

10 September 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(28 pages by email)

PRESENTATION TO INVESTORS

Nickel Mines Limited ('the Company') is pleased to release the following presentation that Managing Director Justin Werner will be presenting today at the Melbourne Mining Club's *Cutting Edge Series*. The Company notes that the presentation contains previously unreleased production and cost data from both the Hengjaya Nickel and Ranger Nickel projects, which shows both projects performing strongly and well in excess of nameplate capacity.

Yours sincerely



Richard Edwards
Company Secretary

pjn10058

NICKEL
MINES LIMITED

EMERGING AS A GLOBALLY SIGNIFICANT NICKEL PRODUCER



MELBOURNE MINING CLUB – SEPTEMBER 2019

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EXECUTIVE SUMMARY

EMERGING AS A GLOBALLY SIGNIFICANT NICKEL PRODUCER



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) - IUP licence covering 6,249 hectares.

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



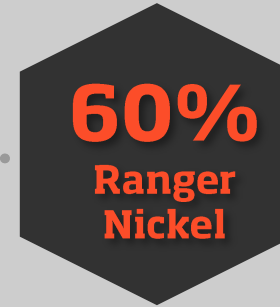
2 Line RKEF Plant producing nickel pig iron (NPI) yielding ~16.5kt pa of nickel metal.

60% interest acquired for **US\$120M.**

Option to increase interest to **80%** for **US\$60M** extending until 30 November 2020.

Commissioning complete.

Current monthly production rate of ~1,800t Ni metal.



2 Line RKEF Plant.
Replica of HNI.

60% interest acquired for **US\$171.4M.**

Option to increase ownership to **80%** for **US\$60M** extending until 30 November 2020.

Commissioning commenced late May 2019.

Current monthly production rate of ~1,700t Ni metal.



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.

CORPORATE SNAPSHOT

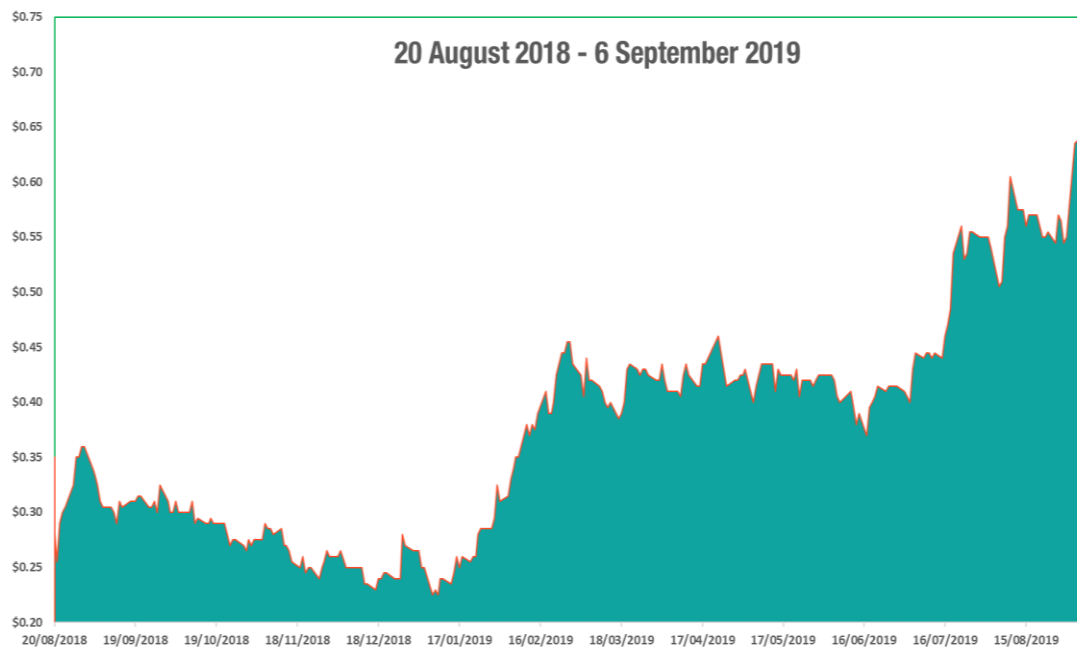
TRADING INFORMATION

6 SEPTEMBER 2019

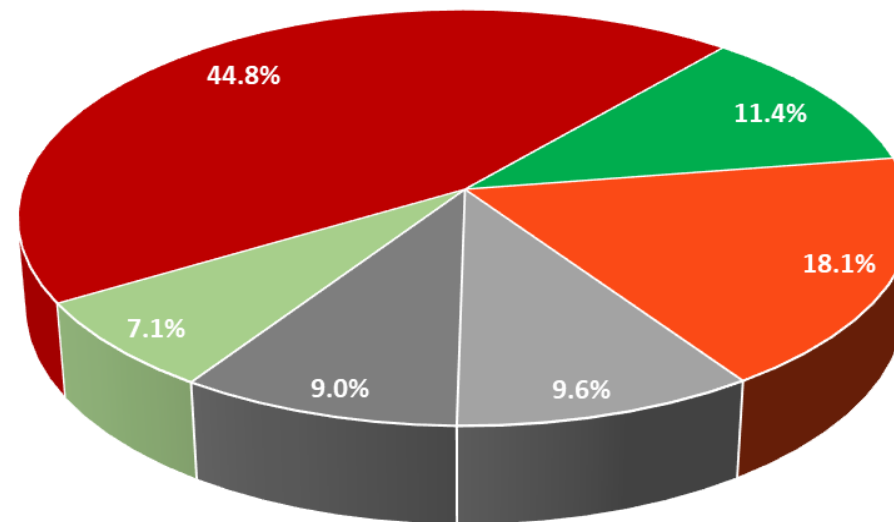
ASX Code	NIC
Shares on Issue	1.665.4.5B
Share Price	A\$0.65
Range	A\$0.22-A\$0.69

Market Capitalisation

A\$1.082.5B



Shareholder Structure



■ Directors and Management ■ Shanghai Decent ■ Blackrock ■ Shanghai Wanlu ■ Regal ■ Other

Substantial Shareholders

Shanghai Decent	18.1%
Blackrock	9.6%
Shanghai Wanlu	9.0%
Norm Seckold	7.4%
Regal	7.1%

Analyst Coverage

Bell Potter	BUY	Target Price	\$0.94
Patersons Securities	BUY	Target Price	\$0.92
Canaccord	BUY	Target Price	\$1.15
Petra Capital	BUY	Target Price	\$1.58
BMO	Mkt Perform	Target Price	\$1.20

Free Float

~1,245M shares or ~81.6% of issued capital

Indexes

ASX All Ords
ASX 300 – effective from 23 September 2019

HENGJAYA MINE THE FOUNDATION ASSET



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.

1,2 - Refer Slide 27

Whilst we own a world class nickel laterite mine...

THIS IS NOT A MINING STORY

**It's a story about the production of the most
profitable nickel units in the global market
in partnership with the world's largest
stainless steel producer**

INTRODUCTION TO TSINGSHAN, SDI and IMIP



- Currently the world's largest stainless steel producer with output of 9.29 Mt in 2018.
- 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) for HNI and the Collaboration Agreement (CA) for RNI.

- Committed to ahead of the Indonesian Government's 2014 DSO export ban.
- Currently ~30,000 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.

INDONESIA 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



Molten NPI



NPI Ingot Casting



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

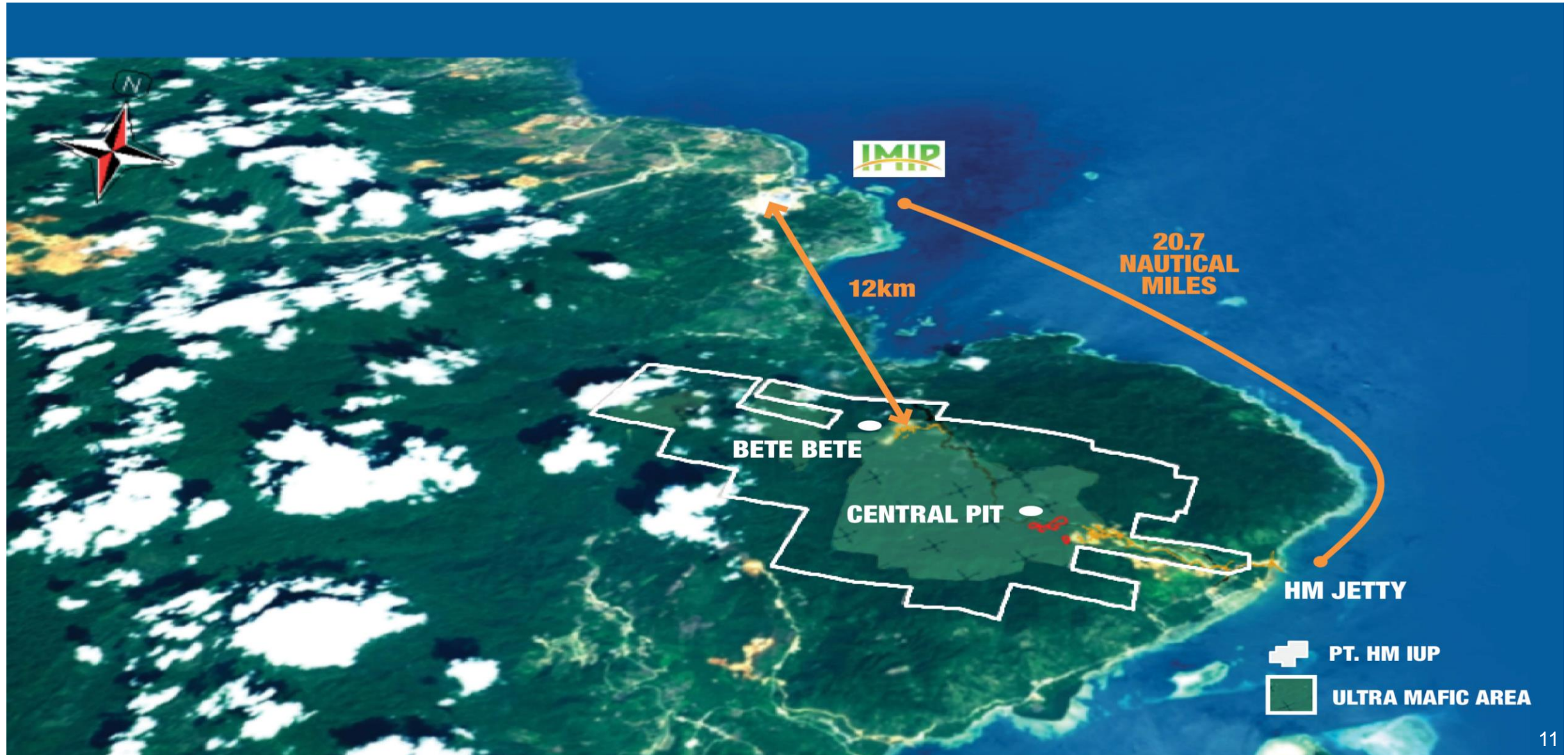


Executive Quarters and Helipad



5-Star Hotel

HENGJAYA MINE LOCATION IS EVERYTHING



WHAT BENEFITS DOES NICKEL MINES GET FROM PARTNERING WITH TSINGSHAN?

GLOBAL INDUSTRY LOWS IN 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*
Ranger Nickel	2019	NPI	16.5	286	17,313**

Source : Macquarie, CLSA

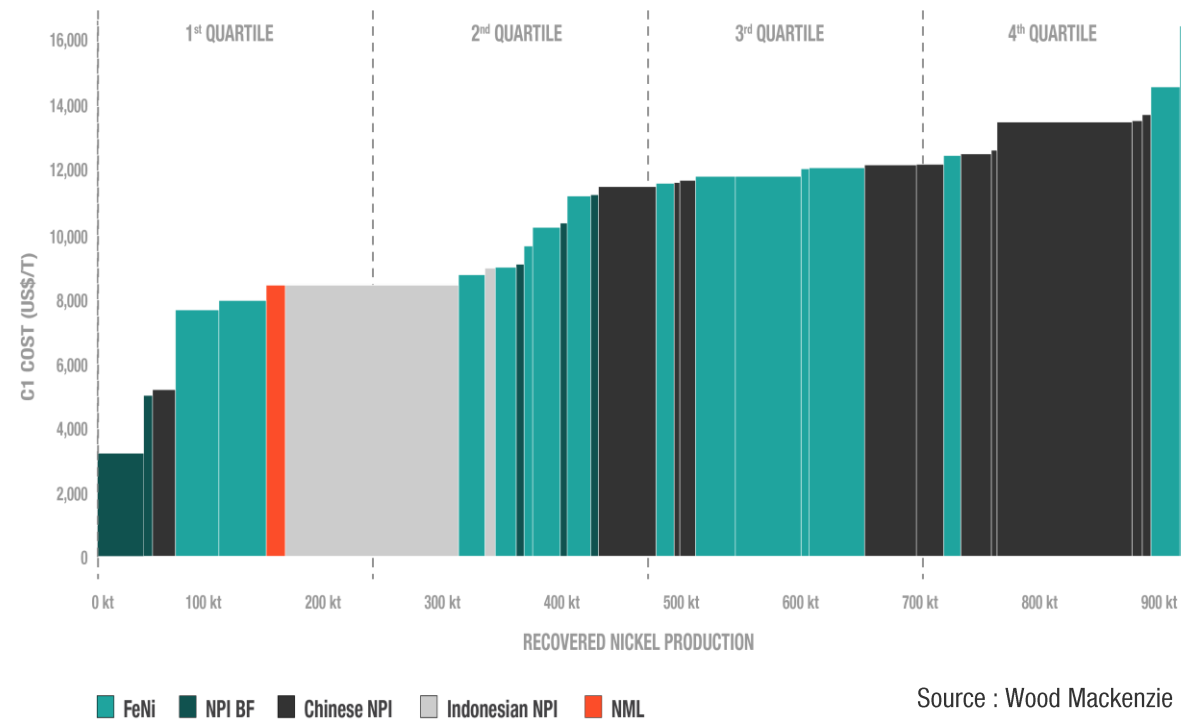
CONSTRUCTION AND OPERATIONAL EXPERTISE

- **NIC benefitted from guaranteed CAPEX.**
- **24 RKEF lines now built and operating within the IMIP.**

* NIC's initial 60% stake in HNI was acquired at a cost of US\$12,121/t NiEq. Subsequent ownership interests in HNI will be acquired at US\$18,181/t NiEq.

**NIC's initial 60% stake in RNI was acquired at a cost of US\$17,313/t NiEq. Subsequent ownership interests in RNI will be acquired at US\$18,181/t NiEq.

BOTTOM QUARTILE NPI COSTS



Source : Wood Mackenzie

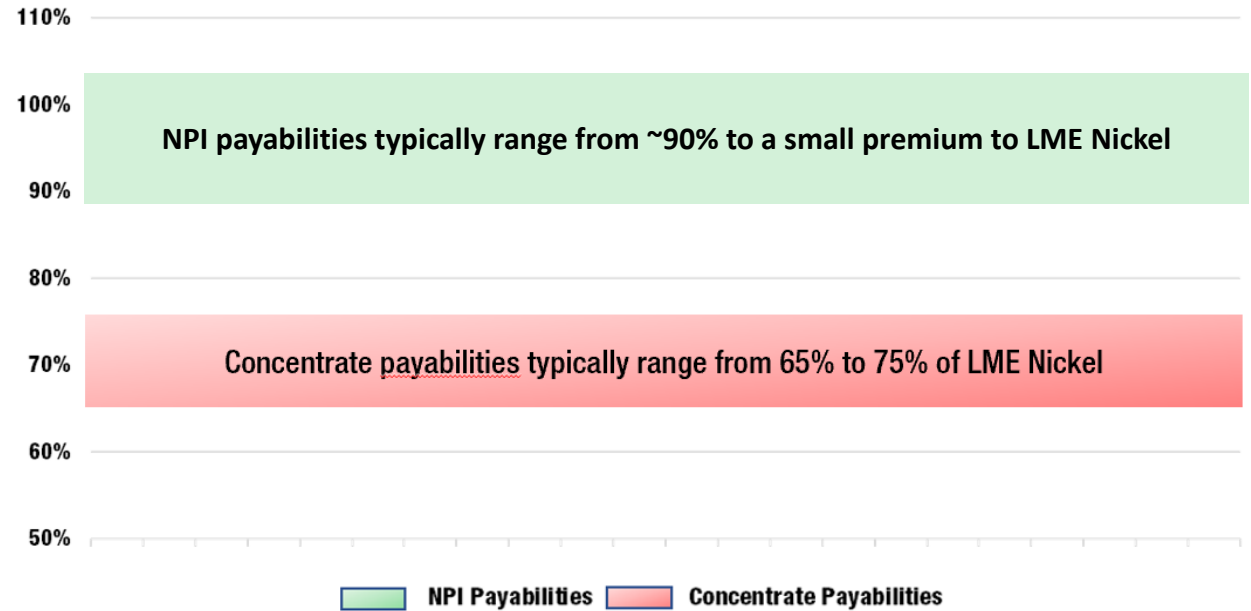
BOTTOM QUARTILE OPERATING COSTS

- **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.**

SUPERIOR NPI PAYABILITIES



Superior Payabilities Underpin a Compelling Economic Advantage for NPI Producers



- While concentrate producers can often report lower cash costs than NPI producers because of by-product credits, these lower costs are dwarfed by the superior payabilities of NPI producers.

Why the superior payabilities?

- Stainless steel producers buying NPI will pay a near “market price” for the contained nickel in NPI as they essentially get their iron units for free.

TAXATION CONCESSIONS

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

- **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.



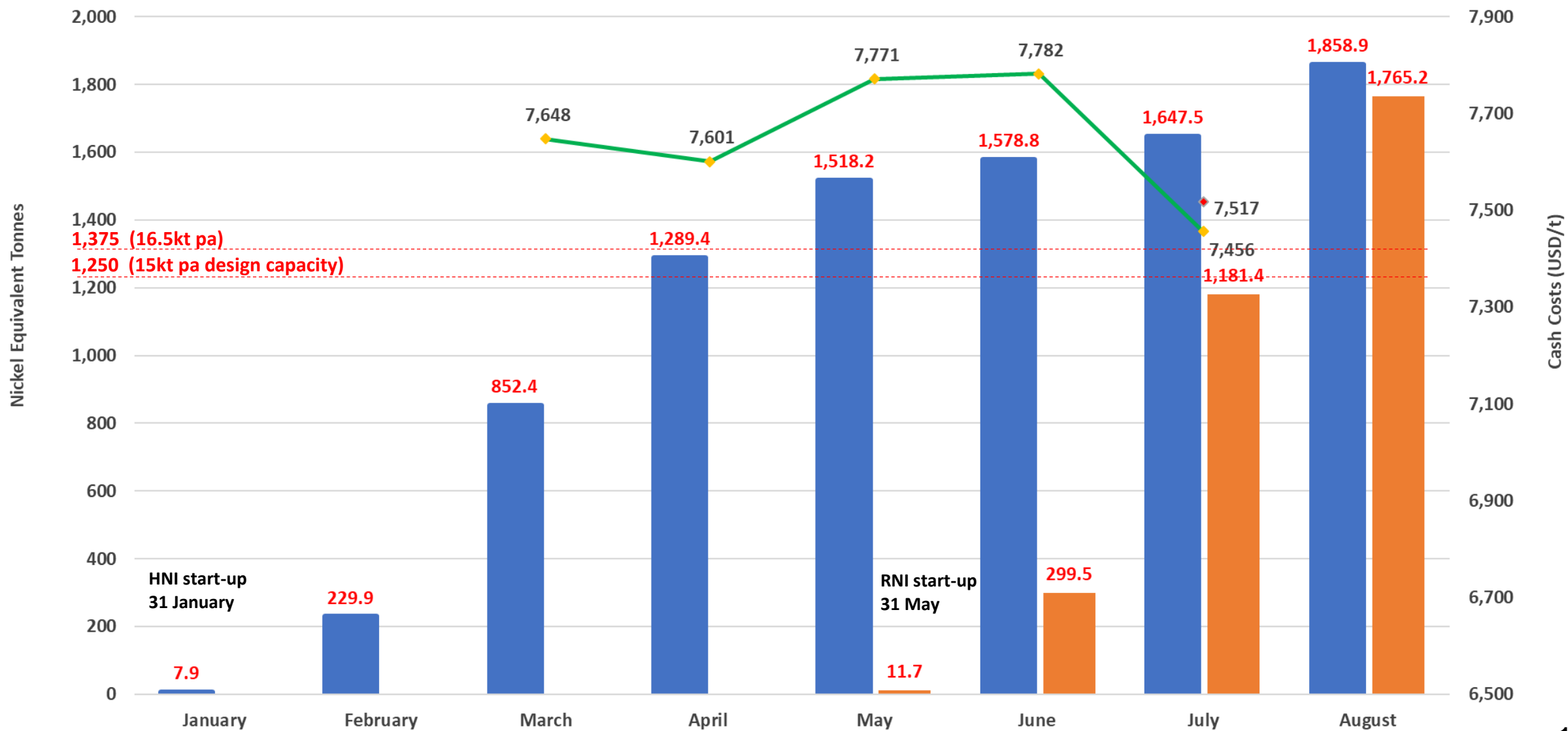
Tax concessions further strengthen HNI's/RNI's impressive EBITDA and FCF profile and enhance future growth/dividend optionality

THE CURRENT STATE OF PLAY

PRODUCTION RAMP-UP

RKEK Production Ramp-up

■ HNI ■ RNI ◆ HNI Cash Costs ◆ RNI Cash Costs



* Awaiting August costs

HENGJAYA NICKEL AN OUTSTANDING FIRST 6 MONTHS OF PRODUCTION

HNI has now achieved a steady state production and operating cost profile.

		January	February	March	Quarter Total
NPI Production	tonnes	67.5	1,802.6	6,502.2	8,372.3
NPI Grade	%	11.6	12.7	13.1	13.0
Nickel Metal Production	tonnes	7.9	229.9	852.4	1,090.2
IMIP NPI Pricing⁽¹⁾	US\$/t Ni	12,800	12,800	12,800	12,800
Cash costs⁽²⁾	US\$/t Ni				7,648

		April	May	June	Quarter Total
NPI Production	tonnes	8,684.8	11,320.5	11,251.1	31,256.4
NPI Grade	%	14.8	13.4	14.0	14.0
Nickel Metal Production	tonnes	1,289.4	1,518.1	1,578.8	4,386.3
IMIP NPI Pricing⁽¹⁾	US\$/t Ni	12,800	11,800	11,700	12,059
Cash costs⁽²⁾	US\$/t Ni	7,601	7,771	7,782	7,725

(1) The IMIP's NPI price is set on a monthly basis with reference to the average price paid for NPI by several of China's largest stainless steel mills with adjustments made for VAT in China and freight.

(2) All-in costs (inclusive of depreciation and interest) for the March 2019 quarter averaged US\$8,246/t Ni and the June 2019 quarter averaged US\$8,198/t Ni.



WHY INVEST?

UNIQUE GROWTH OPTIONALITY

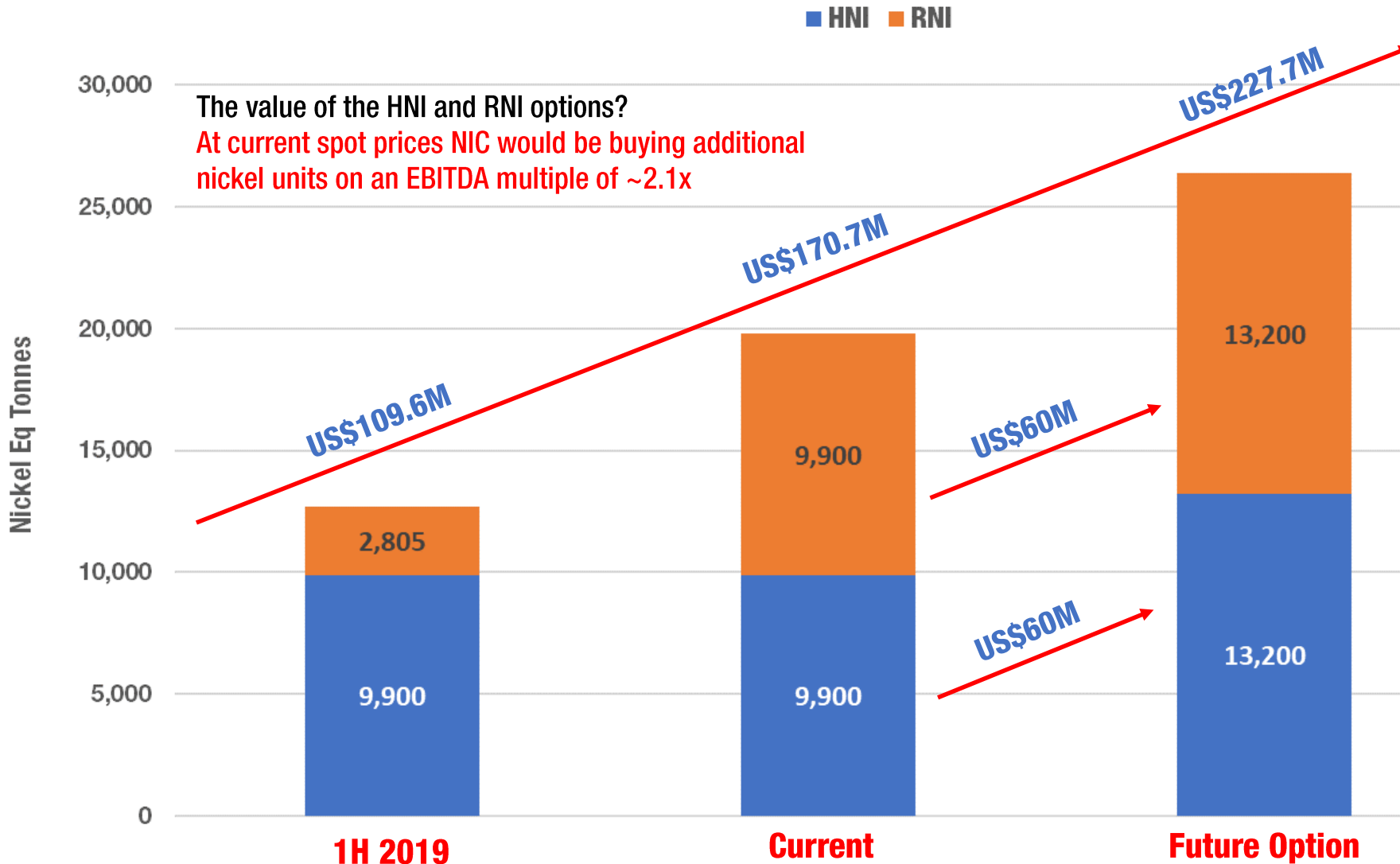
A Clear Line of Sight on Additional Nickel Units



- NIC distinguishes itself from its peer group with its unique growth optionality.
 - No mine life limitations.
 - No project development risks.
- NIC possesses contractual options to increase its ownership interests in both the HNI and RNI RKEF lines to 80% by 30 November 2020.
 - Options are at fixed valuations so serve as a call option on the nickel price.
 - Option value significantly enhanced in a rising nickel price environment.
- These contractual options allow NIC to acquire immediate additional attributable nickel units and operating cash flows on a substantially risk-free basis.
- Opportunities exist for NIC to expand its attributable nickel units beyond its current 4 RKEF Lines.

— Based on an assumed production capacity of 16,500t pa of nickel metal.

A Clear Line of Sight on Strong EBITDA and FCF Growth



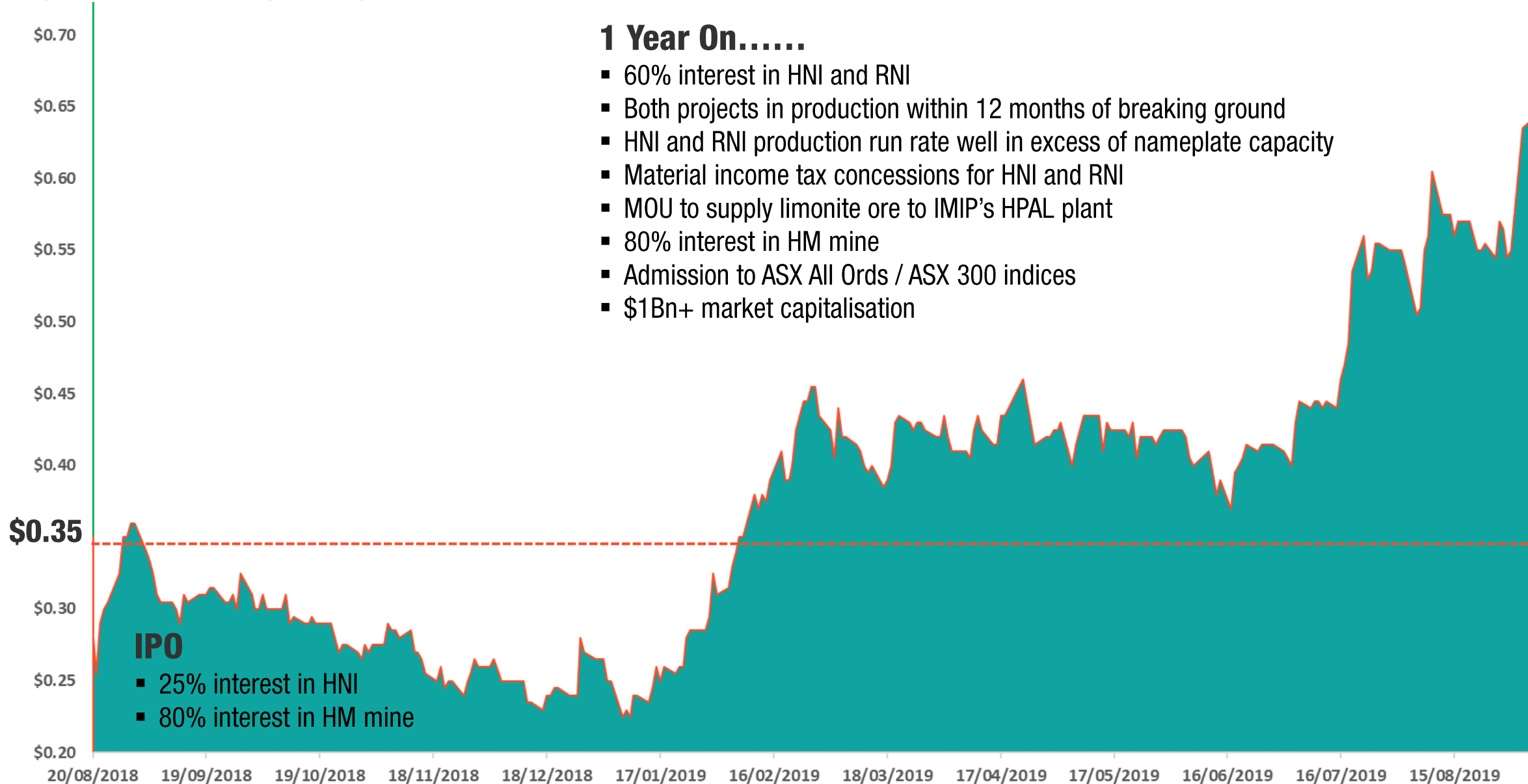
NIC's strong financial profile is underpinned by:

- Industry low levels of capital intensity for delivering nickel units to market.
- Industry leading payabilities for contained nickel in NPI.
- Bottom quartile cost profile underpinned by:
 - Ability to utilise low-cost, high grade nickel laterite ore.
 - Access to low-cost thermal coal for power generation (power costs < 6c/Kwh).
 - Vertically integrated nature of critical production processes.
- Minimal sustaining capex
 - All construction capex sunk upfront.
 - Daily maintenance capex captured in operating costs.
- Material corporate income tax concessions to further enhance FCF generation.

EBITDA numbers based on spot Ni price of US\$17,500/t , cash costs of US\$8,000/t and 95% payability of LME nickel.

Indicative only and not to be construed as financial guidance. Based on assumed production capacities of 16.5kt pa of nickel metal from HNI and RNI on a 100% basis.

A YEAR OF ACHIEVEMENTS NOW DELIVERING VALUE

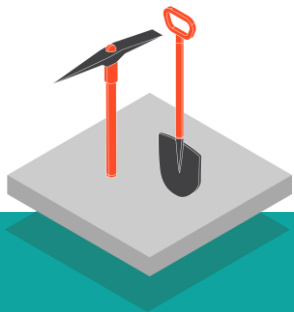


1 Year On.....

- 60% interest in HNI and RNI
- Both projects in production within 12 months of breaking ground
- HNI and RNI production run rate well in excess of nameplate capacity
- Material income tax concessions for HNI and RNI
- MOU to supply limonite ore to IMIP's HPAL plant
- 80% interest in HM mine
- Admission to ASX All Ords / ASX 300 indices
- \$1Bn+ market capitalisation

IPO

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



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 Agreements 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\$8,000/t NiEq.

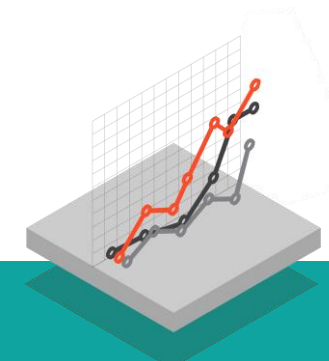


ABILITY TO LEVERAGE IMIP INFRASTRUCTURE

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.

INVESTMENT THESIS



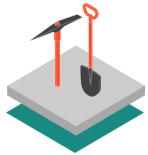
Indonesia is now the epicentre of global nickel supply growth.

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



NPI is 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 operations in Indonesia



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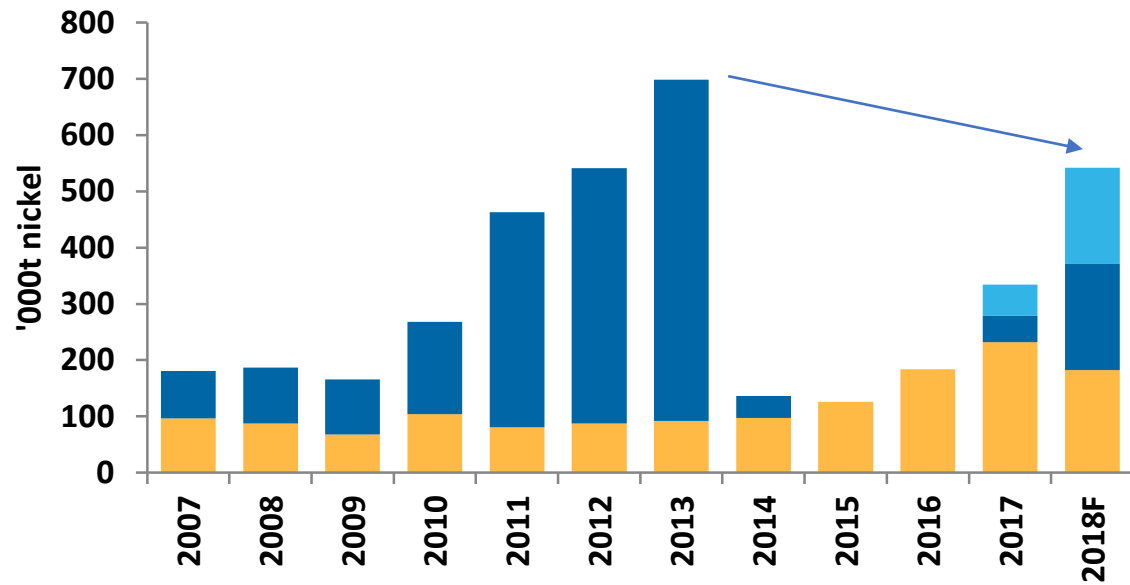
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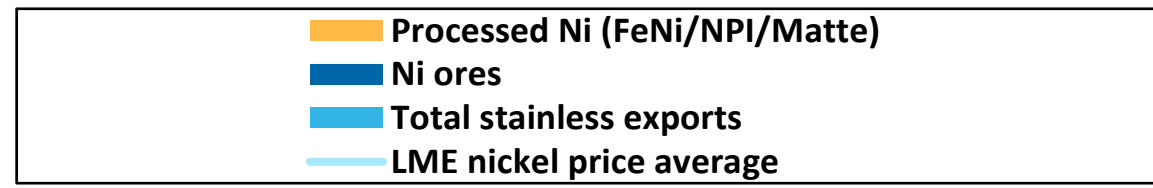
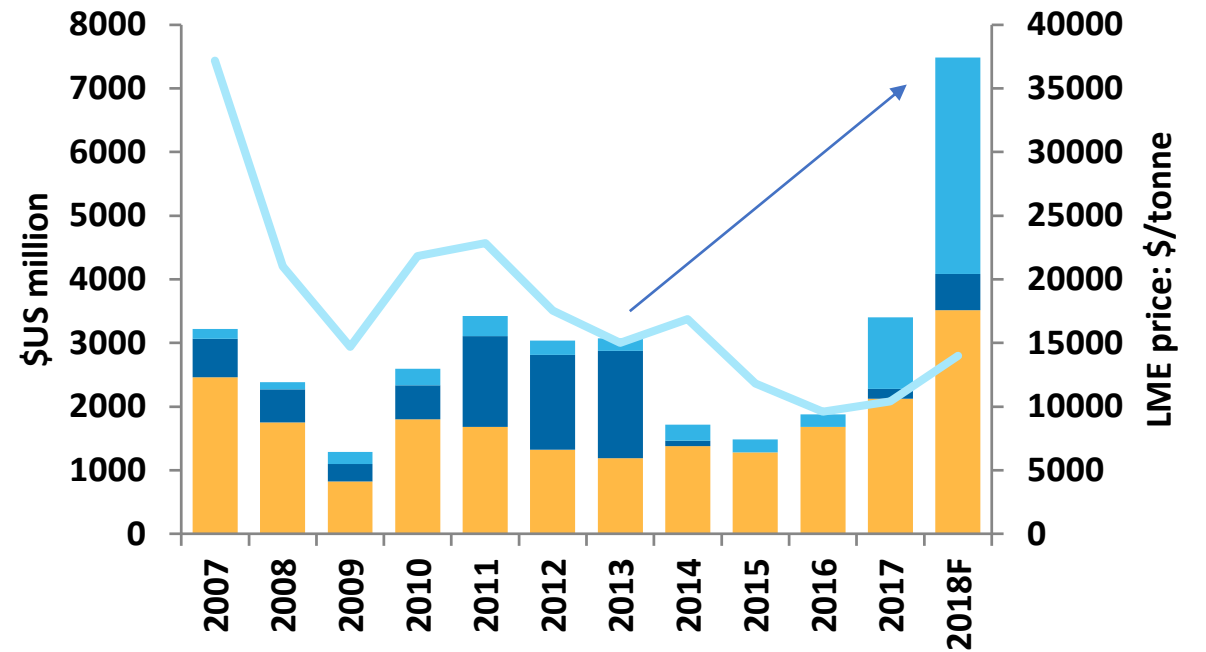
INDONESIA'S EXPORT BAN IS ACHIEVING ITS OBJECTIVE

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

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