

17 June 2020

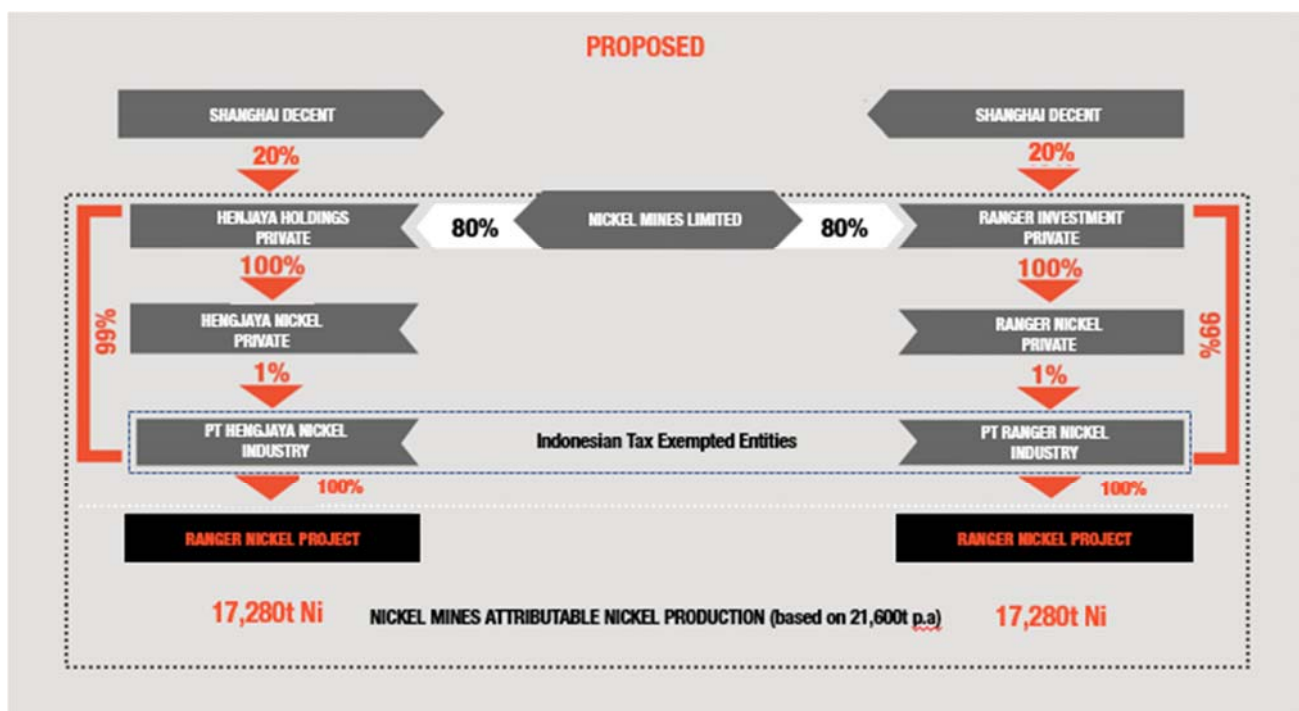
The Manager Companies
 ASX Limited
 20 Bridge Street
 Sydney NSW 2000

(3 pages by email)

INTENTION TO MOVE TO 80% OF HENGJAYA NICKEL AND RANGER NICKEL RKEF PROJECTS

The Directors of Nickel Mines Limited ('the Company' or 'Nickel Mines') are pleased to advise that the Company has notified its collaboration partner, Shanghai Decent, of its intention to acquire a further 20% of the issued and paid-up share capital of Hengjaya Holdings Private Limited and Ranger Investment Private Limited, being the respective Singaporean domiciled holding companies that wholly own PT Hengjaya Nickel Industry and PT Ranger Nickel Industry, the Indonesian PMA¹ companies that in turn own 100% of the Hengjaya Nickel and Ranger Nickel Projects.

Following completion of the acquisitions, the ownership structure of each RKEF Project will be as follows:



¹ PMA Company means a 'Penanaman Modal Asing', an Indonesian foreign investment company in which foreign share ownership of up to 100% is allowed.

In exercising its contractual rights to acquire the additional 20% interest in each Project, the Company shall pay Shanghai Decent (or its nominees) US\$60 million together with 20% of the undistributed retained earnings attributable to Shanghai Decent remaining in both PT Hengjaya Nickel Industry and PT Ranger Nickel Industry.

The Company will use funds raised in the recently completed A\$231 million Accelerated Non-Renounceable Entitlement Offer to fund the acquisition which is scheduled to complete on 30 June 2020.

Commenting on the Company's decision to increase its ownership interests in both RKEF Projects, Nickel Mines' Managing Director Justin Werner said:

"The decision to increase the Company's ownership of the Hengjaya Nickel and Ranger Nickel RKEF Projects will, based on recent production levels, see Nickel Mines' annualised attributable nickel production increase to nearly 35,000 tonnes from the second half of 2020 and cement the Company's status as a globally significant low-cost nickel producer and a tier-1 nickel investment exposure among our global peer group."

For further information please contact

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About Nickel Mines Limited

Nickel Mines Limited (ASX: NIC) is an ASX listed company on the cusp of becoming a significant player in the global nickel industry having established a financial, operational and strategic partnership with China's Tsingshan group ('Tsingshan'), the world largest stainless steel producer.

Under the terms of two separate a Collaboration Agreements with Shanghai Decent, a Tsingshan group company, Nickel Mines will own an 80% interest in and operate RKEF processing facilities within the Indonesia Morowali Industrial Park ('IMIP'), the world's largest vertically integrated stainless steel facility with a current stainless steel production capacity of 3.0 million tonnes per annum.

Nickel Mines also holds an 80% interest in the long life, high grade Hengjaya nickel mine located in Morowali Regency, Central Sulawesi, Indonesia just 12 kilometres from the IMIP.



Aerial photo of the IMIP.