NICKEL MINES LIMITED

A NEW FORCE IN GLOBAL NICKEL

Annual General Meeting

29 May 2020

Disclaimer

This presentation has been prepared by Nickel Mines Limited (ABN 44 127 510 589) (‘NIC’). The information contained in this presentation is for information purposes only and has been prepared for use in conjunction with a verbal presentation and should be read in that context.

The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Please note that, in providing this presentation, NIC has not considered the objectives, financial position or needs of any particular recipient. NIC strongly suggests that investors consult a financial advisor prior to making an investment decision.

This presentation is strictly confidential and is intended for the exclusive use of the institution to which it is presented. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of NIC.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of NIC, their respective related bodies corporates, shareholders, directors, officers, employees, agents or advisors, nor any other person accepts any liability, including, without limitation, any liability for any loss arising from the use of information contained in this presentation.

This presentation may include “forward looking statements”. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of NIC and their respective officers, employees, agents or associates that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. NIC assumes no obligation to update such information.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities and neither this presentation nor anything contained in it forms the basis of any contract or commitment.

EXERCISE OF RKEF OWNERSHIP OPTIONS

In less than 2 years since its IPO, Nickel Mines will have transitioned from a small-scale supplier of nickel ore to a globally significant nickel producer with attributable nickel production of ~35kt pa

A Transformational Transaction

NICKEL MINES LIMITED

Exercise of RKEF Ownership Options

- NIC has announced its intentions to exercise its contractual options to increase its interests in the Hengjaya Nickel ('HNI') and Ranger Nickel ('RNI') RKEF projects to 80% (option period valid to 30 November 2020).
- The additional 20% interest in HNI and RNI will be acquired from the Company's collaboration partner Shanghai Decent (a Tsingshan group company)
- Total consideration payable by Nickel Mines to Shanghai Decent is ~US$150M, comprising:
  - US$120M exercise price for the options (US$60m for each 20% interest in HNI and RNI); and
  - ~US$30M representing compensation for Shanghai Decent's estimated share of undistributed retained earnings for the 20% interests in HNI and RNI being acquired by Nickel Mines.
- Targeting completion by 30 June 2020.

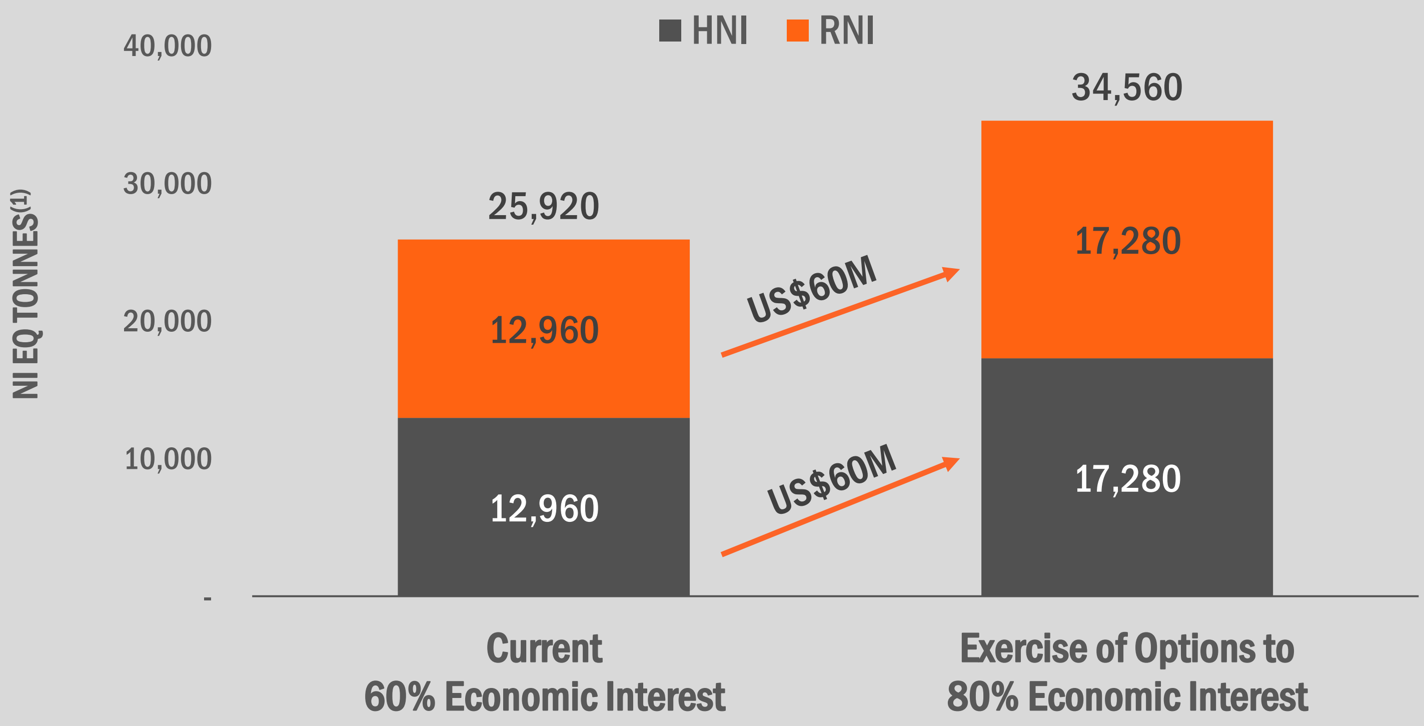
Equity Raising

- The Company is funding the acquisition via a fully underwritten 1 for 3.6 Entitlements Offer at A$0.50, raising ~ A$231M.
- The Entitlement Offer comprises:
  - An accelerated institutional component (completed), and
  - A retail component (underway, closing 9 June 2020).
- Approximately 463M new ordinary shares to be issued, representing 28% of Nickel Mines' existing shares on issue.

Transformative for Nickel Mines' production and financial profile

- 2.128B shares on issue
- A$1.127B market capitalisation (@ A$0.53)
- ~34.5kt of attributable nickel production
  - Significantly larger production base than listed peers including IGO and WSA
  - Consolidates NIC's position as a tier-1 global nickel producer
- Exceptionally strong balance sheet
  - ~US$64M cash
  - Net debt US$1M (US$65M debt)
  - Free to 'leverage up' for future growth opportunities
- Incremental EBITDA of ~US$30M (based on current Ni price and cost performance)
- US$120M combined exercise price represents an attractive valuation for incremental production
  - At US$12,200/t Ni - 4.2x EBITDA multiple
  - At US$16,000/t Ni - 2.1x EBITDA multiple

GROWING SHARE OF PRODUCTION AND EBITDA

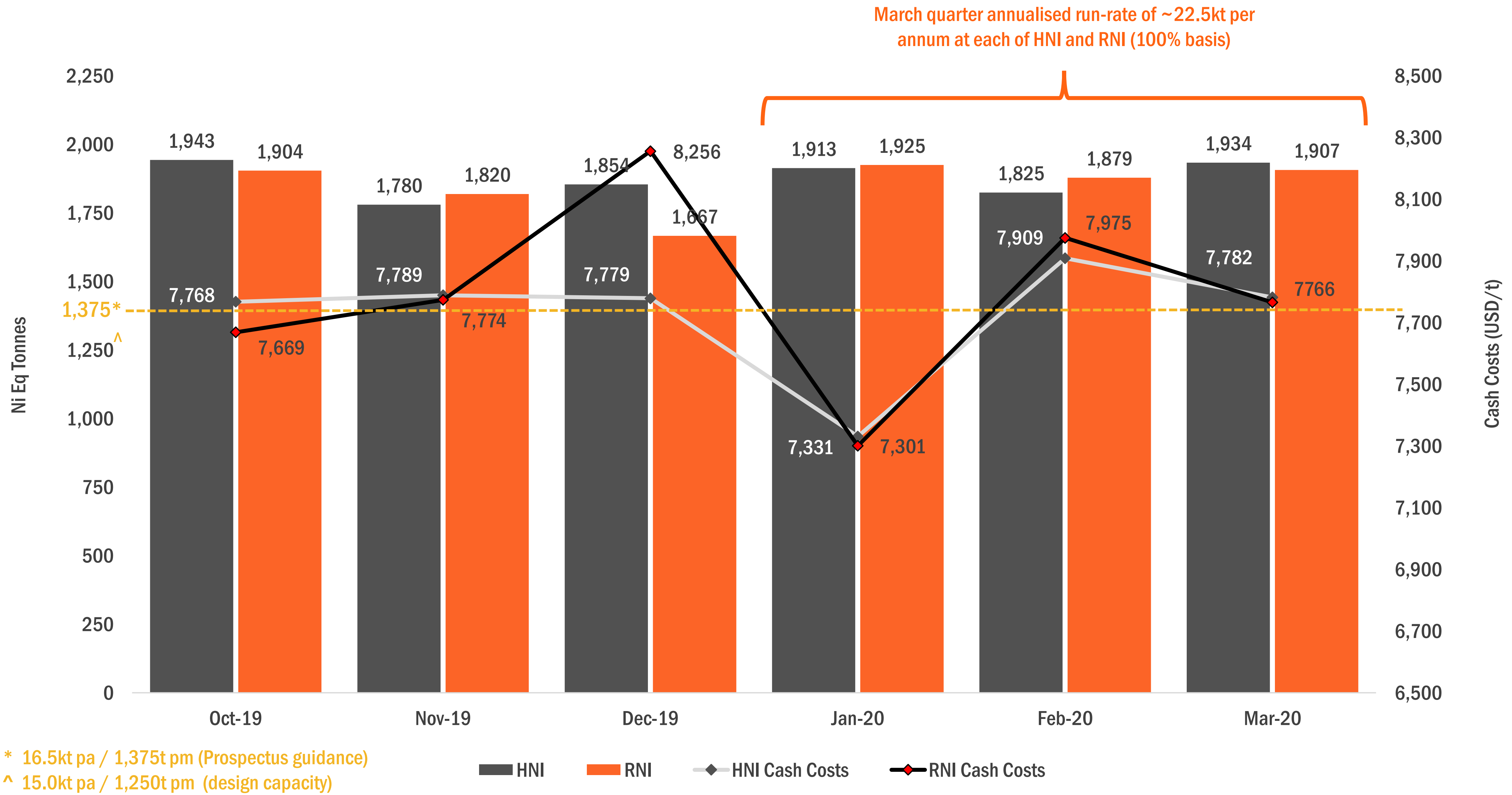


	Current 60% Economic Interest	Exercise of Options to 80% Economic Interest
EBITDA @ US$12,200/t	~US$85m	~US$115m
EBITDA @ US$16,000/t	~US$174m	~US$232m

EBITDA numbers based on Ni price of US$12,200/t , cash costs of US$7,675/t and 90% payability of LME nickel.
Cost estimates reflect the most recent cash cost metrics achieved during the March 2020 quarter.
Production levels based on assumed HNI and RNI production of 1,800t/month, or 21,600t/annum.
All numbers are indicative only and are not to be construed as financial guidance.

CURRENT OPERATIONAL PERFORMANCE

Continued operational outperformance at HNI and RNI



* 16.5kt pa / 1,375t pm (Prospectus guidance)
^ 15.0kt pa / 1,250t pm (design capacity)

Note: All figures are presented on a 100% basis.

Hengjaya Mine Operations – Quarterly Performance

NICKEL MINES LIMITED

Production summary		September 2019 Quarter	December 2019 Quarter	March 2020 Quarter	Year to Date
Tonnes mined	Wmt	199,056	194,159	149,958	543,173
Overburden mined	BCM	432,042	428,041	290,955	1,151,038
Strip ratio	BCM/wmt	2.2	2.2	1.1	2.1
Tonnes sold	wmt	231,487	196,675	155,599	583,761
Average grade	%	1.90	2.00	1.83	1.92
Average price received	USD/t	27.72	37.59	24.32	30.14
Average cost of production	USD/t	24.85	26.27	29.70	26.70

Hengjaya Mine Expansion Initiatives

Numerous expansion initiatives are underway aimed at unlocking the full strategic value of Hengjaya Mine

- Objectives of Hengjaya Mine expansion[1]:
  - Materially increase production of saprolite from current levels of ~600kt pa.
  - Prepare Hengjaya Mine to deliver limonite for use by the IMIP's two HPAL plants which are currently under construction.

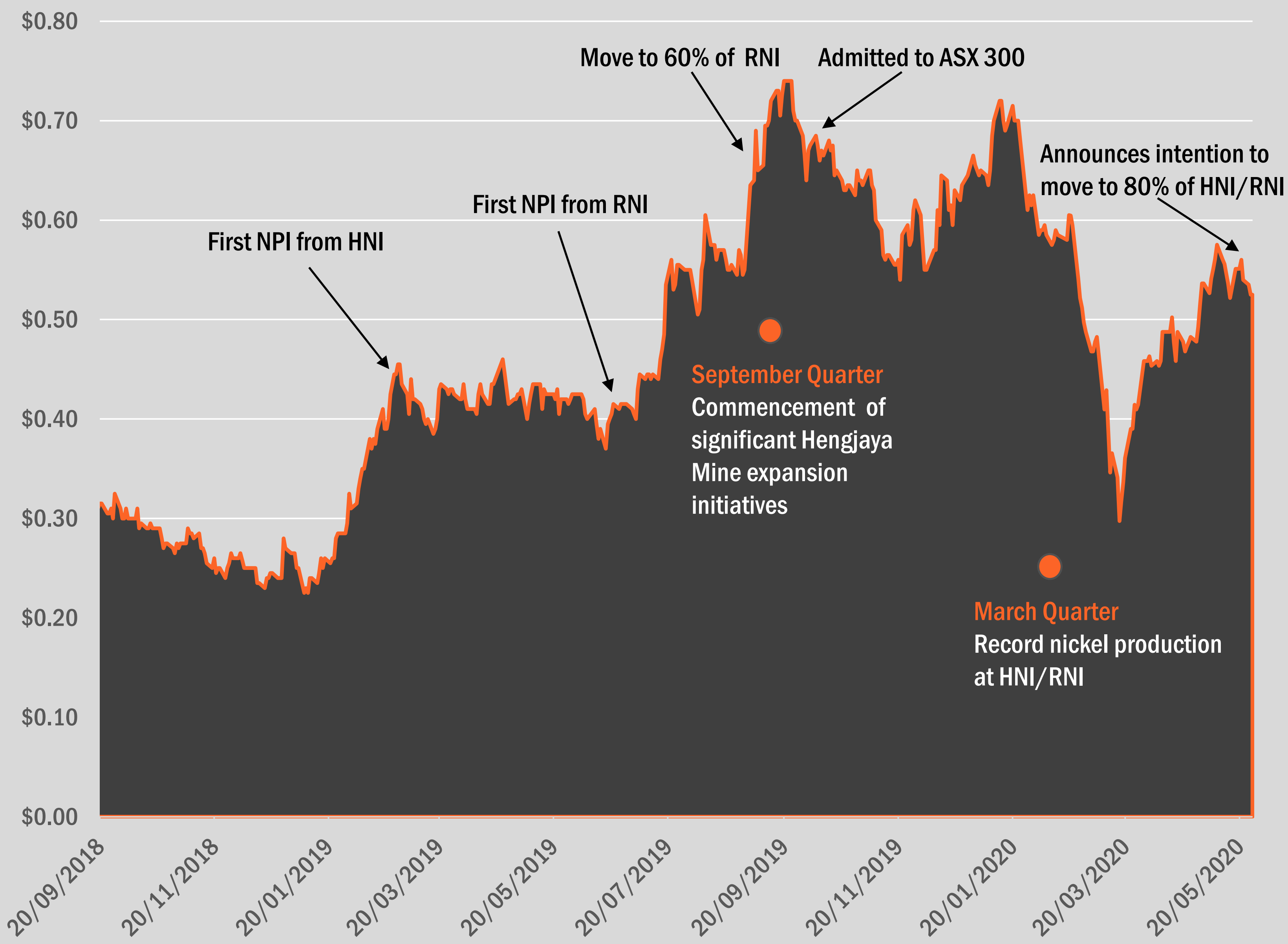
- Current status of expansion initiatives
  - Mining of the Central Pit:
    First production from the Central pit was delivered to the jetty in April 2020.
  - Expansion of Hengjaya Mine jetty:
    Now capable of handling both 6,500 tonne and 10,000 tonne capacity barges; sea wall extension ongoing.
  - Haul road from new Central pit to jetty:
    Will reduce hauling distances to jetty from 13km to 6km and allow for larger trucks to be utilised.
  - Construction of direct haul road from Hengjaya Mine to IMIP:
    Over 6km of 14km pilot road cleared.
  - Mine camp upgrade and expansion:
    Scheduled to be completed in June 2020 quarter.
  - Resource upgrade:
    Work towards upgrading current JORC Resource significantly progressed[1].

(1) Further work is required to establish whether these objectives will be achieved, at this stage there is no certainty on whether these objectives will or will not be achieved.

A YEAR OF SIGNIFICANT ACHIEVEMENT

NICKEL MINES LIMITED

In less than 2 years since its IPO, Nickel Mines will have transitioned from a small-scale supplier of nickel ore to a globally significant nickel producer with attributable nickel production of ~35kt pa



What's next - June 2020 and beyond

- Continued 'steady state' production at HNI/RNI.
- Increased attributable production and cash flow resulting from increased ownership in HNI/RNI.
- Hengjaya Mine expansion initiatives to optimise mine economics and strategic value to the IMIP.
- Continued progress of direct haul road to IMIP.
- Limonite stockpiling for IMIP's HPAL plants.
- Other opportunities supported by a robust balance sheet.

www.nickelmines.com.au

Robert Neale
Chairman
rneale@nickelmines.com.au

Norman Seckold
Deputy Chairman
nseckold@nickelmines.com.au

Justin Werner
Managing Director
jwerner@nickelmines.com.au

Peter Nightingale
Director and Chief Financial Officer
pnightingale@nickelmines.com.au

Richard Edwards
Company Secretary
redwards@nickelmines.com.au

Cameron Peacock
Investor Relations & Business Development
cpeacock@nickelmines.com.au
+61 439 908 732