

19 May 2020

Markets Announcements Office
Australian Securities Exchange
Level 4, Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Sir / Madam

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Nickel Mines Limited ACN 127 510 589 (**Nickel Mines**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Nickel Mines announced on 19 May 2020 a pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 new fully paid ordinary Nickel Mines share (**New Share**) for every 3.6 Nickel Mines shares held at 7.00pm (Sydney time) on 21 May 2020 by Nickel Mines shareholders with a registered address in Australia or New Zealand and certain other jurisdictions in which Nickel Mines has decided to extend the Entitlement Offer.

A retail entitlement offer booklet will be dispatched to eligible retail shareholders on 26 May 2020.

Nickel Mines confirms that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, Nickel Mines has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to Nickel Mines; and
 - (2) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no 'excluded information' of the type referred to in section 708AA(8) or section 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Act; and

- (e) the potential effect that the Entitlement Offer will have on the control of Nickel Mines and the consequences of that effect, will depend on a number of factors, including investor demand and the extent to which eligible shareholders take up their entitlements. Nickel Mines understands that the company's largest shareholder, Shanghai Decent Investment (Group) Co., Ltd, which holds shares representing 18.11% of the Company, may be invited to sub-underwrite the retail component of the Entitlement Offer up to a maximum number of shortfall shares as would result in its voting power reaching 19.9% at completion of the retail tranche of the Entitlement Offer. Given the structure of the Entitlement Offer as a fully underwritten pro-rata issue and the current level of substantial holdings (based on substantial holding notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material consequence on the control of Nickel Mines.

This notice has been authorised for release to ASX by the Nickel Mines Board of Directors.

For further information, please contact Richard Edwards, Company Secretary.