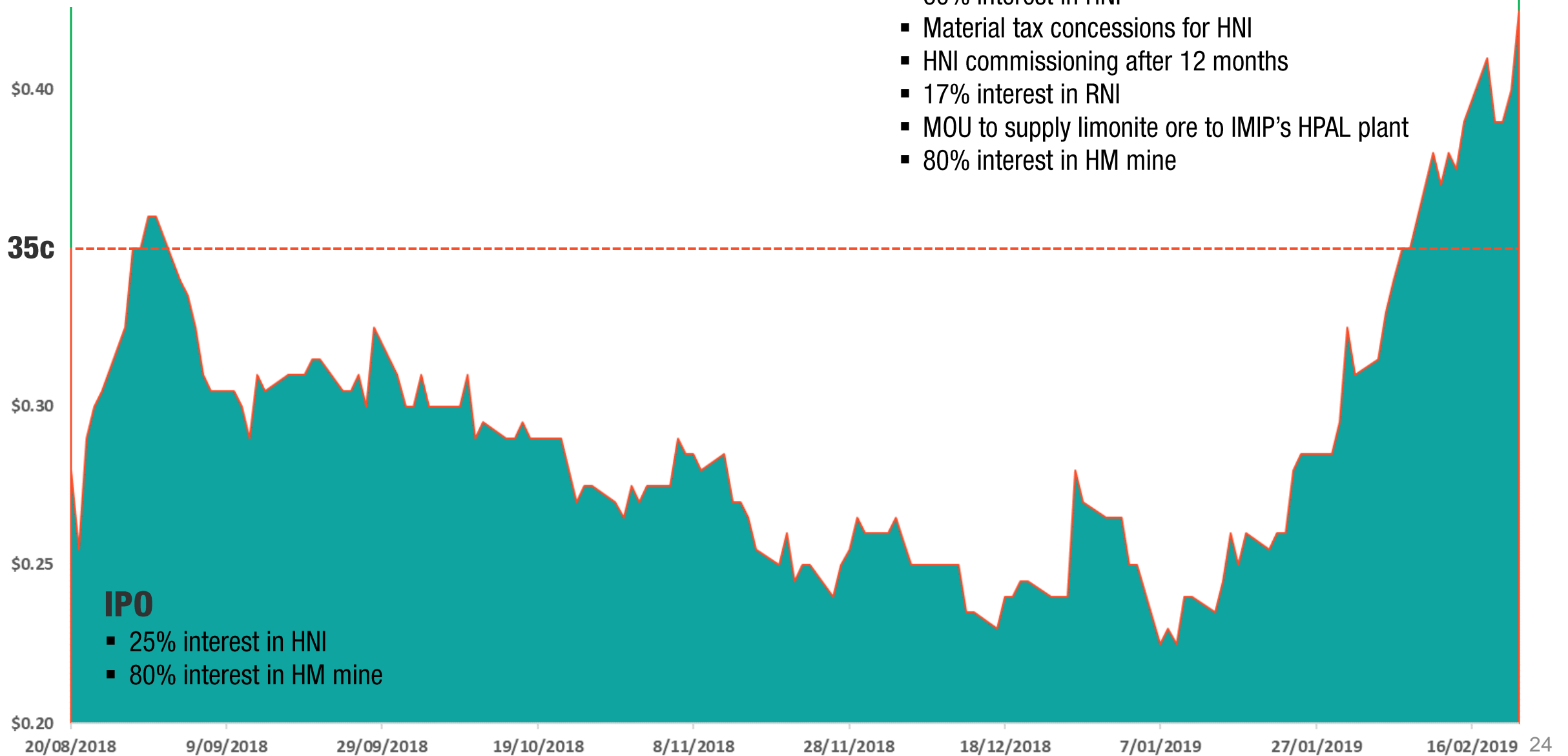


NIC offers unmatched leverage to growth in global nickel unit production capacity.

- IMIP nickel units set to rapidly increase over the next 5 years.

NIC offers the only publicly available investment exposure to Tsingshan and its world class NPI and stainless steel operations in Indonesia.

PRICE VERSUS VALUE DISCONNECT



6 Months On

- 60% interest in HNI
- Material tax concessions for HNI
- HNI commissioning after 12 months
- 17% interest in RNI
- MOU to supply limonite ore to IMIP's HPAL plant
- 80% interest in HM mine

IPO

- 25% interest in HNI
- 80% interest in HM mine

STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by the staff and contractors of Nickel Mines Limited and its subsidiaries and approved by Mr Brett Gunter, a Member of the Australasian Institute of Mining and Metallurgy. Mr Gunter is an employee of PT GMT Indonesia and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Information in this report that relates to Exploration Results and Mineral Resources were published in a Technical Assessment Report and a Resource Estimate Report prepared by PT GMT Indonesia dated April 2018 and December 2018 respectively which are available on the Company's website (www.nickelmines.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original publication.

Mr Gunter has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Category	1.5% Cut-Off Grade		1.0% Cut-Off Grade	
	Dry Tonnes (million)	Ni (%)	Dry Tonnes (million)	Ni (%)
Measured	0.7	1.8	6.9	1.2
Indicated	15	1.9	50	1.4
Inferred	22	1.8	120	1.3
Total	38	1.8	180	1.3



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SHANGHAI DECENT - OUR FRIEND AND PARTNER



A Partnership Underpinned by Trust, Respect and Friendship

OTHER GROWTH OPTIONS WITHIN THE IMIP

In late September 2018, Tsingshan announced it was part of a consortium of up to four companies establishing new nickel smelting capacity with the IMIP.

Proposed Capacity

- 50,000t Ni pa, in the form of nickel hydroxide intermediates (predominantly nickel sulphate)
- 4,000t Co pa

Participants

- Tsingshan - 31% (New Horizon International Holding Ltd (21%) / PT IMIP (10%))
- GEM (Jingmen) New Material Co., Ltd - 36%
- Contemporary Amperex Technology Ltd (CATL) – 25%
- Hanwa Co., Ltd – 8%

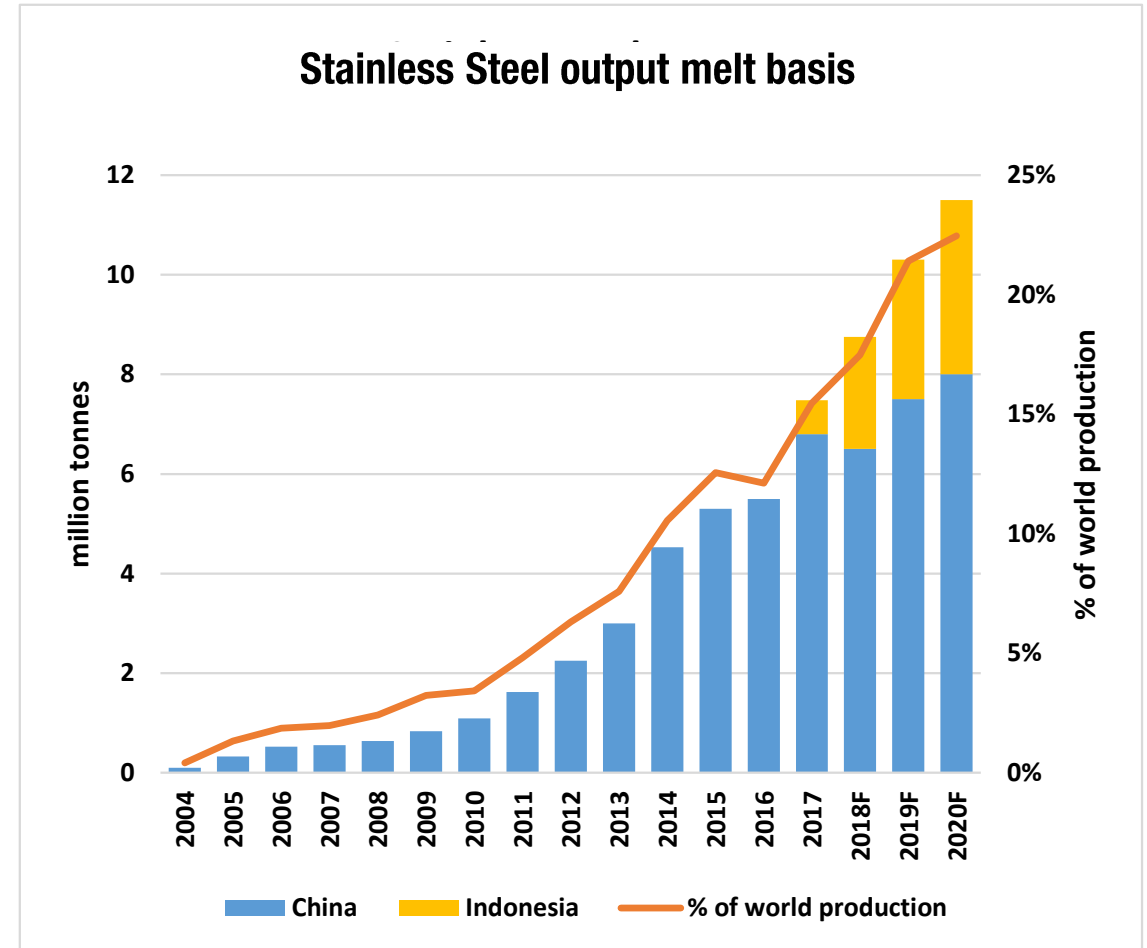
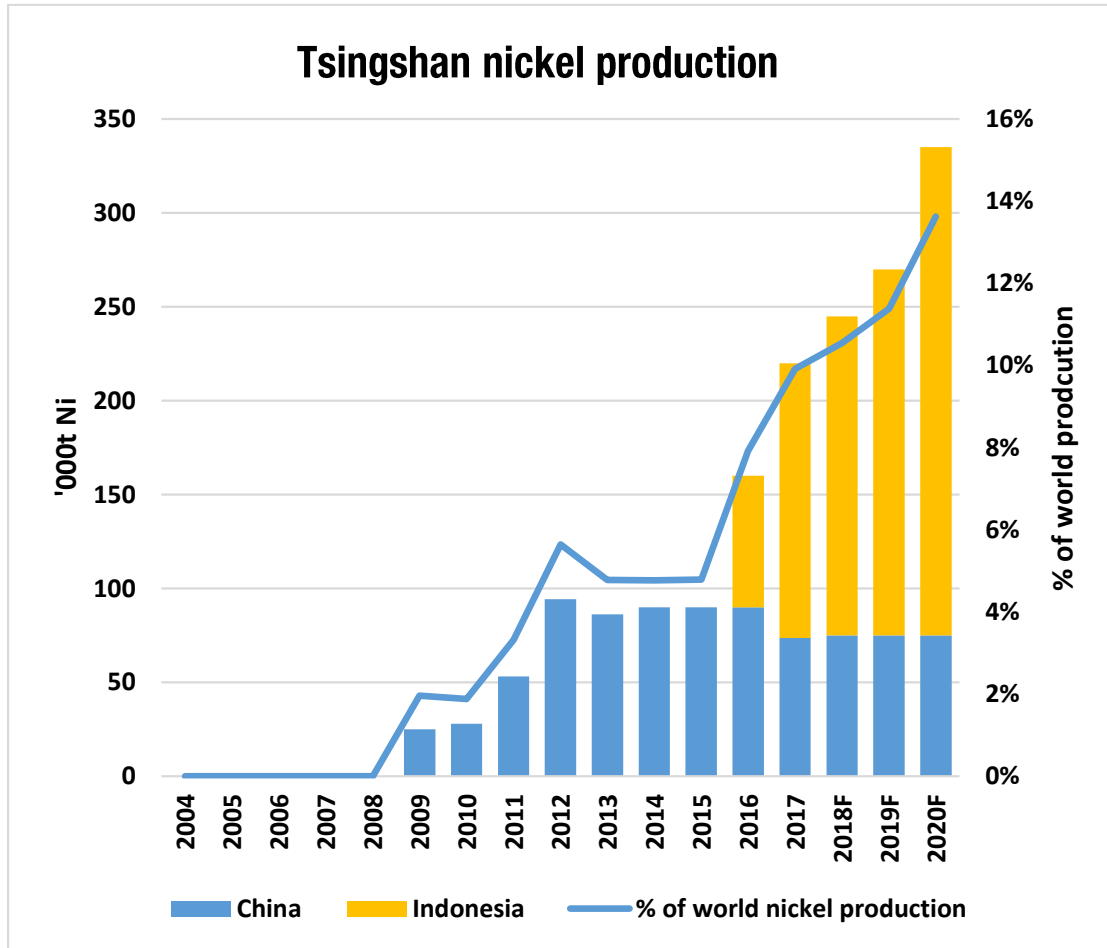
Capex

- US\$700M – significantly cheaper than traditional HPAL plants
- Ability to leverage of IMIP's significant existing infrastructure – land, power, port facilities

Ore Requirements

- Estimated 8Mt pa of low grade limonite

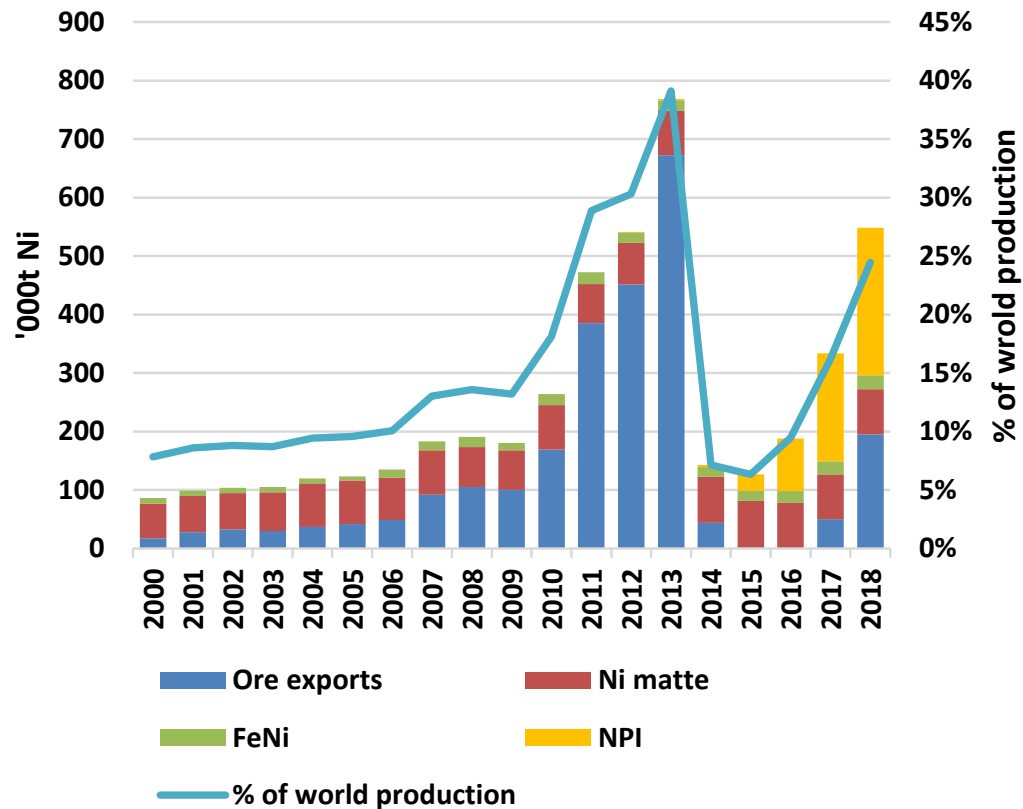
TSINGSHAN HAS RAPIDLY ESTABLISHED A DOMINANT POSITION IN GLOBAL NICKEL AND STAINLESS STEEL MARKETS



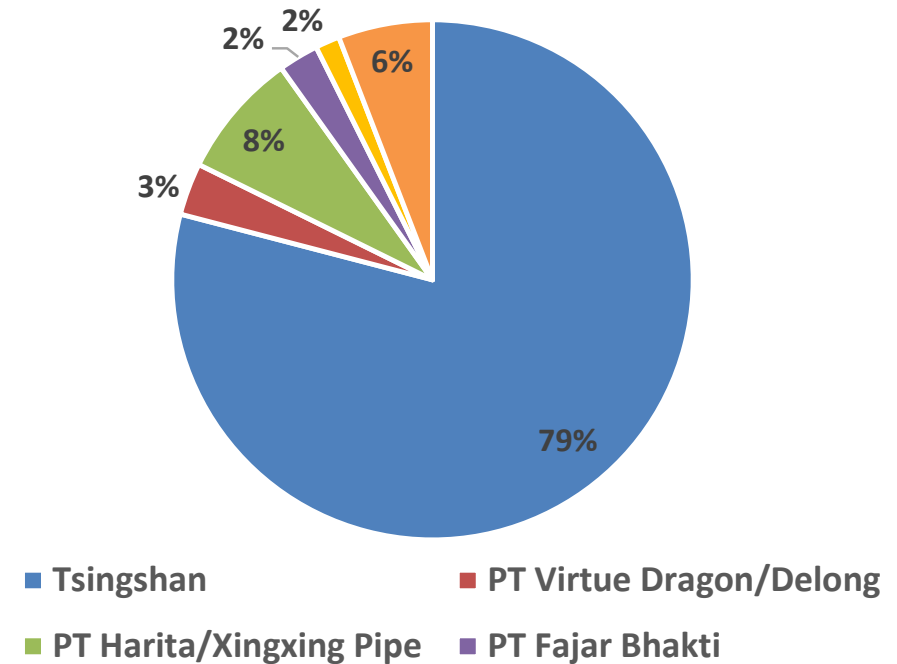
Source: Tsingshan (history), Macquarie Strategy, September 2018

TSINGSHAN DOMINATES INDONESIA'S RAPIDLY GROWING NPI LANDSCAPE

Indonesian nickel production by application



2017 NPI production – 185kt contained Ni

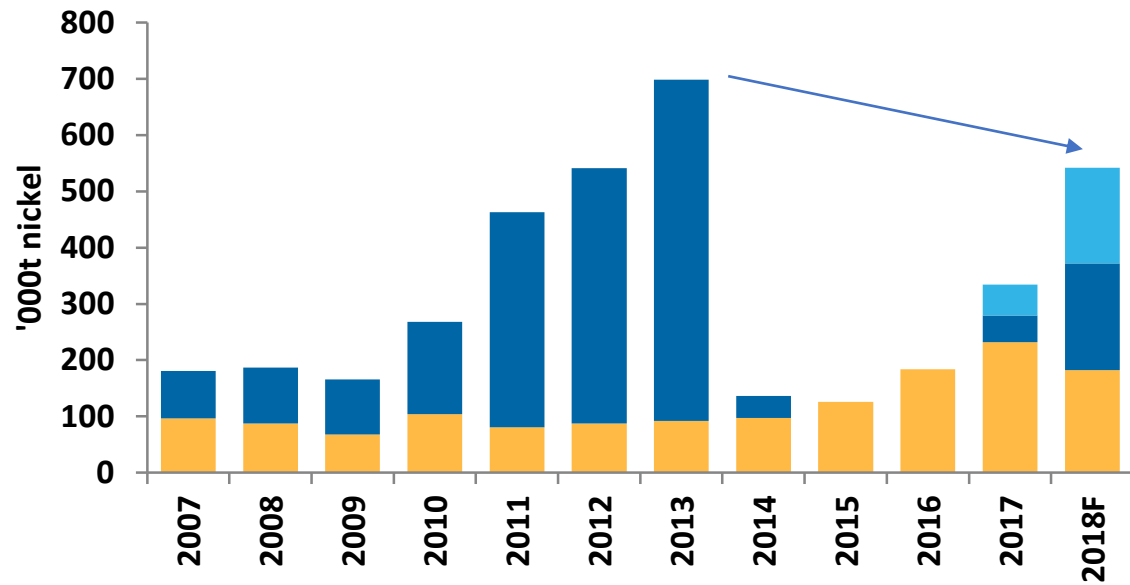


Source: Badan Pusat Statistik, Macquarie Strategy, September 2018

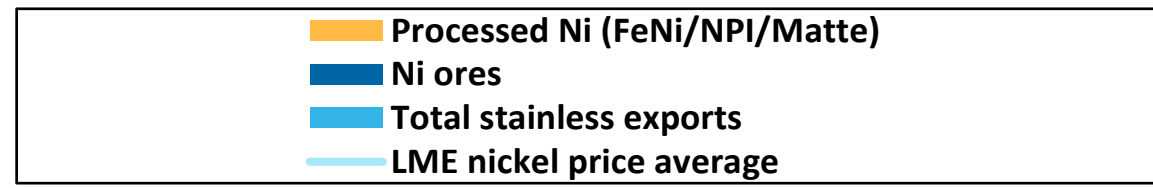
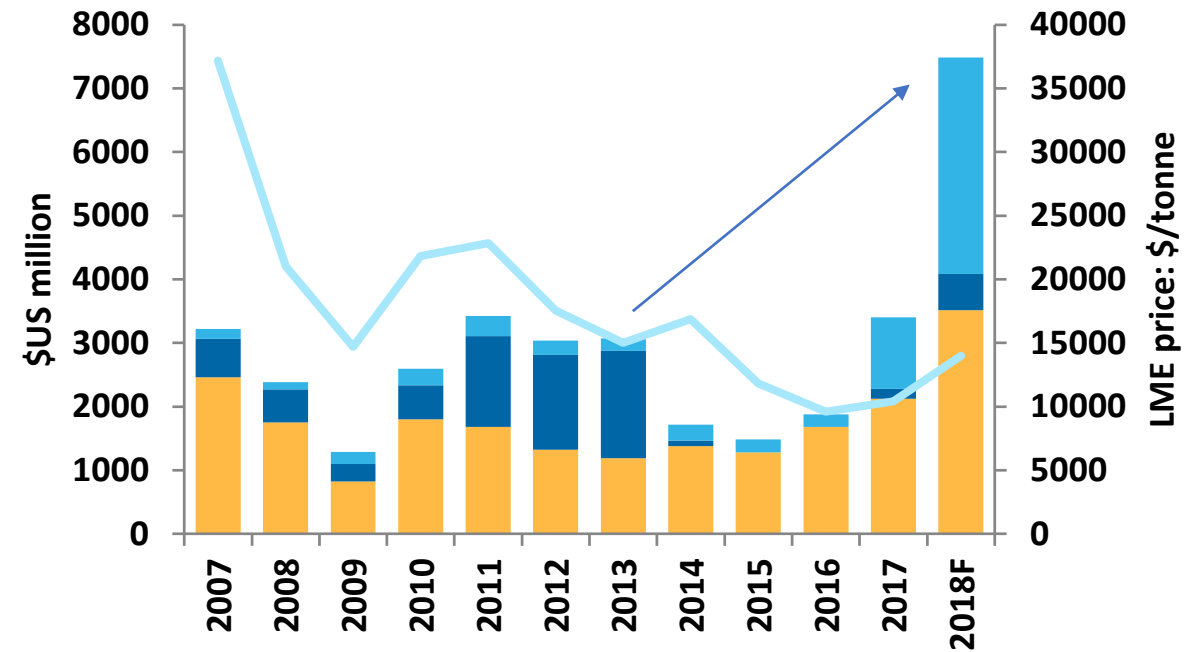
INDONESIA'S EXPORT BAN IS ACHIEVING ITS OBJECTIVE

The value of Indonesian exports has grown significantly since the introduction of the export ban despite a lower average Ni price than in 2013.

Indonesian nickel exports (Volume)



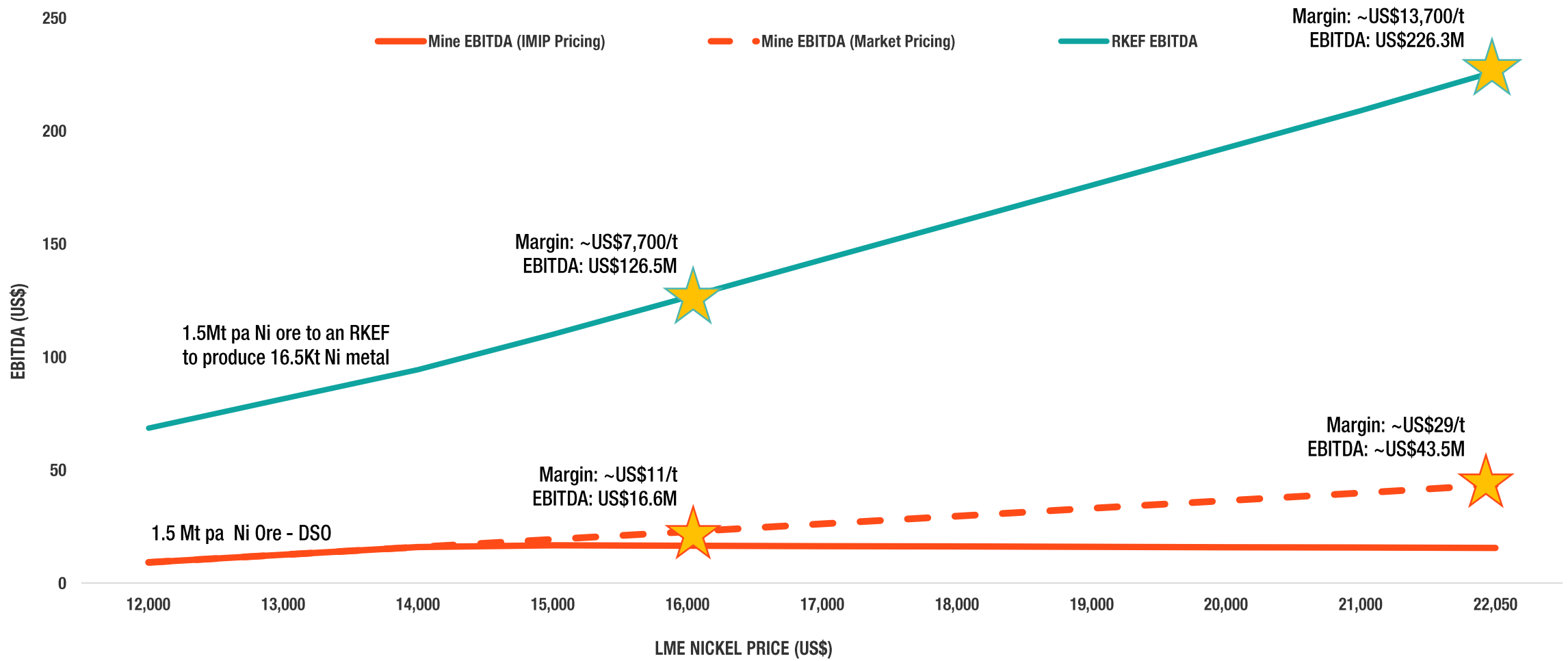
Indonesian nickel exports (Value)



Source: Badan Pusat Statistik, Macquarie Strategy, September 2018

MINE VERSUS RKEF ECONOMICS

Relative Economics of Shipping versus Processing 1.5Mt pa of Nickel Ore



Source: NML Financial Model (model assumptions and outputs verified by Wood Mackenzie)