

28 November 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(16 pages by email)

PRESENTATION TO ANNUAL GENERAL MEETING

Nickel Mines Limited ('the Company') is pleased to release the following presentation that Managing Director Justin Werner will be presenting at the Company's Annual General Meeting being held at 11.00 am.

The Company notes that the presentation contains previously unreleased October 2019 production and cost data from both the Hengjaya Nickel and Ranger Nickel projects, which shows both projects continuing to perform strongly and well in excess of nameplate capacity.

Yours sincerely



Richard Edwards
Company Secretary

pjn10176

The background of the slide is a dark, industrial scene, likely a nickel refinery. On the right side, a large, bright stream of molten metal, glowing orange and yellow, flows down a sloped channel. On the left side, several workers in white protective suits and hard hats are visible, some appearing to be operating machinery or observing the process. The overall atmosphere is one of intense industrial activity.

NICKEL
MINES LIMITED

A NEW FORCE IN GLOBAL NICKEL

Annual General Meeting
28 November 2019

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Whilst we own a world class nickel laterite mine

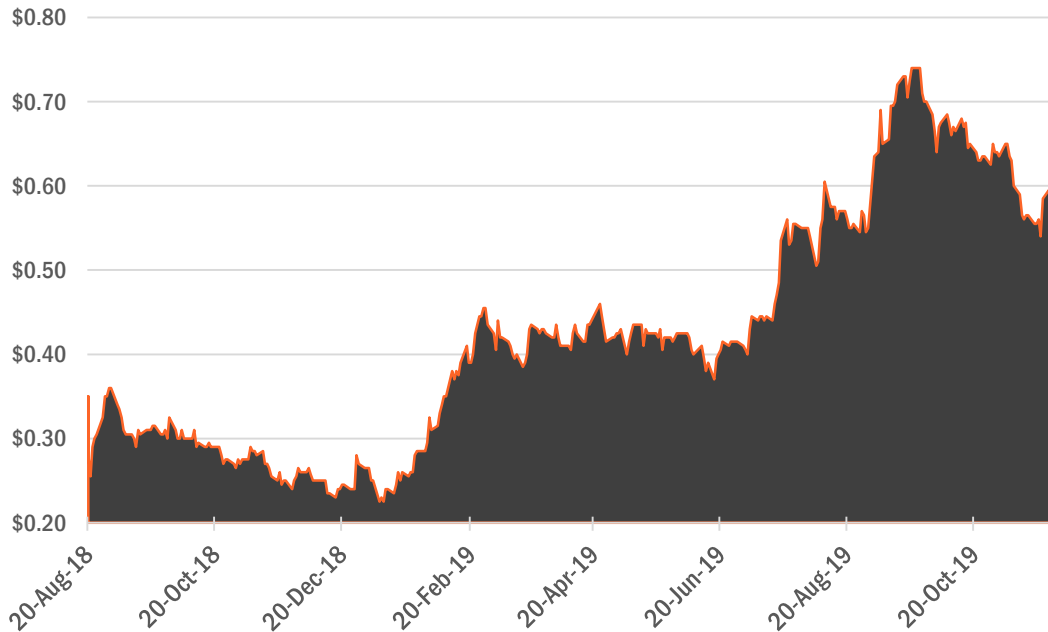
THIS IS NOT A MINING STORY

It's a story about the production of the lowest capital intensive and most profitable nickel units in the global market in partnership with the world's largest stainless steel producer.

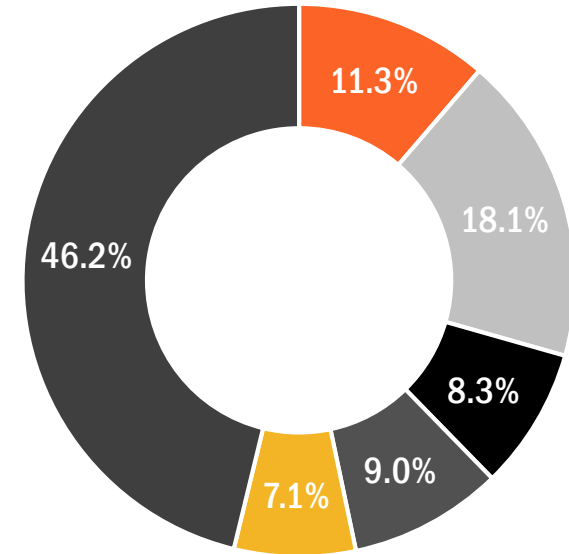
Corporate Snapshot

| TRADING INFORMATION | | 27 NOVEMBER 2019 |
|------------------------------|--|-------------------|
| ASX Code | | NIC |
| Shares on Issue | | 1,665.4B |
| Share Price | | A\$0.58 |
| Range | | A\$0.22 – A\$0.75 |
| Market Capitalisation | | A\$965.9M |

Share Price Performance



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



Substantial Shareholders

| | |
|-----------------------|-------|
| Shanghai Decent (SDI) | 18.1% |
| Shanghai Wanlu | 9.0% |
| Blackrock | 8.3% |
| Norm Seckold | 7.4% |
| Regal FM | 7.1% |

Free Float

~1.385B shares or ~83.2% of issued capital

Analyst Coverage

| | | | |
|---------------|-----|--------------|--------|
| Bell Potter | Buy | Target Price | \$1.23 |
| Canaccord | Buy | Target Price | \$1.25 |
| Petra Capital | Buy | Target Price | \$1.50 |
| BMO | Mkt | Target Price | \$1.40 |

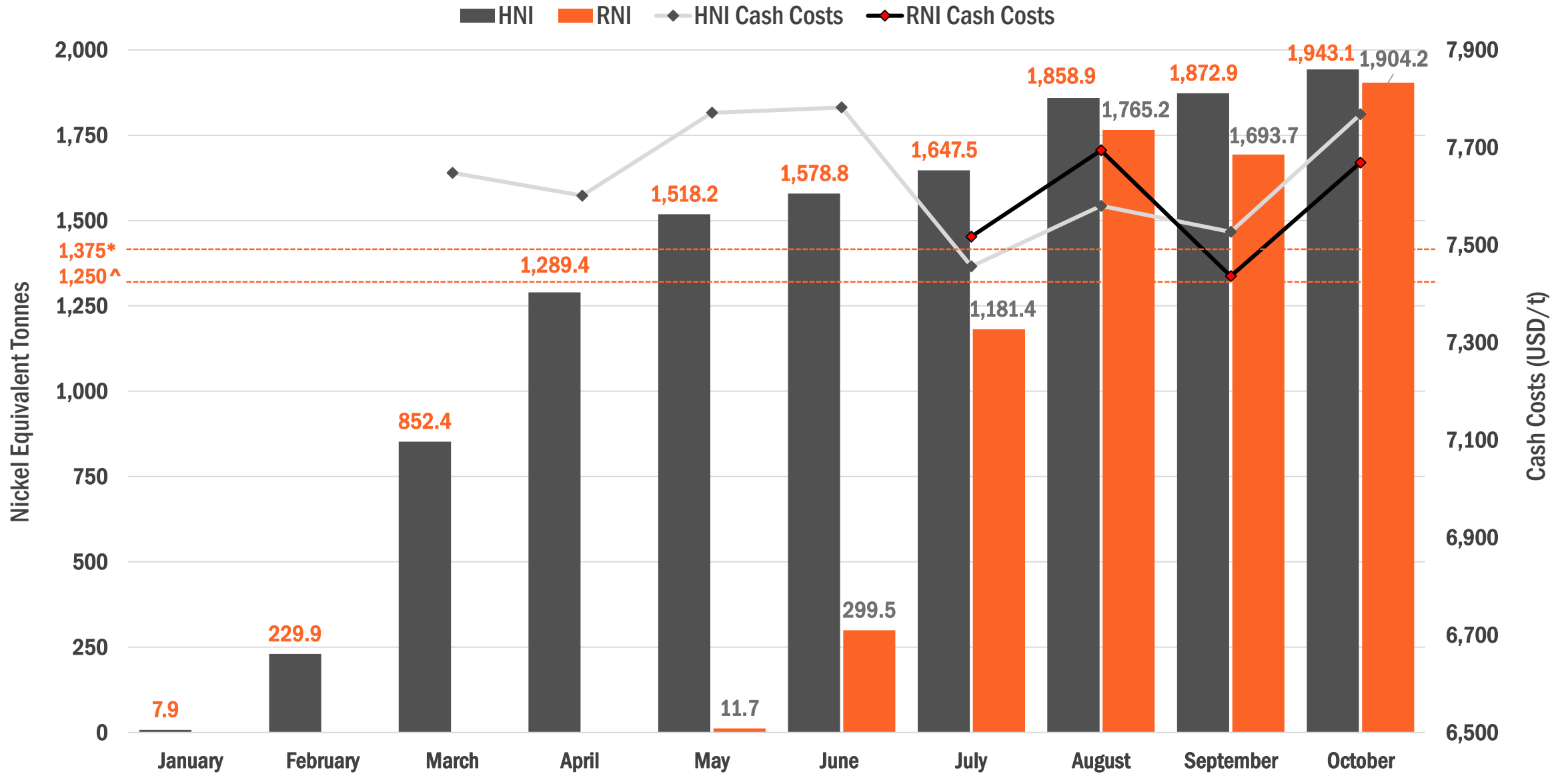
Indexes

ASX All Ords / ASX 300

REVIEW OF OPERATIONS

* 16.5kt pa
 ^ 15kt pa (design capacity)

RKEF Production Ramp-up



RKEF Operations

An Outstanding September Quarter

| HENGJAYA NICKEL | | July | August | September | Qtr Total | June Qtr |
|-------------------------|--------|-------------|---------------|------------------|------------------|-----------------|
| NPI Production | tonnes | 12,713.1 | 13,405.7 | 13,451.6 | 39,570.4 | 31,256.4 |
| NPI Grade | % | 13.0 | 13.9 | 13.9 | 13.6 | 14.0 |
| Nickel Metal Production | tonnes | 1,647.5 | 1,858.9 | 1,872.9 | 5,379.3 | 4,386.3 |
| Cash Costs | USD/t | 7,456 | 7,580 | 7,527 | 7,523 | 7,725 |

| RANGER NICKEL | | July | August | September | Qtr Total | June Qtr |
|-------------------------|--------|-------------|---------------|------------------|------------------|-----------------|
| NPI Production | tonnes | 8,058.3 | 12,389.1 | 12,375.2 | 32,822.6 | 2,477.1 |
| NPI Grade | % | 14.7 | 14.2 | 13.7 | 14.1 | 12.6 |
| Nickel Metal Production | tonnes | 1,181.4 | 1,765.2 | 1,693.7 | 4,640.3 | 311.2 |
| Cash Costs | USD/t | 7,517 | 7,694 | 7,436 | 7,552 | n/a |

| COMBINED OPERATIONS | | July | August | September | Qtr Total | June Qtr |
|----------------------------|--------|-------------|---------------|------------------|------------------|-----------------|
| NPI Production | tonnes | 20,771.4 | 25,794.8 | 25,826.8 | 72,393.0 | 33,733.5 |
| NPI Grade | % | 13.6 | 14.0 | 13.8 | 13.8 | 13.9 |
| Nickel Metal Production | tonnes | 2,828.9 | 3,624.1 | 3,566.6 | 10,019.6 | 4,697.5 |

Production 33% above nameplate capacity.

EBITDA (100% basis)
US\$50.2M.

Hengjaya Mine Operations

| Production summary | | July | August | September | Qtr Total | June Qtr |
|----------------------------|---------|---------|---------|-----------|-----------|----------|
| Tonnes mined | Wmt | 57,098 | 64,008 | 77,950 | 199,056 | 78,251 |
| Overburden mined | BCM | 115,359 | 150,827 | 165,856 | 432,042 | 117,484 |
| Strip ratio | BCM/wmt | 2.0 | 2.4 | 2.1 | 2.2 | 1.5 |
| Tonnes sold | wmt | 77,933 | 68,326 | 85,228 | 231,487 | 96,023 |
| Average grade | % | 1.90 | 1.88 | 1.91 | 1.90 | 1.84 |
| Average price received | USD/t | 26.62 | 25.52 | 30.50 | 27.72 | 23.42 |
| Average cost of production | USD/t | 28.31 | 23.81 | 23.18 | 24.85 | 44.11 |

- Record monthly production in September.
- Record sales in September.
- Mine expansion initiatives including haul road from central pit, jetty upgrade and new camp site well advanced.
- Planning and design of haul road to IMIP progressing well.



FINANCIAL PERFORMANCE & OUTLOOK

30 June 2019 Full Year Results

| FY 2019 | US\$M |
|------------------------------------|--------------|
| Reported Gross Profit | 21.59 |
| Equity Accounted Profit - HNI | 2.62 |
| Underlying Gross Profit | 24.21 |
| Directors Fees/Consultant Expenses | (2.64) |
| Other Expenses | (1.12) |
| EBITDA | 20.45 |
| Depreciations and Amortisation | (6.84) |
| EBIT | 13.61 |

| | |
|--|---------|
| Reported Net Profit After Tax | 71.83 |
| Non-recurring items - revaluation adjustment | (57.34) |
| - FX gain | (0.73) |
| Underlying Net Profit After Tax | 13.76 |
| Interest Income | (0.21) |
| Income Tax Expense | 0.07 |
| EBIT | 13.61 |

| FY 2019 | US\$M |
|-------------------------------|--------------|
| Cash | 49.0 |
| Trade and receivables | 43.7 |
| Total current assets | 108.2 |
| Total Non-current assets | 423.7 |
| Total current liabilities | 47.2 |
| Total non current liabilities | 29.9 |
| Net Assets | 454.8 |

- Maiden profit result having commenced RKEF operations in late January.
- HNI consolidated from 1 April 2019.
- FY result includes:
 - Only 4 months of commissioning production from HNI.
 - No financial contribution from RNI as first sales did not occur until July 2019.
- Financial year moving to 31 December year end.

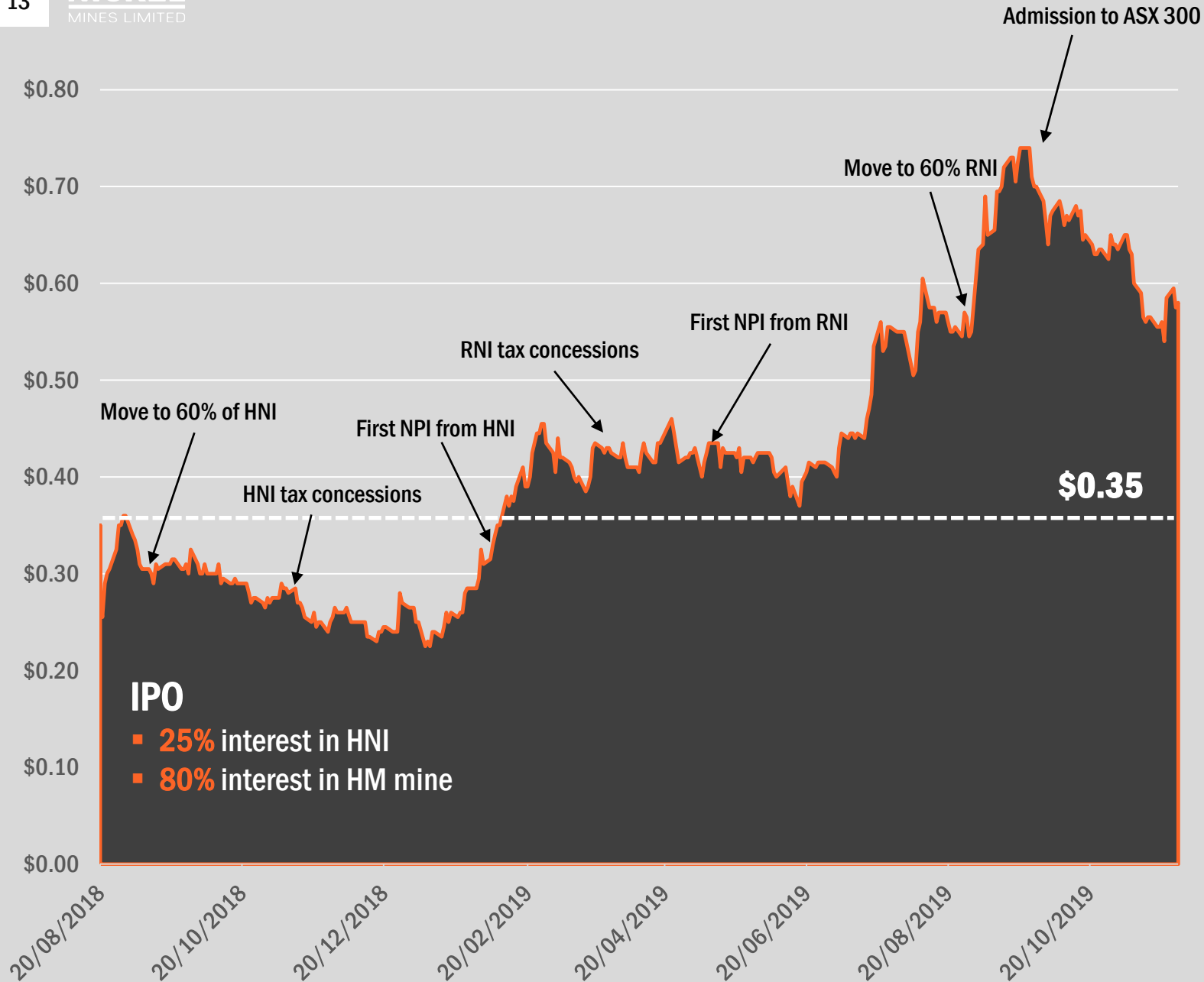
December Quarter

- All four RKEF lines running at steady state.
- Significant increase in NIC's attributable nickel units (for half of September quarter NIC held only 17% of RNI).
- Material cash build as September receivables (US\$84M) and unsold NPI inventories (US\$10.7M) convert to cash at bank.

Looking ahead to 2020

- Continued steady state production at or around current levels.
- Exercise of option to increase equity interests in Hengjaya Nickel and Ranger Nickel to 80%.
- Material expansion of HM Mine production as Central Pit commences mining.
- Commencement of construction design and permitting for direct haul road to the IMIP.
- Continued stockpiling of limonite ore ahead of readiness for delivery to IMIP HPAL plants.

WHY INVEST



15 Months of Achievement Now Delivering Value

15 MONTHS ON FROM NIC'S IPO:

- **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.
 - +10,000 tonnes of combined nickel production in September quarter.
- 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.

Investment Highlights

Why You Need to Own Nickel Mines



Strategic Partnership with Tsingshan

- Multi-faceted Collaboration Agreements to build and own nickel processing capacity within the IMIP.
- Potential to be a material supplier of limonite ore to IMIP's HPAL plants.
- NIC offers the only publicly available investment exposure to Tsingshan and its world class NPI operations.



Established tenant within the IMIP

- Indonesia/IMIP are the epicentre of global nickel supply growth with NIC having established itself as an important strategic partner to the IMIP.
- The IMIP is the world's largest vertically integrated NPI/Stainless Steel operation, supported by world class infrastructure and logistics.



RKEF Processing Technology

- Tsingshan have pioneered RKEF technology to produce NPI from lateritic ores.
- IMIP's RKEF operations are currently delivering the lowest capital intensive and among the most profitable nickel units in the global market.
- Built and commissioned <12 months.



Strengthening Nickel Market Fundamentals

- LME stockpiles continue to fall with supply deficit looming for the foreseeable future.
- Re-implementation of export ban to consolidate Indonesian NPI producers competitive advantages over global peers.
- Will high-grade NPI attract premium pricing moving forward?



Nickel price leverage

- Significant leverage to the nickel price without the normal mining-associated risks due to decoupling of processing assets from mining operations.
- Flat industrial-style cost base key to bottom quartile cost profile.



Unique Growth Optionality

- Fixed price options to acquire additional nickel units in HNI and RNI.
- Limonite ore supply has potential to add material profitability to mining operations.
- Opportunities to potentially participate in other IMIP projects.



Compelling Economics

- Industry leading payabilities, bottom quartile operating costs, minimal sustaining capex and material tax concessions to ensure industry leading levels of profitability and free cash flow generation per tonne of nickel production.



World Class Nickel Resource

- High grade, large tonnage resource with significant expansion potential.
- Ability to supply limonite (HPAL) and saprolite (RKEF).
- Strategically valuable to the IMIP due to scale and proximity.

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