

9 December 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(89 pages by email)

Dear Madam,

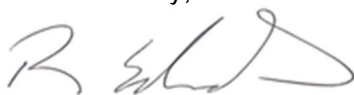
RETAIL ENTITLEMENT OFFER

I attach the following documents which will be mailed to eligible shareholders in relation to the retail component of Nickel Mines Limited's accelerated non-renounceable pro-rata 2 for 11 entitlement offer as announced on 2 December 2020:

- a Retail Entitlement Offer Booklet; and
- an Entitlement and Acceptance Form.

Following this announcement will be a letter of notification to ineligible retail shareholders.

Yours Sincerely,



Company Secretary

pjn10618

Nickel Mines Limited

ACN 127 510 589

Retail Entitlement Offer

Details of a fully underwritten 2 for 11 accelerated non-renounceable pro-rata entitlement offer of new ordinary shares in Nickel Mines Limited at an offer price of A\$0.94 per new share.

This offer closes at 5.00pm (Sydney time) on 18 December 2020.

This is an important document which is accompanied by an Entitlement & Acceptance Form. Both documents should be read in their entirety.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the shares offered under this document.

If you have any questions please contact your broker, solicitor, accountant, financial adviser or other professional adviser or the Nickel Mines Information Line on 1300 855 080 (if within Australia) or + 61 3 9415 4000 (if outside Australia) between 8.30am to 5.00pm (Sydney time) during the retail offer period.

Important Notice

This Retail Offer Booklet, including the Chairman's letter, ASX Offer Announcement, the Investor Presentation and Results Announcement reproduced in it and the Entitlement & Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Retail Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of this Retail Offer Booklet, the Chairman's letter, the ASX Offer Announcement, Investor Presentation or the Results Announcement reproduced in it nor the Entitlement & Acceptance Form may be distributed to or released in the United States. Neither the Entitlements nor the New Shares (and Additional New Shares) (as defined below) offered in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. The Entitlements may only be offered and taken up by, and the New Shares (and Additional New Shares) may not be offered, sold, or resold to, persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

Forward looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Nickel Mines and/or the Underwriters, and each of Nickel Mines and the Underwriters and their respective related bodies corporate, affiliates officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law.

The information in this Retail Offer Booklet remains subject to change without notice.

Summary of the Retail Entitlement Offer

Issue price	\$0.94 per new share (New Share)
Your entitlement	2 New Shares for every 11 existing shares held on the Record Date (Existing Shares)
Top-up facility (shortfall participation rights)	Eligible retail shareholders will have the opportunity to apply for additional New Shares up to 50% of their Entitlement (Additional New Shares)

Key Dates

Announcement of the Entitlement Offer	2 December 2020
Record Date for eligibility in the Retail Entitlement Offer	7.00pm (Sydney time), 4 December 2020
Retail Entitlement Offer opens	9 December 2020
Retail Offer Booklet dispatched, including personalised Entitlement & Acceptance Form	9 December 2020
Retail Entitlement Offer closes	5.00pm (Sydney time), 18 December 2020
Announce results of Entitlement Offer	23 December 2020
Issue of New Shares under the Retail Entitlement Offer	29 December 2020
Quotation and normal trading on ASX of New Shares issued under the Retail Entitlement Offer	30 December 2020

*Dates and times are indicative only and subject to change. The Company, with the prior written consent of the Underwriters, reserves the rights to amend any or all of these dates subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules and other applicable laws. Any extension of the closing date may have a consequential effect on the issue date of New Shares. All times refer to the current time in Sydney (AEDT or Sydney time). The commencement of quotation of New Shares is subject to confirmation from ASX.

Nickel Mines, with the prior written consent of Credit Suisse (Australia) Limited and Bell Potter Securities Limited (**Underwriters**), reserves the right to extend or vary these dates without prior notice subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Enquiries

For any enquiries please call Computershare Investor Services Pty Limited as Share Registry on 1300 855 080 (if within Australia) or + 61 3 9415 4000 (if outside Australia), or contact your stockbroker, accountant or other professional adviser.

9 December 2020

Dear Shareholder

On behalf of Nickel Mines Limited (**Nickel Mines** or **Company**), I am pleased to invite you to participate in the recently announced 2 for 11 accelerated non-renounceable pro-rata entitlement offer for new Nickel Mines ordinary shares (**New Shares**) at an issue price of \$0.94 per New Share (**Entitlement Offer**).

As announced on 24 November 2020, Nickel Mines has executed a binding Definitive Agreement (**Agreement**) with its partner Shanghai Decent Investment (Group) Co., Ltd (**Shanghai Decent**) and Decent Resource Limited (**Decent Resource**) (an affiliate of Shanghai Decent) to acquire a 70% equity interest in ANI (the **Transaction**).

Total consideration payable by Nickel Mines in connection with the Transaction is US\$490 million, which is to be undertaken in two tranches as follows:

- An initial acquisition (**First Acquisition**) whereby Nickel Mines will acquire an initial interest of 30% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and/or its subsidiaries) at a cost of US\$210 million¹, which is to occur by no later than 31 March 2021²; and
- A second acquisition (**Second Acquisition**) whereby Nickel Mines will acquire an additional 40% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and/or its subsidiaries) at a cost of US\$280 million, which is to occur by no later than 31 December 2021¹.

On 2 December 2020, Nickel Mines announced its intention to raise approximately \$364 million through a fully underwritten Entitlement Offer. The institutional accelerated component of the Entitlement & Acceptance Offer (**Institutional Entitlement Offer**) was successfully completed on 3 December 2020. This information booklet (**Retail Offer Booklet**) relates to the non-accelerated component of the Entitlement Offer (**Retail Entitlement Offer**).

The majority of the proceeds from the Entitlement Offer will be put towards funding the First Acquisition payment. Excess funds will go towards strengthening the balance sheet and will provide additional working capital. The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.

More detail is provided in the Company's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on 2 December 2020 (and included in this Retail Offer Booklet).

Under the Retail Entitlement Offer, eligible retail shareholders in Australia and New Zealand have the opportunity to subscribe for 2 New Shares for every 11 ordinary shares in Nickel Mines held at 7.00pm (Sydney time) on 4 December 2020 (**Entitlement**) at the price of \$0.94 per New Share, which is the same price as the institutional investors who participated in the Institutional Entitlement

¹ First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

² Based on a valuation of US\$700 million on a 100% basis.

Offer (and as set out in your personalised Entitlement & Acceptance Form that is enclosed with this Retail Offer Booklet).

If you take up your Entitlement in full, you can also apply for additional shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under a 'top-up' facility (refer to section 1 of this Retail Offer Booklet for more information).

The issue price of \$0.94 per New Share represents an approximately 8.6% discount to the theoretical ex-rights price of \$1.03³.

The Retail Entitlement Offer and the Institutional Entitlement Offer are fully underwritten by the Underwriters.

The Entitlement Offer is non-renounceable and the Entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this offer carefully.

Other Information

This Retail Offer Booklet contains important information, including:

- the Investor Presentation referred to above, which was released to the ASX on 2 December 2020, and provides information on Nickel Mines;
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement & Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Retail Offer Booklet.

Please note that in the interests of minimising costs, we are mailing out black and white copies of the Investor Presentation to shareholders who do not receive electronic communications. If you would like to view the Investor Presentation in colour, please refer to the Investor Presentation and Nickel Mines' other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 18 December 2020.

Please read in full the details on how to submit your application, which are set out in this Retail Offer Booklet. You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of Nickel Mines, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Robert Neale
Chairman

³ The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which NIC shares should trade immediately after the ex-date of the Entitlement Offer, and is calculated based on the size of the Entitlement Offer of \$364 million. TERP is a theoretical calculation only and the actual price at which Nickel Mines shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the closing price of NIC shares as traded on the ASX on the last trading day prior to the announcement of the Entitlement Offer of \$1.045.

1. THE RETAIL ENTITLEMENT OFFER

Eligible Retail Shareholders (as defined in Important Information (see Section 3 below)) are being offered the opportunity to subscribe for 2 New Shares for every 11 ordinary shares in Nickel Mines held at 7.00pm (Sydney time) on 4 December 2020 (**Record Date**) (**Entitlement**), at the issue price of \$0.94 per New Share.

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement (**Additional New Shares**). Nickel Mines intends that 50% of the New Shares not taken up by Eligible Retail Shareholders will be available under this 'top-up' facility (**Available Additional New Shares**), and the balance will be allocated to sub-underwriters. Please note that Additional New Shares in excess of Entitlements will only be allocated to an Eligible Retail Shareholder if, and to the extent that, the number of Additional New Shares applied for does not exceed 50% of that shareholder's Entitlement. Any Additional New Shares will be limited to the extent that there are sufficient Available Additional New Shares. The allocation of Additional New Shares is subject to Nickel Mines' absolute discretion having regard to the circumstances at the time of the close of the Retail Entitlement Offer (**Allocation Principles**). Subject to the foregoing, Nickel Mines may apply any scale-back (in its absolute discretion). To avoid doubt, Eligible Retail Shareholders may only apply for Additional New Shares if they take up 100% of their Entitlement.

By way of example, if your shareholding as at the Record Date is 111 Shares, then:

- your Entitlement to subscribe for New Shares under the Retail Entitlement Offer is 20 New Shares; and
- the maximum number of Additional New Shares you may apply for is 10 Additional New Shares.

Accordingly, in this example, if you take up your full Entitlement and apply for the maximum number of Additional New Shares, you could apply for up to 30 New Shares.

The Company has applied for the grant by ASX of official quotation of the New Shares.

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act as modified by modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*, which allow certain rights issues to be made without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Nickel Mines and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Offer Booklet, and the Company's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Your Entitlement is set out on the accompanying personalised Entitlement & Acceptance Form and has been calculated as 2 New Shares for every 11 Existing Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement & Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Nickel Mines ordinary shares on issue.

Note: the Entitlement stated on your personalised Entitlement & Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a person in the United States. Also note a letter has been sent to ineligible shareholders, notifying them that they are deemed to be an ineligible shareholder for the purposes of the Retail Entitlement Offer.

Nominees and custodians

The Retail Entitlement Offer is being made to all shareholders on the share register of Nickel Mines at 7:00pm (Sydney time) on 4 December 2020 with an address in Australia or New Zealand and who did not participate in the Institutional Entitlement Offer that are not in the United States and are not acting for the account or benefit of a person in the United States. Nickel Mines is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a person in the United States with a holding through a nominee or custodian may not participate in the Retail Entitlement Offer and the nominee or custodian must not take up any Entitlement or send any materials into the United States. Nickel Mines is not able to advise on foreign laws.

2. HOW TO APPLY

If you wish to take up all or part of your entitlement, or you wish to apply for Additional New Shares, you must make payment by BPAY®. The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which may restrict or delay postal and delivery services. The extent of the COVID-19 pandemic and the policy response is evolving rapidly, and given this uncertainty, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.

Payment by BPAY®

To pay by BPAY®, please follow the instructions on your personalised Entitlement & Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that when paying by BPAY®:

- you are taken to have made the declarations on that Entitlement & Acceptance Form ;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- if you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 50% of your Entitlement and any scale-back determined by Nickel Mines in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than **5.00pm** (Sydney time) on **18 December 2020**. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

When paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement & Acceptance Form. If you receive more than one personalised Entitlement & Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies.

Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you do not accept all or part of your Entitlement in accordance with the instructions set out in this Retail Offer Booklet, those New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will be acquired by Eligible Retail Shareholders as Additional New Shares, the Underwriter or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Retail Entitlement and you will not receive any value for your Retail Entitlement. Your proportionate interest in Nickel Mines will also be diluted.

By making a payment by BPAY®, you will be deemed to:

(a) represent and warrant that you are an Eligible Retail Shareholder (as defined in Important Information (see Section 3 below));

(b) represent and warrant on your behalf and on behalf of each person on whose account or benefit you are acting that: (i) you are not in the United States and are not acting for the account or benefit of a person in the United States; (ii) you understand and acknowledge that neither the Entitlements nor the New Shares (and any Additional New Shares) have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Entitlements may not be offered or taken up by, and the New Shares (and any Additional New Shares) may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; (iii) you understand and acknowledge that the Entitlements and the New Shares (and Additional New Shares) may only be offered, sold and resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act; (iv) you are taking up your Entitlement and purchasing New Shares (and Additional New Shares) outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act; (v) you acknowledge that if you decide to sell or otherwise transfer the New Shares (and Additional New Shares) you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and (vi) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States;

(c) acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are accepting the Retail Entitlement Offer is not in the United States and is not acting for the account or benefit of any person in the United States;

(d) acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement & Acceptance Form in their entirety;

(e) acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Nickel Mines and is given in the context of the Company’s past and ongoing continuous disclosure announcements to ASX;

(f) acknowledge the statement of risks in the “Risks” section of the Nickel Mines Investor Presentation attached to this Retail Offer Booklet, and that investments in Nickel Mines are subject to risk;

(g) acknowledge that none of Nickel Mines, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Nickel Mines, nor do they guarantee the repayment of capital;

(h) acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Nickel Mines and/or the Underwriters, and each of Nickel Mines and the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;

(i) represent and warrant (for the benefit of Nickel Mines, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an ineligible retail shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;

(j) represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement & Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer; and

(k) authorise Nickel Mines, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (and Additional New Shares) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement & Acceptance Form.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (Sydney time) on 18 December 2020, you will be allotted your New Shares on 29 December 2020. If you apply for Additional New Shares then, subject to the application of the Allocation Principles, your application for Additional New Shares (in whole or part) will be issued within three months after the closing date of 18 December 2020. Nickel Mines' decision on the number of Additional New Shares to be allocated to you in accordance with the Allocation Principles will be final and binding. Nickel Mines also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any application monies received or refunded.

Refund amounts, if any, will be paid by:

- electronic transfer to the bank account provided by you to the Share Registry (if any); or
- if the Share Registry does not hold your bank account details, by cheque sent by ordinary post to your address as recorded on the share register.

Applicants with queries on how to make payment by BPay® should contact Computershare Investor Services Pty Limited as Share Registry on 1300 855 080 (if within Australia) or + 61 3 9415 4000 (if outside Australia).

3. IMPORTANT INFORMATION

This Retail Offer Booklet (including the Chairman's letter, Investor Presentation, ASX Offer Announcement and Results Announcement reproduced in it) and accompanying personalised Entitlement & Acceptance Form has been prepared by Nickel Mines. The information in this Retail Offer Booklet is dated 4 December 2020.

This Retail Offer Booklet should be read in conjunction with Nickel Mines' other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than Nickel Mines has authorised or caused the issue of the information in this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Retail Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in "Risk Factors" section of the Investor Presentation released to ASX on 2 December 2020 (a copy of which is included in this Retail Offer Booklet), any of which could affect the operating and financial performance of Nickel Mines or the value of an investment in Nickel Mines.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

The Company, the Underwriters and their advisers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares (or Additional New Shares) before the New Shares (and Additional New Shares) are quoted on the official list of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriters.

3.1 Underwriting

The Company has entered into the underwriting agreement (**Underwriting Agreement**) with the Underwriters who have agreed to manage and fully underwrite the Retail Entitlement Offer and the Institutional Entitlement Offer on the terms of the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement to manage and underwrite the Retail Entitlement Offer and the Institutional Entitlement Offer are conditional on certain customary matters.

The Underwriting Agreement also contains customary undertakings, representations, warranties and indemnities in favour of the Underwriters. Each Underwriter may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations on the occurrence of certain events, including:

- ASX announces that Nickel Mines will be removed from the official list or that any New Shares will be delisted or suspended from quotation by ASX for any reason;
- at any time on any trading day from (and including) 2 December 2020 to (and including) the date the Institutional Entitlement offer closes (expected to be 3 December 2020) the S&P/ASX 200 Index is at a level that is 12.5% or more below its level as at the close of business on the trading day prior to the date of the Underwriting Agreement;
- ASX does not, or states that it will not, agree to grant official quotation of all the New Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriters (acting reasonably), have a material adverse effect on the Entitlement Offer) by the time required in the Timetable or, if

permission for the official quotation of the New Shares is granted before the date of allotment and issue of the relevant New Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;

- the Company alters its capital structure without the consent of the Underwriters, other than by issuing Shares pursuant to the terms of the Entitlement Offer (or as otherwise permitted under the Underwriting Agreement);
- the offer documents include any forecast, expression of opinion, forward looking statement, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);
- any event specified in the Timetable is delayed by Nickel Mines for more than 1 business day without the prior consent of the Underwriters;
- the Company withdraws the Entitlement Offer or any component of it or indicates that it does not intend to or is unable to proceed with any component of it;
- any certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required or a statement in that certificate is false, misleading, untrue or incorrect in a material respect (including by omission);
- the Company or any of its related body corporates is or becomes insolvent;
- there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Company and each subsidiary of the Company from the position fairly disclosed by the Company to ASX before the date of the Underwriting Agreement or in the documents released to ASX by the Company on the day the Entitlement Offer is announced;
- there is an event, occurrence or non-occurrence after the execution of this agreement which makes it illegal for an Underwriter to satisfy a material obligation under this agreement, or to market, promote or settle the offer of New Shares;
- a statement contained in the offer documents is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or those materials omit any material information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements) or any expression of opinion or intention in the Offer Materials is not (or ceases to be) fairly and properly supportable or there are no (or there ceases to be) reasonable grounds for the making of any statement in the Offer Materials relating to future matters;
- the Company or any of its affiliates, directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer;
- a director or senior manager of the Company is charged with an indictable offence relating to financial or corporate matters or a director of the Company is disqualified from managing a corporation;
- there is a change in the senior management or board of directors of the Company;
- certain regulatory actions, investigations, proceedings or prosecutions are commenced or threatened (including by ASIC) in relation to the Entitlement Offer;
- the Company is in breach of any terms and conditions of the Underwriting Agreement;

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

- any representation or warranty given by the Company under the Underwriting Agreement is or becomes incorrect, untrue or misleading;
- any information supplied by or on behalf of the Company to the Underwriters for the purposes of the Entitlement Offer, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission);
- a corrective statement in respect of the cleansing statement is required to be issued by the Company under the Corporations Act;
- a new law is introduced, or there is a public announcement of a proposal to introduce a new law, into the Parliament of Australia or any State of Australia, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Entitlement Offer, capital markets or stock market;
- if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Company (including the CAs) are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Underwriter) or if they are amended, terminated, breached, or become void or illegal;
- there is a contravention by Nickel Mines of the Corporations Act, its constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any government agency;
- any aspect of the Entitlement Offer does not comply with the Corporations Act or the ASX Listing Rules or any other applicable laws;
- the Company is prevented from allotting and issuing the New Shares under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- trading of all securities quoted on ASX, LSE, HKEX, NASDAQ or NYSE is suspended for at least 1 trading day (or a substantial part of 1 trading day) on which that exchange is open for trading, or a Level 3 “market-wide circuit breaker” is implemented by the NYSE upon a 20% decrease against the prior day’s closing price of the S&P 500 Index only;
- a general moratorium on commercial banking activities in Australia, Indonesia, the People’s Republic of China, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or equity security settlement or clearance services in any of those countries;
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Indonesia, the People’s Republic of China, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions;
- hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, Indonesia or the People’s Republic of China, or a major terrorist act is perpetrated in one of those countries; or
- any unforeseen shut down of the Indonesia Morowali Industrial Park or any other material site or project of Nickel Mines’ business occurs on or after the date of the Underwriting Agreement.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on certain factors such as whether, in the actual and reasonable opinion of that Underwriter, the event has, or is likely to have, individually or in the aggregate, a material adverse effect on the success or settlement of the Entitlement Offer or on the business, financial position or prospects of the Company and its subsidiaries, or leads, or is likely to lead to a contravention by or liability for that Underwriter (or its affiliates) under applicable law.

Each Underwriter will receive the following total fees under the Underwriting Agreement:

- under the Institutional Entitlement Offer, a management and arranging fee of 0.4% and an underwriting fee of 1.6% of the Institutional Entitlement Offer proceeds; and
- under the Retail Entitlement Offer, a management and arranging fee of 0.4% and an underwriting fee of 1.6% of the Retail Entitlement Offer proceeds.

The Company must also pay to each Underwriter their reasonable expenses including legal costs and out-of-pocket expenses incurred by that Underwriter in relation to the Entitlement Offer.

3.2 Eligible Retail Shareholders

The Entitlement Offer in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by Australian Securities and Investments Commission (**ASIC**) Legislative Instrument 2016/84.

Eligible Retail Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 7:00pm (Sydney time) on 4 December 2020;
- have a registered address on the Nickel Mines share register in Australia or New Zealand at that date;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who do not satisfy the above criteria are ineligible retail shareholders.

3.3 Effect of the Entitlement Offer

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. If all entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted.

Shanghai Decent Investment (Group) Co Ltd. (**Shanghai Decent**), which has voting power of 18.01% of the Company, has agreed to sub-underwrite up to a maximum number of Additional New Shares as would result in it having voting power of no more than 19.9% of the Company post completion of the Entitlement Offer (depending on the take-up by eligible retail shareholders). The sub-underwriting commitment has been made on the same terms as other sub-underwriters and will not have a material consequence on the control of Nickel Mines.

Shanghai Decent will not receive a sub-underwriting fee associated with its sub-underwriting commitment.

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 the Company.

3.4 Allocation policy and scale-back

If there are excess oversubscription applications, Nickel Mines reserves the right to scale back applications for Additional New Shares in its absolute discretion.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the offer price of \$0.94 will be refunded following allotment. No interest will be paid on any application monies received and returned.

3.5 Continuous disclosure

Nickel Mines is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Nickel Mines and which a reasonable person would expect to have a material effect on the price or the value of shares. Nickel Mines is also required to prepare and lodge yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about Nickel Mines which has previously been disclosed to ASX. In particular, please refer to the Company's Half Year Report for the half year ended 30 June 2020. You should also have regard to any further announcements which may be made by Nickel Mines to ASX after the date of this Retail Offer Booklet.

3.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

3.7 Notice to nominees and custodians

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlements or not) and institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

3.8 Taxation

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and Additional New Shares).

Nickel Mines does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Retail Entitlement Offer. Nickel Mines, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Retail Offer Booklet.

3.9 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.10 Ranking of New Shares (and Additional New Shares)

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in Nickel Mines' constitution.

3.11 Future performance and forward-looking statements

Neither Nickel Mines nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet, including statements about Nickel Mines' expectations about the performance of its businesses, are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and Nickel Mines assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Nickel Mines and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

You should also refer to the "Risk Factors" section of the Investor Presentation released to ASX on 2 December 2020 a copy of which is included in this Retail Offer Booklet.

3.12 Past performance

Investors should note that the past share price performance of Nickel Mines' shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

3.13 No cooling off rights

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

3.14 Not investment or financial product advice

This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares (and Additional New Shares) offered in the booklet. The Retail Offer Booklet has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Legislative Instrument 2016/84). In general terms, section 708AA permits certain companies to undertake pro-rata rights issues without being required to use or provide

shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this booklet is significantly less than the level of disclosure required in a prospectus. Eligible Retail Shareholders should rely on their knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to apply under the Retail Entitlement Offer.

The Retail Offer Booklet is also not financial product advice or investment advice nor a recommendation to acquire New Shares (or Additional New Shares). It has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Nickel Mines is not licensed to provide financial product advice in respect of the New Shares (or any Additional New Shares).

The Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and any Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

3.15 Foreign jurisdictions

New Zealand

The New Shares (and any Additional New Shares) are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The taxation treatment of Australian securities is not the same as for New Zealand securities. The offer of the New Shares (and Additional New Shares) may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

Other foreign jurisdictions

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Retail Offer Booklet may not be released or distributed in the United States. This Retail Offer Booklet does not constitute an offer to sell, or the solicitation of any offer to buy, any securities in the United States. The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be offered or taken up, and the New Shares (and Additional New Shares) may not be offered, sold or resold to, persons in the United States or persons who are acting for the account or benefit of a person

in the United States. Neither the Entitlements nor the New Shares (nor the Additional New Shares) may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Entitlements and the New Shares (and Additional New Shares) to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

Please refer to the “Foreign selling restrictions” section of the Investor Presentation, a copy which is included in this Retail Offer Booklet, for more information.

3.16 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet.

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Nickel Mines, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Nickel Mines, or any other person, warrants or guarantees the future performance of Nickel Mines or any return on any investment made pursuant to this Retail Offer Booklet.

3.17 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a further copy of this Retail Offer Booklet during the period of the Entitlement Offer by contacting the Share Registry on the numbers listed in the Corporate Directory in this Retail Offer Booklet.

Persons accessing the electronic version of this Retail Offer Booklet should ensure that they download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Company's website will not include an Entitlement & Acceptance Form. A replacement Entitlement & Acceptance Form can be requested by calling the Company's Share Registry on 1300 855 080 (if within Australia) or + 61 3 9415 4000 (if outside Australia) between 8.30am to 5.00pm Monday to Friday.

3.18 Underwriters' disclaimers

The Underwriters, together with each of their respective related bodies corporates, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents, representatives, partners, consultants or advisers (each a **Limited Party**) have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Retail Offer Booklet and do not make or purport to make, and have not authorised, approved or verified, any statement (including any forward-looking statement) in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer and makes no representations or warranties, express or implied, to you or any other person concerning the Entitlement Offer or any such information, and by returning an Entitlement & Acceptance Form or otherwise paying for your New Shares or Additional New Shares through BPAY® in accordance with the instructions on your Entitlement & Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by any Limited Party in relation to the New Shares, Additional New Shares or the Entitlement Offer generally.

To the maximum extent permitted by law, each Limited Party expressly disclaims all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss, damage, expense or cost whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet.

The Retail Entitlement Offer is being undertaken by Nickel Mines and the Underwriters have no role, involvement or responsibility for the Retail Entitlement Offer.

Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer or otherwise, and by accepting this Retail Offer Booklet each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer, and any other transaction or other matter arising in connection with this Retail Offer Booklet. The Underwriters or other Limited Parties may have interests in the shares of Nickel Mines, including being directors of, or providing investment banking services to, Nickel Mines. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent.

3.19 Privacy

Chapter 2C of the Corporations Act requires information about you as a shareholder (including your name, address and details of your shares) to be included in the public register of the Company. Information is collected to administer your shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory.

Privacy Notice

The personal information you provide on the Entitlement & Acceptance Form is collected by Computershare Investor Services Pty Limited (**Computershare**) as Share Registry for the Company, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise Computershare on its behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting Computershare using the details provided above or emailing privacy@computershare.com.au.

Computershare may be required to collect your personal information under the Corporations Act and ASX Settlement Operating Rules. Computershare may disclose your personal information

to its related bodies corporate and to other individuals or companies who assist Computershare in supplying its services or who perform functions on its behalf, to the Company for whom it maintains securities registers or to third parties upon direction by the Company where related to the Company's administration of your security holding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on Computershare's privacy complaints handling procedure, please contact Computershare's Privacy Officer at privacy@computershare.com.au or see Computershare's privacy policy at <http://www.computershare.com/au>.

3.20 Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

CORPORATE DIRECTORY

Registered Office

Level 2, 66 Hunter Street,
SYDNEY, NSW, AUSTRALIA, 2000

Directors

Mr Robert Charles Neale – Non-Executive Chairman
Mr Norman Alfred Seckold – Executive Deputy Chairman
Mr Justin Charles Werner – Managing Director
Mr Peter James Nightingale – Executive Director and Chief Financial Officer
Mr James Crombie – Non-Executive Director
Mr Weifeng Huang – Non-Executive Director
Mr Mark Hamish Lichtenberg – Non-Executive Director
Ms Yuanyuan Xu – Non-Executive Director
Mr Stephanus Eka Dasawarsa Sutantio – Non-Executive Director

Company Secretary

Mr Richard James Edwards

Legal Adviser

DLA Piper
Level 22
No. 1 Martin Place
SYDNEY NSW 2000

Underwriters

Credit Suisse (Australia) Limited
Level 31, Gateway, 1 Macquarie Place,
Sydney NSW 2000

Bell Potter Securities Limited
Level 38, Aurora Place, 88 Phillip Street,
Sydney NSW 2000

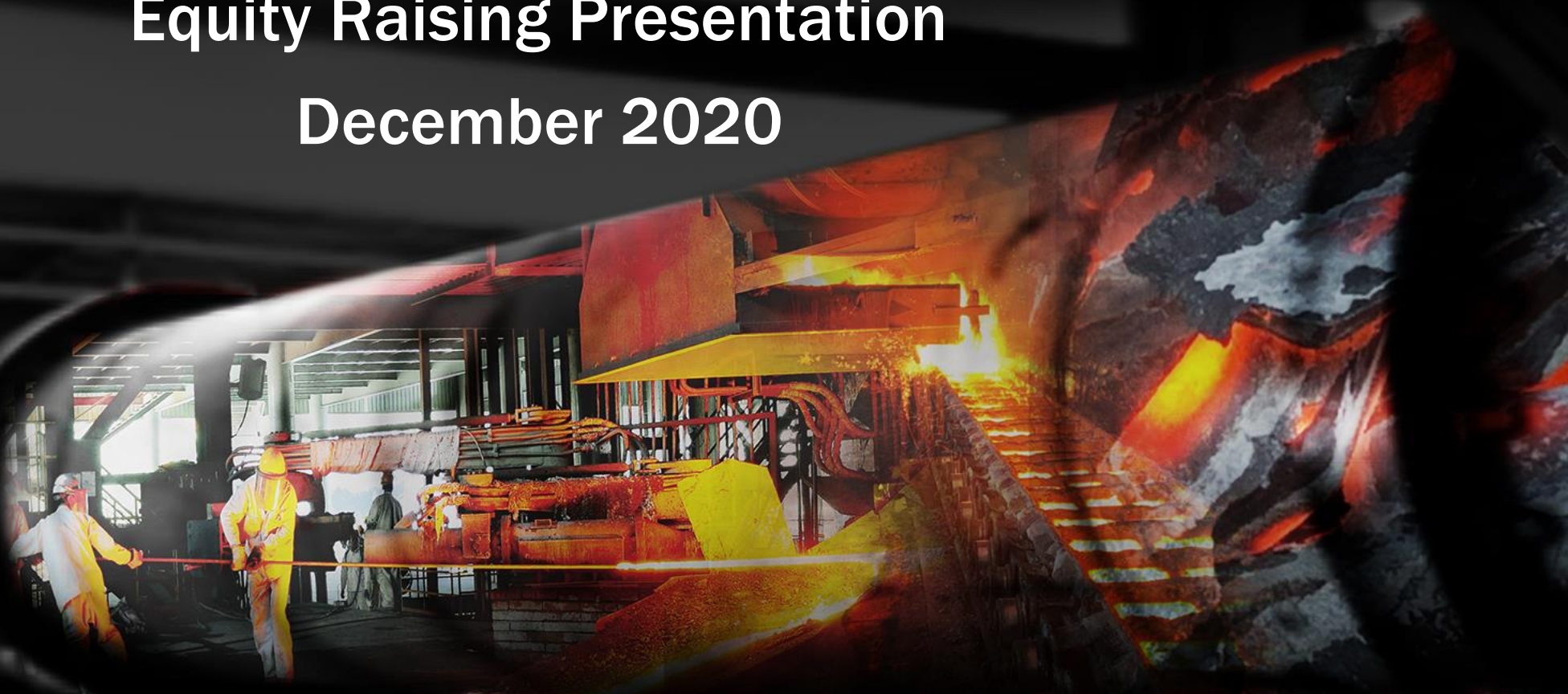
Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Shareholder General Registry enquiries:
Telephone: 1300 855 080 (if within Australia) or
+ 61 3 9415 4000 (if outside Australia)

A NEW FORCE IN GLOBAL NICKEL

Equity Raising Presentation

December 2020



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Important Notices and Disclaimer

This presentation is dated 2 December 2020 and has been prepared by, and is the sole responsibility of, Nickel Mines Limited ACN 127 510 589 ("Nickel Mines" or "Company"). This presentation has been prepared in relation to the accelerated non-renounceable pro rata entitlement offer of new ordinary fully paid shares in Nickel Mines ("New Shares") to be made under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") ("Entitlement Offer") as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Entitlement Offer comprises:

- an offer to eligible institutional shareholders of Nickel Mines ("Institutional Entitlement Offer"); and
- an offer to eligible retail shareholders of Nickel Mines ("Retail Entitlement Offer").

Summary Information

This presentation contains summary information about Nickel Mines and its associated entities and their activities current as at the date of this presentation. The information contained in this presentation is for information purposes only and is provided as at the date of this presentation (unless otherwise stated).

The information contained in this presentation is of a general background nature and does not purport to be complete, nor include or summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Nickel Mines' most recent financial report and other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au under the Company's ticker code (ASX:NIC).

This presentation is not and does not contain all of the information which would be required to be disclosed in a prospectus, product disclosure statement or any other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC") or any foreign regulator).

Not a prospectus or an offer of securities

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law (and will not be lodged with ASIC) or any other law.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities (including shares in Nickel Mines) or any other financial product and must not be relied on as such. Neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment to sell or acquire securities in Nickel Mines.

This presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Restriction on distribution

The distribution of this presentation in the United States and elsewhere outside Australia may be restricted by law and you should observe any such restrictions. Any recipient of this presentation who is outside Australia must observe any such restrictions. Please read the section "International Offer Restrictions" for more information.

Important Notices and Disclaimer (cont'd)

Investment risk

An investment in shares in Nickel Mines ("**Shares**") is subject to known and unknown risks, some of which are beyond the control of Nickel Mines and its directors, including possible loss of income and principal invested. Nickel Mines does not guarantee any particular rate of return or the performance of Nickel Mines, nor does it guarantee any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this presentation when making their investment decision. See the "Risk Factors" section of this presentation for certain risks relating to an investment in Shares.

No investment or financial product advice

The information contained in this presentation does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire or dispose of Shares and is not intended to be used or relied upon as the basis for making an investment decision. In preparing and providing this presentation, Nickel Mines has not considered the investment objectives, financial position or needs of any particular recipients. Each recipient of this presentation should make its own enquiries and investigations regarding any investment and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Nickel Mines and the values and the impact that different future outcomes may have on Nickel Mines) and, before making any investment decisions, should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Each recipient of this presentation is solely responsible for forming their own opinions and conclusions on such matters and the market and for making their own independent assessment of the information provided. Any investment decision by a recipient should be made solely on the basis of their own enquiries. No reliance may be placed for any purpose whatsoever on the information included in this presentation or on its accuracy or completeness.

Nickel Mines is not licensed to provide investment or financial product advice in respect of Shares. Cooling off rights do not apply to the acquisition of New Shares pursuant to the Entitlement Offer.

Underwriters disclaimers

The Entitlement Offer will be fully underwritten by the Joint Lead Managers ("**Underwriters**").

The Underwriters, together with each of their respective related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents, representatives, partners, consultants or advisers (each a "**Limited Party**") have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make, and have not authorised, approved or verified, any statement in this presentation (except for references to each Underwriters name) and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any potential investor should participate in the Entitlement Offer and makes no representations or warranties, express or implied, to any recipient of this presentation or any other person concerning the Entitlement Offer.

To the maximum extent permitted by law, each Limited Party expressly disclaims all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss or damage whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this presentation and make no representation or warranty as to the currency, accuracy, reliability or completeness of this presentation. Each recipient of this presentation acknowledges and agrees that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and the Limited Parties disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer or otherwise, and by accepting this presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer, and any other transaction or other matter arising in connection with this presentation. The Underwriters or other Limited Parties may have interests in the shares of Nickel Mines, including being directors of, or providing investment banking services to, Nickel Mines. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriters will receive fees for acting in their capacities as lead managers, underwriters, administration agents and/or bookrunners, as applicable, to the Entitlement Offer.

Important Notices and Disclaimer (cont'd)

Future performance

This presentation contains certain forward looking statements and comments about future events, including statements about Nickel Mines' expectations about the financial and operating performance of its business, the potential impact and duration of the COVID-19 pandemic, the timetable and outcome of the Entitlement Offer and the proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Nickel Mines' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and the risk factors described in the Appendix under "Risk Factors", with many of these factors are beyond Nickel Mines' control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nickel Mines. The forward-looking statements are based on information available to the Company as at the date of this presentation. Circumstances may change and the contents of this presentation may become out-dated as a result. As such, undue reliance should not be placed on any forward looking statement, particularly in light of the current economic and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Past performance information (including past share price performance of Nickel Mines and pro-forma historical information) given in this presentation is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information, future share price performance or other forecast. None of the Limited Parties nor any independent third party has reviewed the reasonableness of the forward looking statements or any underlying assumptions. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Mines.

Financial data

All dollar values are in US dollars (US\$) unless stated otherwise. All Nickel Mines references starting with "FY" refer to the financial year for Nickel Mines, ending 31 December. For example, for Nickel Mines, "FY20" refers to the financial year ending 31 December 2020. Investors should note that this presentation includes unaudited financial information for the historical period ending 30 September 2020. This presentation also includes pro-forma financial information which does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. Pro-forma adjustments have been made in order to exclude one-off transaction costs associated with the Entitlement Offer. Investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Important Notices and Disclaimer (cont'd)

Listing Rule 5.23 Disclosure

The information in this presentation that relates to Mineral Resources is based on data compiled by Daniel Madre of PT Danmar Explorindo. Information relating to the Mineral Resource was first disclosed to the market in the Company's Hengjaya Mine Resource Upgrade Announcement on 27 August 2020, which is 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 market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Mr Madre is a member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("**JORC Code**"). Investors outside Australia should note that while mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant mineral resources being "**Mineral Resources**"), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "**Canadian NI 43-101 Standards**"); or (ii) Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

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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 SOME OF THE MOST PROFITABLE NICKEL UNITS
IN THE GLOBAL MARKET IN PARTNERSHIP WITH THE WORLD'S
LARGEST STAINLESS STEEL PRODUCER.

TRANSACTION OVERVIEW

Transaction overview

Acquisition of 70% interest in ANI

- Nickel Mines has executed a binding definitive agreement (“**Agreement**”) with Shanghai Decent to acquire a 70% interest in the Angel Nickel Project (“**ANI**”) (the “**Transaction**”).
- Nickel Mines will acquire its interest in ANI through the acquisition of shares in a Singaporean incorporated holding company, Angel Capital Private Limited (“**Angel Capital**”) (which is currently 100% owned by Decent Resource Limited (“**Decent Resource**”), an affiliate of Shanghai Decent Investment (Group) Co., Ltd (“**Shanghai Decent**”) and shareholder loans due or owing by Angel Capital (and/or its subsidiaries). Angel Capital will wholly own (directly and indirectly) a PMA operating company, PT Angel Nickel Industry (“**PT ANI**”), which is to be incorporated in Indonesia and will own the ANI assets.
- Site preparations and foundation works for construction of ANI within the Indonesia Weda Bay Industrial Park (“**IWIP**”) are underway, and will comprise:
 - Four RKEF lines, with a combined annual nameplate production capacity of 36,000t of equivalent contained nickel in nickel pig iron;
 - A captive 380MW power plant; and
 - Ancillary facilities required for the operation of each of the RKEF lines and the power plant.
- Total consideration payable by Nickel Mines in connection with the Transaction is US\$490m, which is to be undertaken in two tranches as follows:
 - An initial acquisition (“**First Acquisition**”) whereby Nickel Mines will acquire a 30% interest in ANI for US\$210m, which is to occur by no later than 31 March 2021⁽¹⁾⁽²⁾; and
 - A second acquisition (“**Second Acquisition**”) whereby Nickel Mines will acquire an additional 40% interest in ANI for US\$280m, which is to occur by no later than 31 December 2021⁽¹⁾.
- Shanghai Decent will take a lead role in the design and construction of ANI with commissioning of ANI to occur by no later than 16 October 2022.
 - Shanghai Decent undertaking to indemnify PT ANI for any construction costs exceeding US\$700m.
- Completion of the Transaction is subject to shareholder approval, with the vote expected to be held in January 2021.
- Based on consultation with key shareholders, the Company is confident that shareholder approval is likely to be received.
- Upon receiving shareholder approval, the Company intends to then make the First Acquisition payment to Shanghai Decent by no later than 31 March 2021.

Equity raising

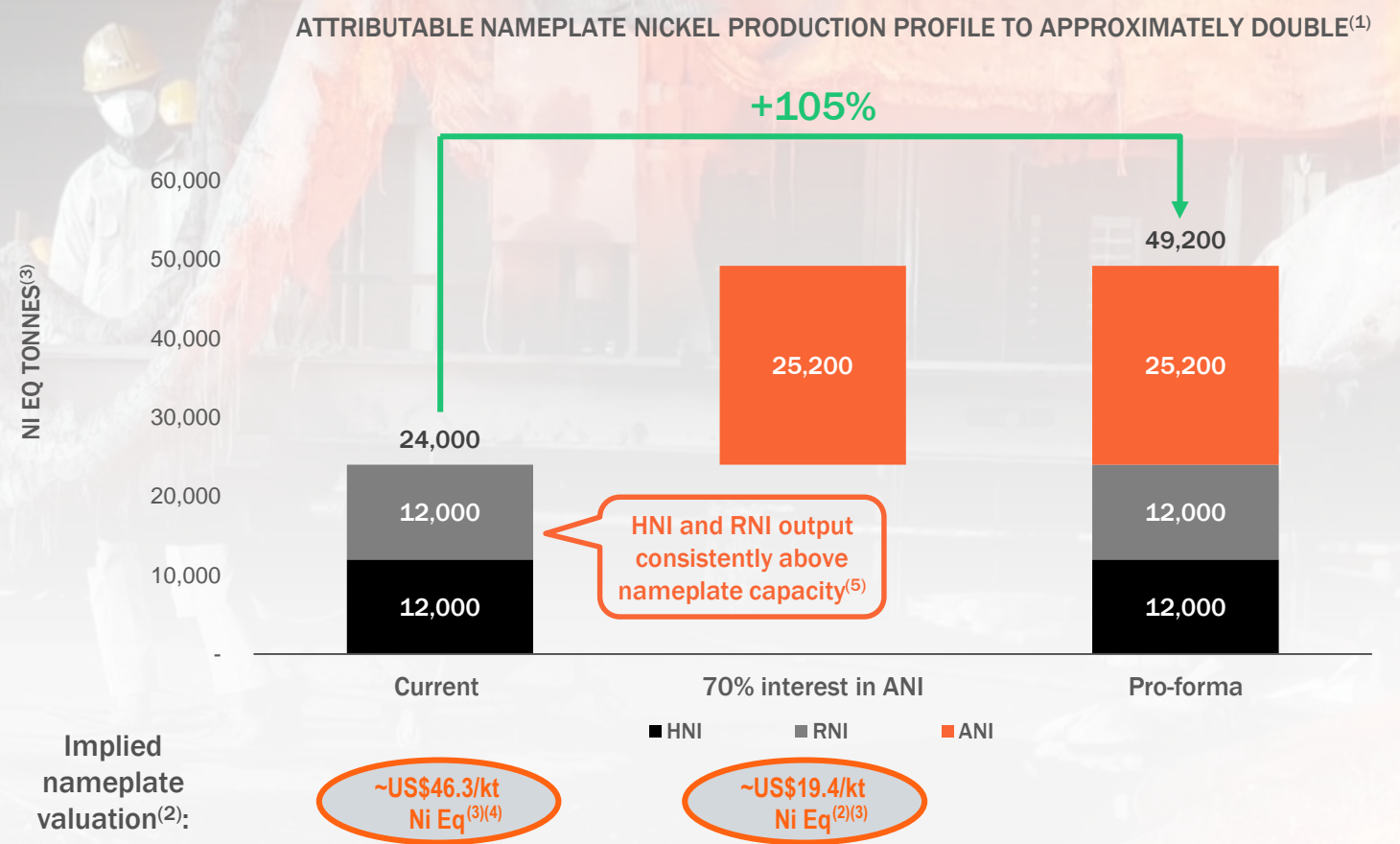
- To fund the First Acquisition, Nickel Mines is undertaking an ~A\$364m accelerated pro-rata non-renounceable entitlement offer at a ratio of 2 for 11 (the “**Entitlement Offer**”) at A\$0.94 per New Share.
- The Entitlement Offer is fully underwritten, and comprises:
 - An accelerated institutional component; and
 - A retail component.
- Approximately 386.9 million new ordinary shares to be issued, representing 18.2% of Nickel Mines’ existing shares on issue.
- The Entitlement Offer is conditional on the Company receiving confirmation from the ASX prior to the Institutional Settlement Date that it:
 - Does not consider the Transaction to be an acquisition of a classified asset for the purposes of the ASX Listing Rules; and
 - Will not exercise its discretion under Listing Rule 11.1.3 to require the Company to re-comply with ASX’s admission and quotation requirements in Chapters 1 and 2 of the Listing Rules.

(1) Nickel Mines will acquire the stated interest in ANI by acquiring shares in Angel Capital and an equal proportion of shareholder loans due or owing by Angel Capital (and/or its subsidiaries), based on a valuation of US\$700m on a 100% basis.

(2) Nickel Mines has paid a US\$30m deposit to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m ‘good faith deposit’ paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on signing of the Agreement for the Transaction.

Transaction transforms Nickel Mines, expected to double nameplate production

- Nickel Mines' attributable nickel production profile is estimated to approximately double within 2 years⁽¹⁾.
- Completion of the Transaction will give Nickel Mines a 70% interest in ANI, which represents ~25.2ktpa of attributable nameplate nickel metal production⁽¹⁾.
- By comparison, the Hengjaya Nickel ("HNI") and Ranger Nickel ("RNI") projects each have an annual nameplate capacity of ~15ktpa on a 100% basis.
 - The Company's 80% interest in HNI and RNI combined represents ~24ktpa of attributable nameplate nickel metal production.
- US\$490m combined acquisition price represents an attractive valuation and is highly accretive:
 - Increases attributable share of estimated nickel production by ~25.2ktpa, at an implied price of ~US\$19,444/t Ni Eq⁽²⁾⁽³⁾.
 - This compares to a market implied valuation⁽⁴⁾ for HNI and RNI of ~US\$46,289/t Ni Eq based on nameplate capacity and ~US\$32,446/t Ni Eq based on annualised September quarter production⁽³⁾⁽⁵⁾.



Note: Production figures are indicative only and are based on recent historical nickel production levels at HNI and RNI and estimated nameplate capacity at ANI. These figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts.

(1) Statement assumes Completion of the Transaction and ANI ramp up to annual nameplate capacity.

(2) ANI has a proposed annual nameplate production capacity of 36ktpa of nickel metal (in nickel pig iron) on a 100% basis. Implied valuation for 70% interest in ANI illustratively assumes no portion of the transaction value is attributed to captive 380MW power plant.

(3) Ni Eq is nickel metal equivalent contained in nickel pig iron (NPI).

(4) Based on Nickel Mines' Enterprise Value at US\$1,111m as at 15 October 2020 (being the last closing price before the announcement of the MOU to acquire 70% of 4 new RKEF lines at Weda Bay), based on a market capitalisation of A\$1,639m and net cash of US\$49m, assuming AUD:USD FX rate of 0.7077. Implied valuation multiple illustratively assumes no value is attributed to Hengjaya Mine.

(5) Annualised combined HNI and RNI production run rate, based on September 2020 quarter production, of ~42,800 Ni Eq tonnes per annum on a 100% basis.

Sources and uses

- The majority of the proceeds of the Entitlement Offer will be put towards funding the First Acquisition payment.
 - First Acquisition payment of US\$210m is due by end of Q1 2021 to secure an initial 30% interest in ANI⁽¹⁾.
 - Payments of US\$30m already made, reducing current payable balance for First Acquisition to US\$180m⁽²⁾.
- Excess funds will go towards strengthening the balance sheet and will provide additional working capital.
 - The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.
- A further US\$280m will be required to fund the Second Acquisition which is due to complete by the end of Q4 2021, to secure a further 40% interest in ANI⁽¹⁾.
- Nickel Mines has optionality and flexibility around funding sources for the Second Acquisition payment.
 - Very lowly leveraged pro-forma balance sheet with net cash of US\$112m.
 - Strong cash flows from its existing operations within IMIP (Q3 2020 EBITDA of US\$49m on a 100% basis).
 - Progressing potential debt funding options.
 - Aiming to be fully funded for the Second Acquisition as soon as practically possible in 2021.

Note: Figures assume AUD:USD FX rate of 0.737 as at 1 December 2020.

(1) Nickel Mines will acquire the stated interest in ANI by acquiring shares in Angel Capital and an equal proportion of shareholder loans due or owing by Angel Capital (and/or its subsidiaries), based on a valuation of US\$700m on a 100% basis.

(2) First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

Sources of Funds	A\$m	US\$m
Entitlement Offer proceeds	364	268
Total Sources	364	268

Uses of Funds	A\$m	US\$m
First Acquisition payment for ANI	244	180 ⁽²⁾
Transaction costs	7	5
Additional cash to balance sheet	112	83
Total Uses	364	268

Pro-forma capitalisation

- Strong balance sheet position maintained.
- Pro-forma for the First Acquisition and the Entitlement Offer, Nickel Mines will have net cash of US\$112m.
- Retains optionality and funding flexibility for the Second Acquisition payment.
- Excess funds will go towards strengthening the balance sheet and will provide additional working capital.
 - The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.

Pro-forma capitalisation ⁽¹⁾	Units	Current ⁽²⁾	Entitlement Offer	Use of Proceeds	Pro-forma First Acquisition
Shares Outstanding	M	2,128	387	-	2,515
Market Capitalisation	A\$m	2,224	364	-	2,588 ⁽³⁾
Market Capitalisation ⁽⁴⁾	US\$m	1,639	268	-	1,907 ⁽³⁾
Debt	US\$m	45	-	-	45
Cash	US\$m	74	268	(185) ⁽¹⁾⁽⁵⁾	157
– Cash held by Nickel Mines Corporate	US\$m	46	268	(185) ⁽¹⁾⁽⁵⁾	129
– Cash held at asset level	US\$m	28 ⁽⁶⁾	-	-	28 ⁽⁶⁾
Net Cash / (Debt)	US\$m	29	268	(185)	112

(1) Includes transaction costs associated with the Entitlement Offer.

(2) Figures as at 31 October 2020, excluding market capitalisation which is stated as at 1 December 2020.

(3) Based on TERP of A\$1.03 per share. Market capitalisation is not representative of the future price of the Company's shares and is not a forecast.

(4) Figures assume AUD:USD FX rate of 0.737.

(5) First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

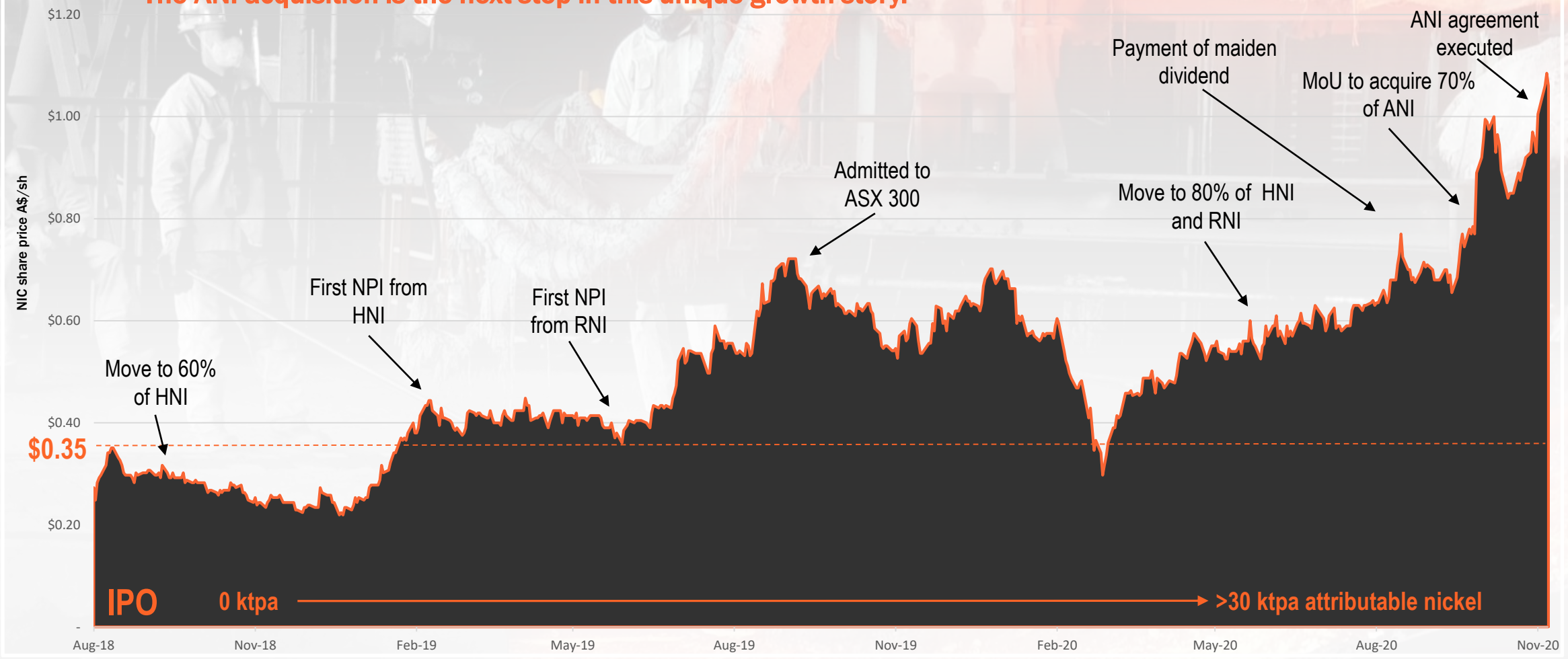
(6) Nickel Mines' 80% share of the cash held within Singaporean entities that ultimately own HNI and RNI and 80% share of the cash held by the entity that holds Hengjaya Mine.

ANI ACQUISITION – TRANSFORMING THE NICKEL MINES INVESTMENT PROPOSITION

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Globally significant nickel producer

- Since its IPO in 2018, Nickel Mines has transitioned from a small-scale supplier of nickel laterite to a globally significant nickel producer with attributable nickel production of >30 ktpa of nickel metal.
- The ANI acquisition is the next step in this unique growth story.



The Nickel Mines Story – Who are we?

NIC ASX

- Nickel Mines Limited (NIC) is an Australian company publicly listed on the ASX.
- Strategic partnership with Tsingshan Group.
- ~A\$2.2BN market capitalisation.
- Industry low levels of capital intensity for new nickel units.
- Pure play nickel exposure.

IMIP HNI 80%

- Hengjaya Nickel Project (HNI).
- **80% interest** acquired for US\$180M.
- 2 RKEF lines (nameplate capacity of ~15ktpa).
- Monthly production rate of ~1,800t Ni Eq⁽¹⁾.
- Monthly repatriations of operating profits.

IMIP RNI 80%

- Ranger Nickel Project (RNI).
- **80% interest** acquired for US\$231M.
- 2 RKEF lines (nameplate capacity of ~15ktpa).
- Monthly production rate of ~1,800t Ni Eq⁽¹⁾.
- Monthly repatriations of operating profits.

MOROWALI HM 80%

- Hengjaya Mine.
- JORC 2012 compliant Mineral Resource of 185m dmt⁽³⁾ at 1.3% nickel and 0.08% cobalt containing ~2.4Mt of nickel and 148.5kt of cobalt⁽²⁾
- 80% interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine IUP licence covering 6,249 hectares.
- Located in Morowali Regency, Central Sulawesi, Indonesia, adjacent to Tsingshan Group's IMIP.

IWIP ANI 70%

- Definitive Agreement to acquire a 70% interest in ANI for US\$490M.
- 4 new RKEF lines under construction
- Nameplate capacity of ~36ktpa.
- 380MW power plant under construction.
- Approximate doubling of existing production capacity expected on completion of the Transaction.
- Diversification of nickel production centres.

(1) Average monthly production rate YTD until 30 September 2020 Quarter at HNI and RNI on a 100% basis was ~1,800t Ni Eq.
 (2) Refer to 27 August 2020 ASX Announcement for further details.
 (3) dmt = dry metric tonnes.

The Nickel Mines Story – Why Invest?



Strategic Partnership with Tsingshan

- Partnership in multiple (HNI and RNI) operating NPI processing plants to build and own nickel processing capacity within the IMIP.
- Potential to be a material supplier of limonite to IMIP's HPAL plants.
- NIC provides a 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 has 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.



Consistent Production Outperformance

- Monthly output consistently above nameplate capacity at HNI and RNI.
- Industry leading nickel payabilities.
- Industrial-style, bottom quartile cost base – US\$7,100/t -US\$7,400/t Ni.



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.



Unrivalled Growth from ANI and beyond

- Clearly defined pathway to potentially double production capacity inside 2 years and become the largest listed pure play nickel producer globally.
- Operating footprint within what are predicted to become the world's 2 largest global nickel production centres (IMIP and IWIP).
- Aspirations to acquire additional nickel units at IMIP and IWIP.



Compelling Financials

- Very low levered balance sheet with capacity to take on a modest level of leverage to fund future growth initiatives.
- Strong FCF generation with US\$45m generated in the September quarter.
- 7 year corporate income tax holiday for HNI and RNI with ~5.5 years remaining.
- Maiden A\$0.01 dividend declared and paid in September 2020.



World Class Nickel Resource

- Strategic value of high grade, large tonnage Hengjaya Mine JORC Resource, with expansion initiatives underway.
- Close proximity - less than 15km to IMIP.
- Ability to supply limonite (HPAL) and saprolite (RKEF).

Building a Nickel Empire

Nickel Mines will have operating footprints in what are predicted to be the world's two largest nickel production centres.



Introducing the Indonesia Weda Bay Industrial Park

The IWIP is a new RKEF nickel production frontier.



- IWIP is located on Halmahera Island in Indonesia's North Maluku province.
- Construction commencement in August 2018.
- The Tsingshan Group is rapidly developing the IWIP as a new nickel production frontier.
- IWIP nickel pig iron targeted to displace higher cost production from China.
- Tsingshan is collaborating with a number of different partners across a range of IWIP projects.
 - Currently includes Eramet, Zhejiang Huayou Cobalt and Zhenshi Holding Group.
- 8 commissioned RKEF lines.
- 4 RKEF lines nearing completion.
- Site supporting facilities include 500MW of power plants, 1×75,000t and 2×50,000t port berths, airstrip, provincial road and site logistics system.
- Additional power, port capacity and other ancillary services are continuing to be progressively established.

Comparing IMIP and IWIP

IMIP and IWIP are estimated to become the world's two largest nickel production centres...

IMIP




Steel production capacity	3Mt Stainless Steel per annum
RKEF lines	40 operating RKEF lines
Power capacity	~3GW captive power for IMIP
NIC interest %	80% interest HNI/RNI – 4 operating RKEF lines

IWIP




RKEF lines	8 operating RKEF lines Further RKEF lines planned and underway
Power capacity	Currently 500MW captive power
NIC interest % (to be acquired)	70% interest ANI / 380MW power

ANI overview



4 NEXT GENERATION RKEF LINES⁽¹⁾



380MW POWER PLANT
- "CAPTIVE" POWER
- ~20% SAVINGS ON POWER COSTS⁽²⁾




ANI DEVELOPMENT COST CAPPED AT US\$700M

CAPITAL COST GUARANTEE

- Not to exceed US\$700M⁽⁴⁾
- No cost overrun risk

FIRST PRODUCTION

- Scheduled Q3 2022



NAMEPLATE: 36KT NI
(EFFECTIVE DOUBLING OF NIC'S EXISTING CAPACITY)



INDUSTRY LEADING CAPITAL INTENSITY



70% INTEREST FOR US\$490M

FIRST ACQUISITION

- US\$210M (Q1 2021)⁽³⁾
- 30% interest

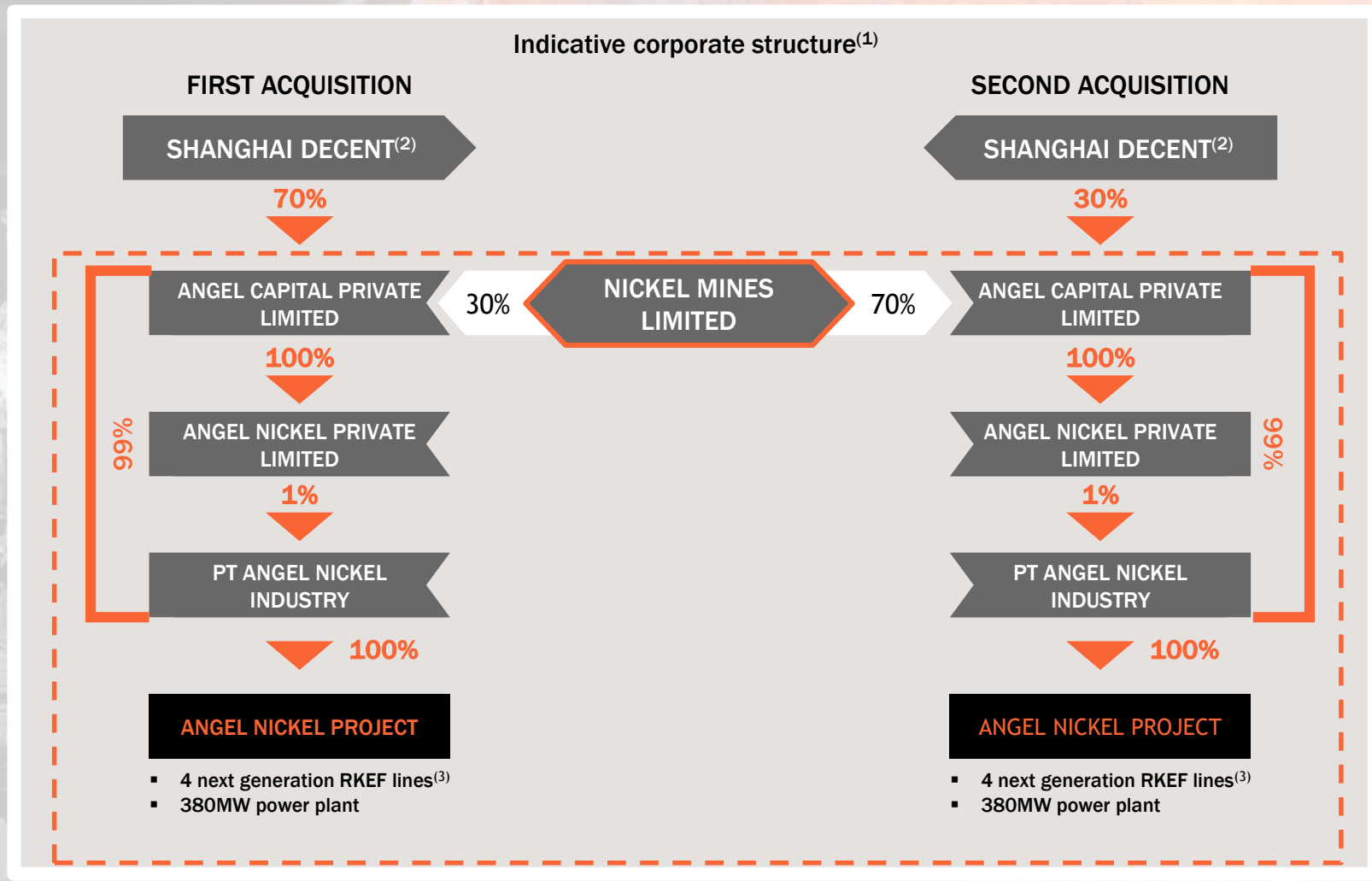
SECOND ACQUISITION

- US\$280M (Q4 2021)
- 40% interest

(1) Higher KVA (kilovolt amps) output.
 (2) Indicative cost savings from direct ownership of power capacity and representative of power cost benefits of power plant owners within the IMIP.
 (3) First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.
 (4) Shanghai Decent has agreed to indemnify PT ANI (proposed operating company for ANI) for any construction costs exceeding US\$700M.

Proposed ANI ownership structure

- ANI structure will replicate the structures used for Hengjaya Nickel and Ranger Nickel investments.
 - Nickel Mines will acquire its interest in ANI through the acquisition of shares in a Singaporean incorporated holding company, Angel Capital Private Limited (“**Angel Capital**”) (which is currently 100% owned by Decent Resource Limited (“**Decent Resource**”), an affiliate of Shanghai Decent Investment (Group) Co., Ltd (“**Shanghai Decent**”) and an equivalent proportion of shareholder loans due or owing by Angel Capital (and/or its subsidiaries). Angel Capital will wholly own (directly and indirectly) a PMA operating company, PT Angel Nickel Industry (‘**PT ANI**’), which is to be incorporated in Indonesia and will own the ANI assets.
- Acquisition to consist of two tranches:
 - First Acquisition of 30% of the shares in Angel Capital and an equal proportion of all shareholder loans due or owing by Angel Capital (and/or its subsidiaries)
 - Second Acquisition of 40% of the shares in Angel Capital and an equal proportion of all shareholder loans due or owing by Angel Capital (and/or its subsidiaries).
- Staged acquisition approach allows for optimal funding mix from cash reserves, debt and equity.



(1) Indicative corporate structure. PT Angel Nickel Industry yet to be incorporated.
 (2) Current shareholder is Decent Resource, an affiliate of Shanghai Decent.
 (3) Higher KVA (kilovolt amps) output.

ANI – Compelling Capital Intensity

ANI capital intensity in line with previous acquisitions with the additional benefit of captive 380MW power plant.

Comparison to HNI and RNI by the numbers...

IMIP	HNI US\$M	%	Implied Valuation US\$M	RNI US\$M	%	Implied Valuation US\$M	Combined
Tranche 1	50.0	25	200.0	50.0	17	294.1	
Tranche 2	70.0	35	200.0	121.4	43	282.3	
Tranche 3	60.0	20	300.0	60.0	20	300.0	
What NIC Paid	180.0	80		231.4	80		411.4
100% basis	225.0			289.3			514.3
Nameplate (ktpa Ni Eq) ⁽¹⁾	15.0			15.0			30.0
\$ / ktpa Ni Eq	15,000			19,287			17,143

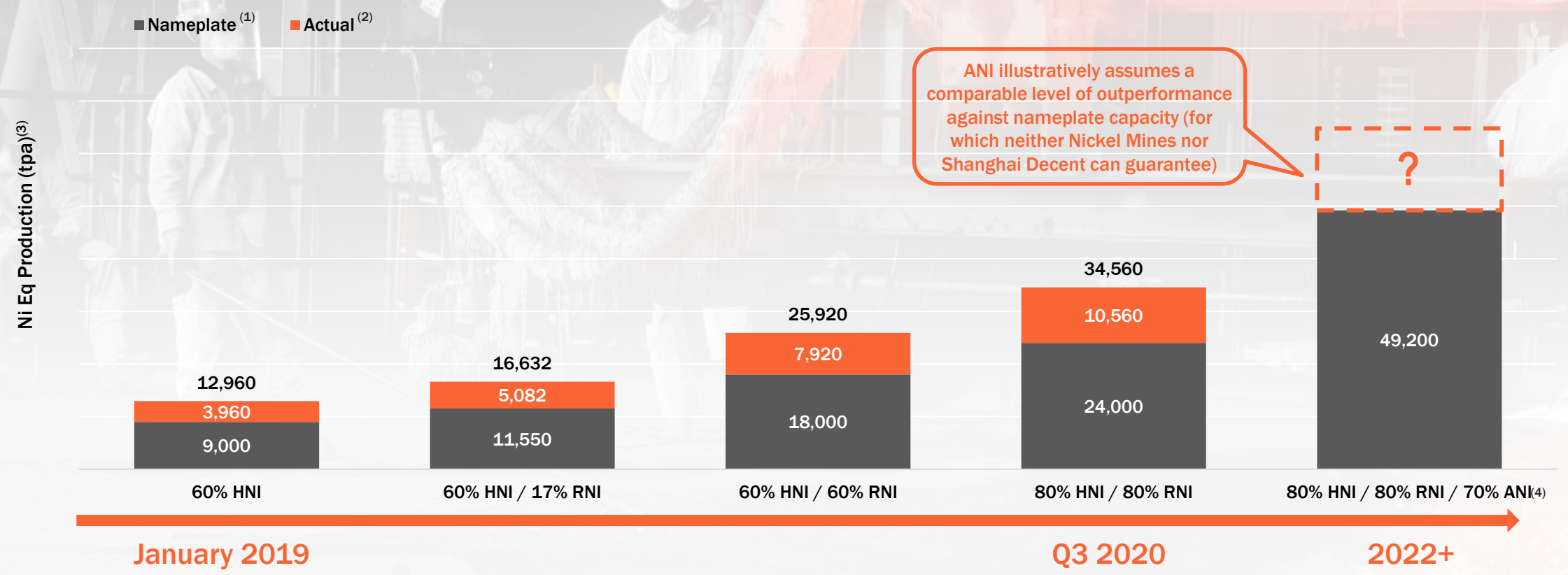
IWIP	ANI US\$M	%	Implied Valuation US\$M
Tranche 1	210.0	30	700.0
Tranche 2	280.0	40	700.0
What NIC Pays	490.0	70	
100% basis	700.0		
Nameplate (ktpa Ni Eq) ⁽¹⁾⁽²⁾	36.0		
\$ / ktpa Ni Eq	19,444		

(1) Ni Eq is nickel metal equivalent contained in nickel pig iron (NPI).

(2) Proposed annual nameplate capacity of ANI, commissioning expected no later than 16 October 2022.

Continuation of transformational growth in attributable nickel production

A successful commissioning of ANI is expected to more than double NIC's nameplate production capacity and position it as the largest pure-play listed nickel company globally.



ANI illustratively assumes a comparable level of outperformance against nameplate capacity (for which neither Nickel Mines nor Shanghai Decent can guarantee)

Note: These figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts.
 (1) Nameplate production levels reflect Nickel Mines attributable share of nameplate capacity at its various ownership levels based on nameplate capacities of 15kt pa for HNI and RNI and 36ktpa for ANI.
 (2) Actual production figures reflect annualised September 2020 quarter production performance against nameplate capacity at various ownership levels at HNI and RNI.
 (3) Ni Eq is nickel metal equivalent contained in nickel pig iron (NPI).
 (4) The nameplate capacity used for ANI is the proposed annual nameplate capacity of 36kt.



Community

- > 1,500 locals employed across the HNI/RNI RKEF operations.
- ~2,000 personnel expected to be employed across ANI's RKEF operations and power plant.
- > 350 locals employed at Hengjaya Mine.
- NIC deeply involved in numerous community projects focused on educational, health and agriculture.
- Strong engagement with both local and regional stakeholders, including the Tangofa, Bete Bete and Bahodopi village regions.
- Over the last 12 months the HNI/RNI/Hengjaya Mine workforces has assisted local and regional communities in rebuilding efforts following natural disaster events including earthquakes and flooding.
- Captive power capacity installed at both IMIP and IWIP has provided significant social benefit and increased affluence to these remote regions.



Environment

- Hengjaya Mine – open cut, at surface truck and shovel operation with no tailings.
- Hengjaya Mine recently voted Best Mine Site Rehabilitation Works by Central forestry in Sulawesi.
- RKEF processing plants produce a benign silica slag tailing, with all silica slag and fly-ash recycled for use as industrial brick and concrete slab works and dedicated landfill.
- Minimal liquid waste managed via settlement ponds and waste water treatment plants.
- Gaseous waste managed through continuous emission monitoring systems for air quality and adherence to air quality standards.
- HNI/RNI runs a waste utilisation program to re-use organic waste.
- Non-organic waste is minimised and treated by either incineration or approved waste management methods.
- Integrated nature of operations expected to significantly reduce the carbon footprint associated with double handling and transport.

OPERATIONS UPDATE

September Quarter Highlights

GROSS
PRODUCTION

10,699.9 (tonnes of nickel metal (100% basis))

+5.9% from 10,103.9 tonnes in June Qtr

NIC ATTRIBUTABLE
PRODUCTION⁽¹⁾

8,559.9 tonnes of nickel metal

+41.2% from 6,062.3 tonnes in June Qtr

RKEF SALES

US\$136.2M⁽²⁾ (100% basis)

+55.7% from US\$87.5M in June Qtr

RKEF EBITDA

US\$49.1M⁽²⁾ (100% basis)

+104.6% from US\$24.0M in June Qtr

CASH

US\$93.8M⁽³⁾ (100% basis)

+2.9% from US\$91.2M in June Qtr

(1) NIC's attributable interest in HNI and RNI RKEF projects increased from 60% to 80% effective from 1 July 2020.

(2) RKEF September sales and EBITDA based on a received nickel price of ~US\$11,556/t for HNI and ~US\$11,563 for RNI. Contract prices in December quarter have moved higher in comparison to the September quarter.

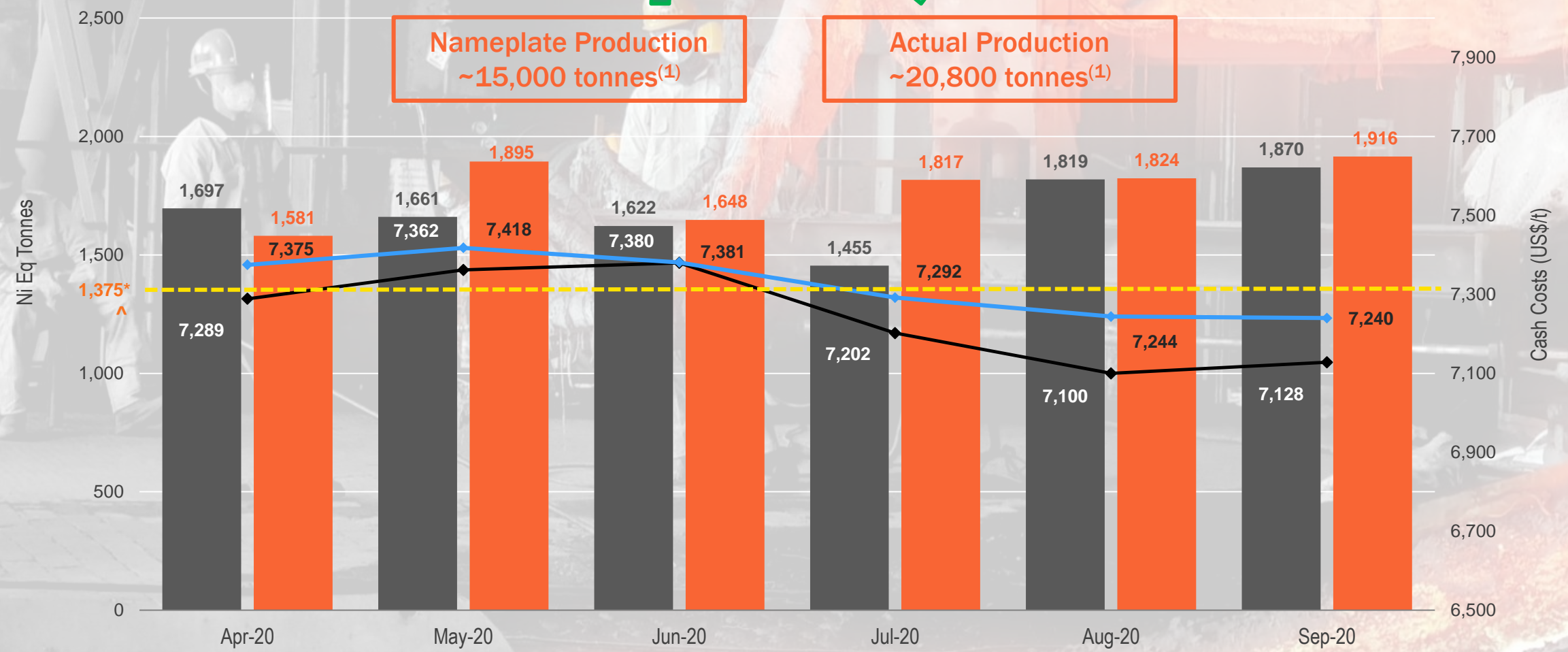
(3) Cash balance increased US\$2.6M across the September quarter, which included debt/interest payments of US\$11.9M and dividends of US\$15.4M.

Continued operational outperformance at HNI and RNI

~40%

Nameplate Production
~15,000 tonnes⁽¹⁾

Actual Production
~20,800 tonnes⁽¹⁾



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

Note: All figures are presented on a 100% ownership basis of HNI and RNI. NIC has an 80% interest in HNI and RNI.
 (1) Reflects actual nameplate and actual production for 6 months from Apr-20 to Sep-20.

RKEF Operations – An Outstanding September Quarter

HENGJAYA NICKEL		July	August	September	Quarter Total	June Quarter
NPI Production	tonnes	9,428.7	11,300.0	12,652.3	33,381.0	34,078.3
NPI Grade	%	15.4	16.1	14.8	15.4	14.6
Nickel Metal Production	tonnes	1,454.7	1,818.8	1,869.8	5,143.3	4,4980.2
Cash Costs	US\$/t	7,202	7,100	7,128	7,139	7,342
RANGER NICKEL		July	August	September	Quarter Total	June Quarter
NPI Production	tonnes	11,340.2	12,026.4	13,082.7	36,449.3	35,523.6
NPI Grade	%	16.0	15.2	14.6	15.3	14.4
Nickel Metal Production	tonnes	1,817.1	1,823.8	1,915.7	5,556.6	5,123.7
Cash Costs	US\$/t	7,292	7,244	7,240	7,258	7,392
COMBINED OPERATIONS		July	August	September	Quarter Total	June Quarter
NPI Production	tonnes	20,768.9	23,326.4	25,735.0	69,830.3	69,602.0
NPI Grade	%	15.8	15.6	14.7	15.3	14.5
Nickel Metal Production	tonnes	3,271.8	3,642.6	3,785.5	10,699.9	10,103.9

Note: All figures are presented on a 100% ownership basis of HNI and RNI. NIC has an 80% interest in HNI and RNI.

Benefiting from superior NPI payabilities

How does NIC get paid?

- Nickel Mines enters into NPI sales contracts with various Tsingshan group companies.
- An NPI sales price is quoted based on publicly available third-party reference prices (established in China) with adjustments made for:
 - Individual shipment specifications (grade of contained elements);
 - Freight; and
 - FX.
- Contracts are generally signed 4-6 weeks before the date of delivery and therefore contract prices may bear little relevance to the prevailing average LME nickel prices in the delivery month.
- Since commencing operations in January 2019, and despite periods of bifurcation, NIC has achieved an average realised payability against the LME nickel price of 89.6%, on a same month basis.

110%
100%
90%
80%
70%
60%
50%

NPI payabilities typically range from ~90% to a small premium to LME nickel

Concentrate payabilities typically range from 65% to 75% of LME nickel

■ NPI Payables ■ Concentrate Payables

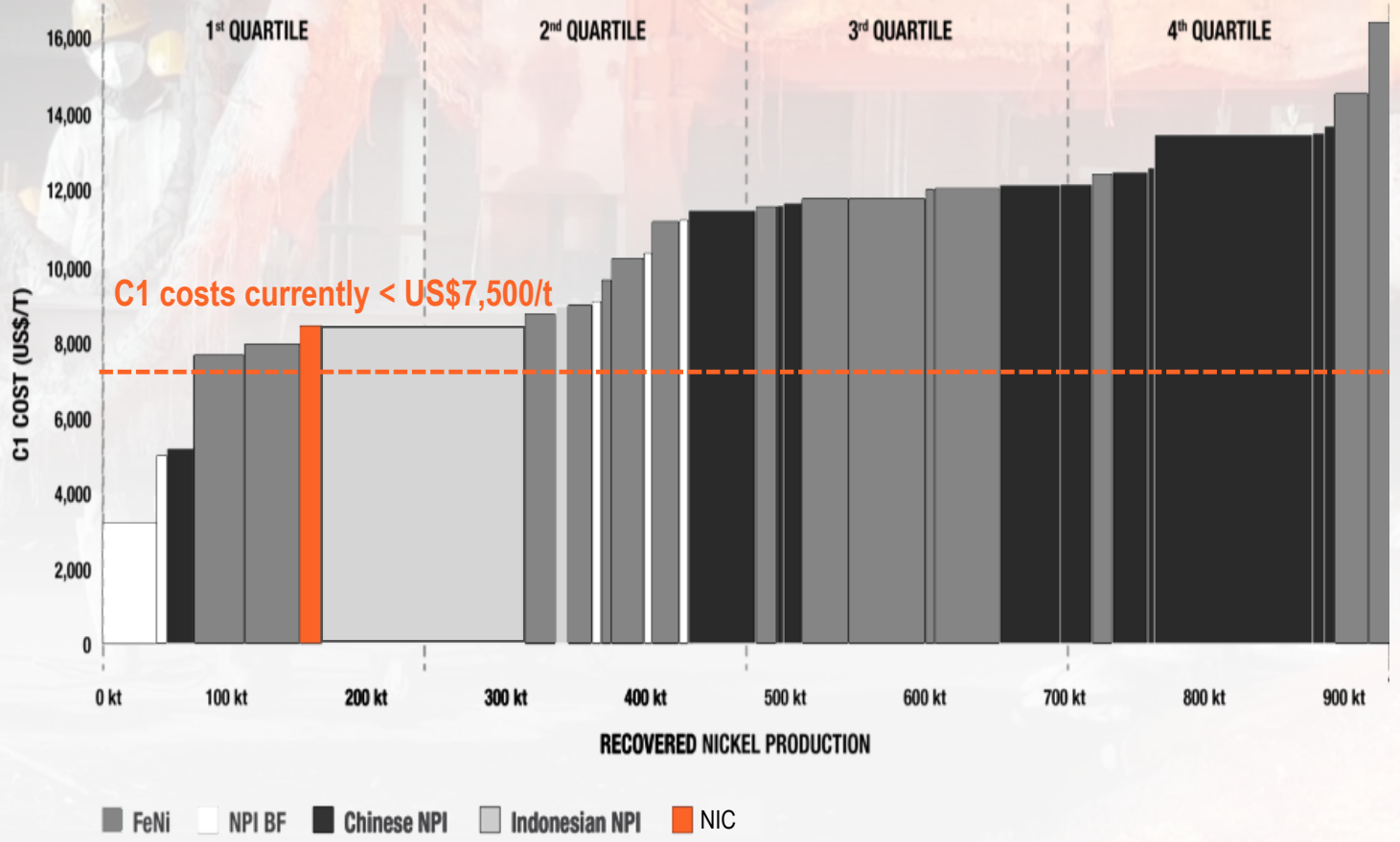
- While concentrate producers can often report lower cash costs than NPI producers because of by-product credits, these lower costs are dwarfed by the superior payabilities of NPI producers.

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.

Bottom quartile operating costs

Cost Advantages for the IMIP

- The IMIP's fully integrated production chain delivers significant cost and logistics savings:
 - Kiln heat recycled to assist ore drying.
 - Hot charging of NPI directly into stainless operations yields enormous energy savings (benefit to stainless steel operations).
- Indonesia's export ban has resulted in significant advantages for the IMIP in terms of cost and grade of ore supply:
 - IMIP: Currently ~US\$34/t for 1.9% Ni ore (CIF).
 - Chinese NPI producers (ore from Philippines):
 - Currently ~US\$75/t for 1.5% Ni ore (CIF).
- Abundant supplies of locally sourced thermal coal (Kalimantan) and 2GW+ of captive power yield reliable low-cost power:
 - IMIP power costs less than 6c/Kwh.
 - IWIP costs expected to be materially consistent with IMIP costs, with the exception of an ~20% savings on power costs⁽¹⁾.



Source: Wood Mackenzie, 2018
(per Nickel Mines August 2018 Prospectus).

(1) Indicative cost savings from direct ownership of power capacity and representative of power cost benefits of power plant owners within the IMIP.

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.
It is the intention for ANI to apply for these tax concessions in due course.

100%
TAX
Free

- **100%** Corporate Income Tax Reduction for **7 years** commencing from the year of commercial production.
- **~5.5 years** remaining.

+2
Years

- **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.

WHT

- **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 **7 years**.

Tax concessions further strengthen HNI's/RNI's free cash flow profile.

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



- Updated Resource released in August 2020⁽¹⁾.
- JORC 2012 compliant Mineral Resource of 185m dmt at 1.3% nickel and 0.08% (cut-off 0.8% nickel) cobalt containing ~2.4Mt of nickel and 148.5kt of cobalt.
- High grade saprolite Resource of 60.5m wmt at 1.8% nickel (cut-off 1.5% nickel).

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.
- Currently supplying ~50K+ wmt per month to the IMIP (see sales figures on next page)⁽²⁾.
- Expansion initiatives implemented over the last 12 months have resulted in a positive impact on mine production levels.

(1) Refer to 27 August 2020 ASX Announcement for further details.

(2) The IMIP is not dependent on the nickel supply from the Hengjaya Mine and HNI and RNI source nickel from a variety of sources.

Hengjaya Mine – September Quarter Performance

Production summary		July 2020	August 2020	September 2020	Quarter Total	June 2020 Quarter
Tonnes mined	Wmt	9,540	45,900	102,618	158,058	62,610
Overburden mined	BCM	24,257	87,214	88,968	200,439	155,852
Strip ratio	BCM/wmt	5.8	4.5	1.7	2.8	3.9
Tonnes sold	wmt	-	54,938	74,326	129,264	54,029
Average grade	%	-	1.81	1.87	1.85	1.80
Average price received	US\$/t	-	28.04	33.87	31.39	23.79
Average cost of production	US\$/t	40.18	47.36	37.73	40.68	44.73



Note: All figures are presented on a 100% ownership basis of HNI and RNI. Nickel Mines has an 80% interest in Hengjaya Mine.

EQUITY RAISING DETAILS

Entitlement Offer overview

Offer size and structure	<ul style="list-style-type: none"> 2 for 11 fully underwritten pro-rata accelerated non-renounceable Entitlement Offer (“Offer” or “Entitlement Offer”) at A\$0.94 per New Share to raise approximately ~A\$364m / US\$268m. Approximately 386.9 million new ordinary shares to be issued, representing 18.2% of Nickel Mines’ existing shares on issue.
Offer price	<ul style="list-style-type: none"> Fixed offer price of A\$0.94 per New Share under the Entitlement Offer (“Offer Price”). Represents a 10.0% discount to the last traded price of A\$1.045 on Tuesday, 1 December 2020. Represents a 8.6% discount to the theoretical ex-rights price (“TERP”)⁽¹⁾, being A\$1.03 per share.
Entitlement Offer	<ul style="list-style-type: none"> Eligible institutional shareholders will be invited to take up their entitlements in an accelerated Institutional Offer. Eligible retail shareholders in Australia and New Zealand will be sent the offer materials and can take up their entitlements in a separate Retail Offer.
Use of proceeds	<ul style="list-style-type: none"> US\$180m to fund First Acquisition payment for ANI, which is due by end of Q1 2021⁽²⁾. Excess funds will go towards strengthening the balance sheet and will provide additional working capital. <ul style="list-style-type: none"> The Company is in discussions with Shanghai Decent about early repayment of the remaining balance of the Ranger Debt Facility.
Ranking	<ul style="list-style-type: none"> New Shares will have the same ranking as existing shares.
Underwriting	<ul style="list-style-type: none"> The Offer is fully underwritten. The Entitlement Offer is conditional on the Company receiving confirmation from the ASX prior to the Institutional Settlement Date that it: <ul style="list-style-type: none"> Does not consider the Transaction to be an acquisition of a classified asset for the purposes of the ASX Listing Rules; and Will not exercise its discretion under Listing Rule 11.1.3 to require the Company to re-comply with ASX’s admission and quotation requirements in Chapters 1 and 2 of the Listing Rules.

- (1) TERP is the theoretical ex-rights price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP.
- (2) For the First Acquisition, Nickel Mines will acquire an initial 30% interest in ANI through the acquisition of 30% of the shares in Angel Capital and 30% of all shareholder loans due or owing by Angel Capital (and/or its subsidiaries). Nickel Mines has paid a US\$30m deposit to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m ‘good faith deposit’ paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on signing of the Agreement. The remaining funding requirement to complete the First Acquisition is US\$180m.

Timetable

Event	Date
Trading halt and announcement of Entitlement Offer	Wednesday, 2 December 2020
Institutional Entitlement Offer opens	Wednesday, 2 December 2020
Institutional Entitlement Offer closes	Thursday, 3 December 2020
Trading halt lifted and Shares recommence trading	Friday, 4 December 2020
Record Date under Entitlement Offer	7:00pm, Friday, 4 December 2020
Retail Entitlement Offer opens and Retail Offer Booklet and Application and Entitlement Forms dispatched to eligible retail shareholders	Wednesday, 9 December 2020
Settlement of New Shares issued under Institutional Entitlement Offer	Monday, 14 December 2020
Issue and commencement of trading of New Shares under Institutional Entitlement Offer	Tuesday, 15 December 2020
Retail Entitlement Offer closes	5:00pm, Friday, 18 December 2020
Settlement of New Shares issued under Retail Entitlement Offer	Thursday, 24 December 2020
Issue of New Shares under Retail Entitlement Offer	Tuesday, 29 December 2020
Commencement of trading of New Shares issued under Retail Entitlement Offer	Wednesday, 30 December 2020
Holding statements sent to retail shareholders	Thursday, 31 December 2020

Note: Timetable is indicative only. All dates and times refer to the date and time in Sydney, Australia and are subject to change.

APPENDIX

This section discusses some of the risks associated with an investment in Nickel Mines. Nickel Mines' business is subject to a number of risk factors both specific to its business and of a general nature which may impact on its future performance and forecasts. Before subscribing for Nickel Mines shares, prospective investors should carefully consider and evaluate Nickel Mines and its business and whether the shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below. The risk factors set out below are not exhaustive. Prospective investors should consider publicly available information on Nickel Mines, examine the full content of this presentation and consult their financial or other advisers before making an investment decision.

Key risks – Operational risks:

Risk	Description
COVID-19	<p>The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals, and governments to operate.</p> <p>Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic on Nickel Mines' business (or on the operations of the companies operating HNI ("HNI Entities"), the companies operating RNI ("RNI Entities"), the companies that will develop and operate ANI ("ANI Entities") or on businesses on which it all those companies rely), and there is no guarantee that Nickel Mines' efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues, could have an adverse impact on Nickel Mines' people, communities, suppliers, business (including HNI, RNI and ANI), financial condition and results of operations.</p> <p>There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions in Australia, China and Indonesia in particular but more generally, on a global basis.</p> <p>The impact of some or all of these factors could cause significant disruption to Nickel Mines' operations (including HNI, RNI and ANI) and its collective financial performance. Over 30,000 employees work within the IMIP with a significant workforce within the IWIP as it expands, and any actions taken more broadly within the IMIP or IWIP as a result of, or to mitigate, concerns around COVID-19 may impact Nickel Mines' operations (including HNI, RNI and ANI) and its financial performance. It is also possible that the Indonesian Government may shut down all operating work sites, even without a positive case of COVID-19. A suspension of business operations will affect Nickel Mines' overall operations and operating results. The quarantining of Nickel Mines' employees and those who work for HNI, RNI and ANI may affect Nickel Mines' overall operations, investments and operating results.</p> <p>In order to mitigate the potential impact of COVID-19 on the health and wellbeing of Nickel Mines' employees and other stakeholders, and on Nickel Mines' business and those of HNI and RNI), Nickel Mines has been monitoring the COVID-19 developments and has implemented strict access controls and procedures.</p> <p>The IWIP has also experienced worker demonstrations during the COVID-19 pandemic in May 2020, including demonstrations from workers demanding a lockdown of the IWIP during that period.</p>
Commodity price risks	<p>Commodity prices, including coal, nickel ore and nickel pig iron (NPI), can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's revenues and operations and those of HNI, RNI and ANI, as the Company's ability to fund those operations.</p> <p>It is not expected that the ANI entities will put in place long term contracts for the purchase of coal or nickel laterite.</p>

Risk Factors (cont'd)

Risk	Description
Reliance on the Tsingshan group	<p>The continued operations of HNI and RNI and future operations and development of ANI are heavily reliant on the relationship between the Company and Tsingshan.</p> <p>Sales</p> <p>All sales of NPI from HNI and RNI are generally sold to Tsingshan group companies and the Company has heavy reliance on the Tsingshan group as a purchaser of NPI produced from HNI and RNI. It has been agreed with Shanghai Decent that all offtake of NPI produced by ANI will be purchased by Shanghai Decent based on prevailing market prices for that commodity in China. There may be a materially adverse effect on the Company's financial performance and that of ANI if Shanghai Decent fails to purchase all of the offtake and alternative customers are not found.</p> <p>Supply of ancillary services within the IMIP and IWIP</p> <p>The Company, the HNI Entities, the RNI Entities and the ANI Entities do not have any formal contractual agreements for the supply of ancillary services within the IMIP or IWIP that support the operations of HNI, RNI and ANI (for example, power and access to port).</p> <p>To facilitate the operations of HNI and RNI within the IMIP, and ANI within the IWIP, Shanghai Decent has formally, in Collaboration Agreements (CAs) entered into with the Company, agreed to procure that its related companies that supply such services within the IMIP and IWIP, will provide such services to HNI, RNI and ANI (as the case may be) in accordance with the 'principle of non-discrimination', substantially the same manner, with the same degree of care and at the same price without discrimination of any kind (such as priority of entry) as it does for users within the IMIP or IWIP (as the case may be).</p> <p>The operations of the Company and the HNI Entities, the RNI Entities and the ANI Entities may be affected if these services are not supplied in accordance with the 'principle of non-discrimination' as agreed to by Shanghai Decent under the CAs.</p> <p>Development of ANI</p> <p>The Company is reliant on Shanghai Decent to design and construct the Angel RKEF lines and power station in accordance with the specifications and terms agreed in the CA for ANI. If there is any omission or defect in the design and construction of ANI, the Company may still be required to complete the First Acquisition (subject to shareholder approval) by the end of Q1 2021 and the Second Acquisition by the end of Q4 2021 and seek recourse against Shanghai Decent to make good any such omission or defect.</p> <p>ANI is in early stages of construction and the Company is also reliant on Shanghai Decent procuring or obtaining all the relevant permits, licences, land and other requirements to develop ANI (including incorporating PT ANI and ensuring all the relevant assets for ANI will be owned by ANI). The Company and PT ANI (which has not yet been incorporated) has not yet applied for or acquired the relevant permits and licences to fully develop and construct ANI.</p> <p>While the CA for ANI specifies an overall commissioning date for ANI of no later than 16 October 2020, there are no specific construction milestones prior to the First Acquisition and Second Acquisition occurring. See also further details below regarding counterparty and enforceability risk in the context of the reliance on Shanghai Decent to develop ANI.</p>

Risk Factors (cont'd)

Risk	Description
<p>Counterparty and enforceability risk</p>	<p>CAs</p> <p>The CAs are material contracts which set out the terms of the Company's key partnership with Shanghai Decent and its associates in respect of the RKEF lines of HNI and RNI and future RKEF lines and power station of ANI, and are governed under the laws of Singapore.</p> <p>If Shanghai Decent breaches its obligations under a CA, the RKEF lines at HNI, RNI or future lines and power station to be constructed for ANI may not be constructed or operate in accordance with the manner specified under the applicable CA, which may have a material adverse impact on the Company's results, operations and financial performance.</p> <p>If the parties are unable to resolve a breach or dispute under a CA, the dispute will be finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.</p> <p>Chinese Courts have discretion whether or not to enforce any foreign arbitration award. While the Chinese Courts have this discretion, the potential dispute and claim arising out of or in connection with a CA does fall into the category of nature of dispute or claim which is capable of being recognised under the laws of the People's Republic of China.</p>
<p>Acquisition of land within IWIP to develop ANI</p>	<p>The land within IWIP on which ANI is being constructed (ANI Land) has not yet been acquired by PT ANI. The Company will be reliant on Shanghai Decent to procure that PT ANI (once incorporated) acquires the ANI Land and enters into a land sale agreement with the relevant landowners within IWIP. These agreements will be subject to negotiations with the relevant landowners within IWIP (potentially including other native title holders). There is a risk that PT ANI will not be able to acquire the ANI Land (either on terms acceptable to it or at all) which may have a material impact on the ability to develop and construct ANI.</p> <p>The owner of the land will be responsible for procuring that the ANI Land is registered and certificated (as Hak Guna Bangunan title "HGB title") and subsequently transferred to ANI. Shanghai Decent will also need to ensure that the land owner provides ANI with rights to occupy and construct on the ANI Land pending formal registration and transfer of that land to ANI.</p>
<p>Construction of ANI</p>	<p>Site preparations and piling works for the construction of the RKEF lines and dedicated power station at ANI have commenced but are in preliminary stages.</p> <p>The construction and the commissioning process may be impacted by risks including but not limited to weather, availability of materials, availability and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.</p> <p>The commissioning process may uncover failures or deficiencies in processes, systems, plant and equipment required for ANI, and addressing such failures or deficiencies may result in the Shanghai Decent or the Company incurring unexpected costs (noting however that Shanghai Decent has agreed in the ANI CA to indemnify PT ANI (which is proposed to be the operating entity and owner of the ANI assets) for actual construction costs exceeding US\$700 million). Any of these outcomes could have a material adverse impact on the Company's results of operation and financial performance.</p>
<p>ANI Power Plant</p>	<p>The ANI power plant, once constructed, will require a considerable amount of energy to run. There is a risk that such supply of energy may be disrupted for a number of reasons, including inclement weather, disruption to coal supply and other inputs which will impact ANI's ability to continue running the process plant and all other energy reliant equipment on site, which will directly impact production of NPI.</p>
<p>Risks of operating in an emerging market</p>	<p>The HNI, RNI and ANI Projects are all located in Indonesia and are subject to the laws and regulations of Indonesia.</p> <p>Generally, investing in emerging markets such as Indonesia involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Indonesia and adversely affect the Indonesian economy.</p> <p>Exploration, construction, development and mining activities require ongoing licenses and permits and may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment in Indonesia. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy.</p> <p>Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls. The success of the Company is dependent on the stability of the political, economic and legal situation in Indonesia, which may be subject to rapid change. Any change in legislation could have an adverse effect on the Company and the enterprises in which it invests.</p>

Risk Factors (cont'd)

Risk	Description
Regulatory risks	<p>Exploration, development and production at the Hengjaya Mine, the RKEF and power plant operations at HNI and RNI and future RKEF operations at ANI require various licences and permits from the government (whether at the central government or regional government level) and other government agencies to conduct business and operations in Indonesia.</p> <p>Since the commencement of RKEF operations at HNI and RNI and mining operations at the Hengjaya Mine until the date of this presentation, the Company, the HNI Entities and the RNI Entities have not had any material issues or an inability to obtain, maintain or renew a licence required to enable their respective operations to be conducted.</p> <p>The ANI Entities will be required to obtain and maintain licences and approvals for the construction and operation of the Angel Nickel Project.</p> <p>There is no assurance that the Indonesian government will not revoke existing licences and permits for whatever reason or issue or renew the licences or permits that are required within the timeframe anticipated or at all.</p> <p>A failure to obtain or renew, or a loss of, any significant licence or permit that the Company, the HNI Entities, the RNI Entities or the ANI Entities require to conduct their respective business and operations could have a material adverse effect on the business, financial performance, financial condition, results of those operations and prospects.</p> <p>Any adverse developments in regulatory conditions could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company.</p>
Expansion initiatives for Hengjaya Mine	<p>Any potential delays in required land acquisitions and permitting to enable construction of the haul road between the Hengjaya Mine and IMIP may hinder the Company's expansion initiatives for the Hengjaya Mine.</p>
Environmental, social and corporate governance	<p>Mining for ore and processing NPI can be potentially environmentally hazardous, and may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Air pollution from coal-fired power plants has been linked to significant environmental and public health impacts.</p> <p>The Company, the HNI Entities and the RNI Entities are and the ANI Entities will be subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted.</p> <p>Significant liability could be imposed on the HNI Entities, the RNI Entities and the ANI Entities for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations.</p> <p>The Company proposes to minimise these risks by conducting its activities (including its operating entities where within its control) in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.</p> <p>The failure of the Company, the HNI Entities, the RNI Entities and in due course the ANI Entities to engage with the local communities would risk disaffection on the part of the communities which may have adverse implications for the Company's operations and those of the HNI Entities, the RNI Entities and the ANI Entities in the local areas and Indonesia generally.</p>

Risk Factors (cont'd)

Risk	Description
Development and production risks	<p>There can be no assurance that the Company, the HNI Entities, the RNI Entities and the ANI Entities will achieve their respective production and cost estimates. The failure to achieve these production and cost estimates could have a material adverse effect on its cash flows, profitability and the general financial condition of the Company.</p> <p>Production and cost estimates are dependent on many factors including, but not limited to, mine, power station and processing plant commissioning, the accuracy of mineral resources, mine and production planning and scheduling, the accuracy of ore grades, ground conditions and mine stability, ore characteristics, the accuracy of the estimated rates and costs of mining, production, re haulage, barging and shipping.</p> <p>Other factors that may affect production and costs include: industrial accidents, natural phenomena such as weather conditions, floods, rock slides and earthquakes, changes in fuel and power costs and potential fuel and power shortages, shortages of and cost of supplies, labour costs, shortages or strikes, civil unrest and restrictions or regulations imposed by government agencies or other changes in the regulatory environment.</p> <p>The IWIP halted its operations in August 2020 due to flooding and it is possible that inclement weather or another event outside of the Company's control could delay, hinder or materially affect the development of ANI.</p>
Mineral Resource Risk	<p>The Hengjaya Mine mineral resource estimate is classified as Measured, Indicated and Inferred Resources. Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.</p> <p>Approximately one third of the Hengjaya Mine mineral resource estimate falls into the Inferred category. Inferred Resources provide a low level of confidence in the continuity of grade. Any reduction in grade could adversely affect plans and values detailed in this presentation.</p>
Future funding risks	<p>The future capital requirements of the Company will depend on many factors. The Directors believe that following the use of the proceeds of the Offer (as outlined on slide 7), the Company should have adequate funds for its business activities to continue as a going concern and to pay the balance of the consideration for the First Acquisition of US\$180 million.</p> <p>The Company has not yet secured debt or equity funding to meet its obligation to pay the consideration of the Second Acquisition of US\$280 million to acquire a further 40% in ANI.</p> <p>Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.</p> <p>Given that the Company requires additional funding, there can be no assurance that additional capital or debt financing will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and the enterprises in which it invests and their respective financial condition and performance, and their ability to continue as a going concern.</p> <p>Although the Directors believe that additional capital and debt financing can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and the enterprises in which it invests and could affect the Company's ability to continue as a going concern.</p> <p>The Company may undertake additional offerings of shares and of securities convertible into shares in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of shares. In addition, as a result of such additional shares, the voting power of the Company's existing shareholders will be diluted.</p> <p>Funding of operations including those which incorporate thermal coal power plants is becoming increasingly restricted, including in connection with climate change, or may require covenants that impact pricing or operations.</p> <p>Funding of industrial and mining operations, including those which incorporate thermal coal power plants, is becoming increasingly restricted, including in connection with climate change, or may require covenants that impact pricing or operations. The Company's ability to attract future funding and investment may be impacted by changing business and community expectations regarding environmental, social and governance matters and more stringent environmental assessments of proposed projects. These changes may increase the cost of funding for the Company or otherwise increase the cost of the Company's development and mining activities or delay or preclude those activities altogether.</p>

Risk Factors (cont'd)

Risk	Description
Risk that the Company's management and key personnel may discontinue their services	<p>The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel</p>
Reversal of ore export ban risk	<p>The Indonesian government introduced the ban on the export of unprocessed raw materials (including mined ore) on 12 January 2014.</p> <p>In 2017 there was some relaxation of this ban. If this ban is overturned or relaxed further, there is a risk that the domestic unprocessed ore producers may supply international markets, which may have material impacts on the global market for nickel, including nickel prices. Such a change may negatively impact the price that Nickel Mines is able to achieve for the sale of its products.</p>
Climate risk	<p>The IMIP, where the HNI and RNI RKEF lines are located, is located in the Indonesian province of Central Sulawesi. The IWIP, where ANI is in preliminary stages of construction, is located in Halmahera Island in Indonesia's North Maluku province.</p> <p>The HNI, RNI and ANI operations are therefore subject to the local climate of Central Sulawesi and North Maluku. Exploration, mining production and transportation activities may be susceptible to risks and hazards resulting from sustained precipitation or other weather conditions. If these risks do materialise, they may result in production delays, increased costs and increased liabilities.</p> <p>Changes in laws and policies, including in relation to carbon pricing, greenhouse gas emissions and energy efficiency, may adversely impact operations. Technological changes, including increasing use of renewable energy, may affect operations.</p> <p>However, while the relative share of thermal coal in the overall energy mix is expected to decline, the International Energy Agency projects that it will continue to provide baseload across Asia under existing policies. Shifts in commodity demand may arise in response to climate risks and opportunities, including in relation to demand for NPI and nickel. Extreme weather events and longer-term changes in weather patterns may also impact operations.</p>
Changes in taxation laws and policies	<p>Tax laws are in a continual state of change which may affect the Company and its shareholders, and the HNI Entities, the RNI Entities and the ANI Entities.</p> <p>There may be tax implications arising from ownership of the Company's shares, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the shares.</p> <p>Taxation concessions available to the HNI Entities, the RNI Entities and the ANI Entities may change or cease to be applicable over time.</p> <p>Taxation concessions available to the HNI Entities, the RNI Entities may change or cease to be applicable over time. While ANI proposes to submit an application to qualify for similar tax concessions that HNI and RNI have been granted, there is no guarantee that ANI will be able to obtain the same concessions on acceptable terms or at all.</p>
Payment of dividends	<p>Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this section. There is no assurance that the Company will be in a position or determine to pay dividends in the future.</p>
Third party risk	<p>The operations of the Company and especially the enterprises in which the Company invests require the involvement of a number of third parties, including suppliers, contractors and clients.</p> <p>Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company and the enterprises in which the Company invests. It is not possible for the Company to predict or protect the Company and the enterprises in which the Company invests against all such risks.</p>

Risk Factors (cont'd)

Risk	Description
Insurance risk	<p>The Company insures its operations in accordance with industry practice.</p> <p>However, in certain circumstances, the Company's insurance and the insurance held by the HNI Entities, the RNI Entities and in due course, the ANI Entities may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company and those entities.</p> <p>The Company's business, and the business of HNI, RNI and ANI are subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of the HNI Entities, the RNI Entities and the ANI Entities, delays in development, monetary losses and possible legal liability.</p> <p>The Company will seek to maintain insurance coverage that is substantially consistent with mining industry practice. To the extent that it is within its reasonable power and control, the company will seek to have the enterprises in which it invests to do the same.</p> <p>However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company or HNI Entities, the RNI Entities or the ANI Entities at all or at economically viable premiums or that, in the event of a claim, the level of insurance carried by the Company or those entities now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business or the HNI Entities, the RNI Entities and the ANI Entities.</p> <p>It has become apparent that certain financial institutions, asset managers and insurance companies throughout the world are responding to changing community expectations and pressure.</p> <p>In the case of insurance companies, this may result in the limitation or availability of insurance coverage to enterprises which derive a majority of their revenue from the exploitation of fossil fuels.</p> <p>Consequently, the ability of the Company, the HNI Entities, the RNI Entities and the ANI Entities to secure prudent and appropriate insurance coverage as an appropriate risk mitigation strategy may occur. Any losses suffered without the benefit of insurance which would otherwise ordinarily respond to such losses may have a material adverse financial impact on the Company.</p>
Operational risk	<p>The operations of the Company and the HNI Entities, the RNI Entities and the ANI Entities may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will mitigate these risks through management and supervision controls.</p> <p>In addition, the mining and processing operations of the Company and the HNI Entities, the RNI Entities and the ANI Entities may be adversely affected by various factors which are beyond the control of the Company, including natural disasters, epidemics, terrorist attacks, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p> <p>Workplace accidents may occur for various reasons, including as a result of non-compliance with safety rules and regulations. The Company and the HNI Entities, the RNI Entities and the ANI Entities may be liable for personnel injuries or fatalities that occur to their respective employees or other persons. If the Company is liable, in whole or in part, the Company may be liable for penalties or compensation.</p>
ASX discretion under Listing Rule 10.7	<p>Under Listing Rule 10.7, if a Company acquires a 'classified asset' from a substantial shareholder (which would include Shanghai Decent) the consideration for the acquisition cannot be cash and must be restricted securities. A classified asset includes an interest in an entity where a substantial proportion of its assets in ASX's discretion, cannot be readily valued. The Company considers that ANI is an asset that can be readily valued.</p> <p>The Company has, however, requested, but has not yet received, a confirmation from ASX that it does not consider the Transaction to be an acquisition of a classified asset.</p> <p>The Entitlement Offer is conditional on the Company receiving confirmation from the ASX prior to the Institutional Settlement Date that it does not consider the Transaction to be an acquisition of a classified asset for the purposes of the ASX Listing Rules.</p> <p>If the ASX exercises its discretion and notifies the Company that it considers the Transaction to be an acquisition of a classified asset prior to the Institutional Settlement Date (or the Company doesn't receive a confirmation prior to that date), the Underwriters would have the right to terminate the Underwriting Agreement and the Entitlement Offer would accordingly not proceed.</p> <p>If the ASX exercises its discretion and notifies the Company that it considers the Transaction to be an acquisition of a classified asset the Proposed Transaction will not be able to proceed because the consideration payable to Decent Resources for a classified asset will need to be in restricted securities and the Company would be required to renegotiate an alternative transaction with Shanghai Decent (if any) or seek to terminate the Agreement and Shanghai Decent may seek to enforce any rights it may have under the ANI CA, including seeking specific performance or damages.</p>

Risk Factors (cont'd)

Risk	Description
<p>The Transactions are conditional on Shareholder approval</p>	<p>As noted on slide 7 of this presentation, the Transactions are subject to the shareholder approval. The Company intends to hold an extraordinary general meeting in January 2020.</p> <p>If shareholder approval is not obtained, the Company will need to consider alternative uses for the proceeds of the offer, or ways to return such proceeds to shareholders which may have a material adverse effect on the Company's financial position and performance. In these circumstances, the Company may incur significant costs.</p>
<p>Underwriting risk</p>	<p>Nickel Mines has entered into an underwriting agreement with the joint lead managers (Underwriters) dated 2 December 2020 (Underwriting Agreement) pursuant to which the Underwriters have agreed to fully underwrite the Entitlement Offer on the terms and conditions set out in the Underwriting Agreement. If certain conditions are not satisfied or certain events occur then both the Underwriters may terminate the Underwriting Agreement, which may have an adverse impact on the ability of the Company to proceed with the Entitlement Offer and the quantum of funds raised as part of the Offer. The Underwriters will be able to terminate the Underwriting Agreement if, by the Institutional Settlement Date, the Company has not received confirmation from ASX that it:</p> <ul style="list-style-type: none"> i. does not consider the Transaction to be an acquisition of a classified asset for the purposes of the ASX Listing Rules; and ii. will not exercise its discretion under Listing Rule 11.1.3 to require the Company to re-comply with ASX's admission and quotation requirements in Chapters 1 and 2 of the Listing Rules. <p>In the event the Underwriting Agreement is terminated, there is no guarantee that the Entitlement Offer will continue. Failure to raise sufficient funds under the Entitlement Offer (as a result of it not proceeding or otherwise) will materially impact the Company's ability to complete the Transactions and could materially impact the Company's business, cash flow, financial position and results of operations.</p> <p><i>Key terms of the Underwriting Agreement</i></p> <p>The Underwriting Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers.</p> <p>If certain conditions are not satisfied (including those set out on slide 33) or certain events occur, the Underwriters may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:</p> <ul style="list-style-type: none"> • any unforeseen shutdown of the IMIP or any other material site or project of the business occurs on or after the date of the Underwriting Agreement; • ASX announces that Nickel Mines will be removed from the official list or that its ordinary shares will be delisted or suspended from quotation by ASX for any reason; • At any time on any trading day from (and including) 2 December 2020, and the Institutional Closing Date (expected to be 3 December 2020) the S&P/ASX 200 Index is at a level that is 12.5% or more below its level as at the close of business on the trading day prior to the date of the Underwriting Agreement; • ASX does not, or states that it will not, agree to grant official quotation of all the New Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Joint Lead Managers (acting reasonably), have a material adverse effect on the Entitlement Offer) by the time required in the timetable or approval is withdrawn, qualified (other than by way of customary conditions) or withheld; • the Company alters its capital structure without the consent of the Underwriters, other than by issuing New Shares pursuant to the terms of the Entitlement Offer; • the offer materials include any forecast, expression of opinion, forward looking statement, belief, intention or explanation which is not based on reasonable grounds;

Risk Factors (cont'd)

Risk	Description
Underwriting risk	<ul style="list-style-type: none"> • any event specified in the Timetable is delayed by Nickel Mines for more than 1 business day without the prior consent of the Underwriters; • the Company withdraws the Entitlement Offer; • the Company or any of its related body corporates is or becomes insolvent; • any certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required; • there is an event, occurrence or non-occurrence after the execution of the Underwriting Agreement which makes it illegal for an Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of the New Shares; • a statement contained in the offer documents is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect, or those materials omit any material information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements) or any expression of opinion or intention in the Offer Materials is not (or ceases to be) fairly and properly supportable or there are no (or there ceases to be) reasonable grounds for the making of any statement in the Offer Materials relating to future matters; • the Company or any of its affiliates, directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer; • there is a change in the senior management or board of directors of the Company; • certain regulatory actions, proceedings or prosecutions are commenced or threatened (including by ASIC) in relation to the Entitlement Offer; • the Company is prevented from allotting and issuing the New Shares under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency; • there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Company from the position fairly disclosed by the Company to ASX before the date of the Underwriting Agreement or in the request for trading halt; • a new law is introduced, or there is a public announcement of a proposal to introduce a new law, into the Parliament of Australia or any State of Australia, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Entitlement Offer, capital markets or stock market; • if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Company (including the CAs) are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Underwriter) or if they are amended, terminated, breached, or become void or illegal; • there is a contravention by Nickel Mines of the Corporations Act, its constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any government agency

Risk Factors (cont'd)

Risk	Description
Underwriting risk	<ul style="list-style-type: none"> • trading of all securities quoted on ASX, LSE, HKEX, NASDAQ or NYSE is suspended for at least 1 trading day (or a substantial part of 1 trading day) on which that exchange is open for trading, or a Level 3 “market-wide circuit breaker” is implemented by the NYSE upon a 20% decrease against the prior day’s closing price on the S&P500 Index only; • a general moratorium on commercial banking activities in Australia, Indonesia, the People’s Republic of China, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or equity security settlement or clearance services in any of those countries; • any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Indonesia, the People’s Republic of China, the United States of America, or the international financial markets or any change in national or international political, financial or economic conditions; • hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, Indonesia, or the People’s Republic of China or a major terrorist act is perpetrated anywhere in Australia, the United States of America, Indonesia, or the People’s Republic of China; • any representation or warranty given by the Company under the Underwriting Agreement is or becomes incorrect, untrue or misleading; • any information supplied by or on behalf of the Company to the Underwriters for the purposes of the Entitlement Offer, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission); or • a corrective statement in respect of the cleansing statement is required to be issued by the Company under the Corporations Act. <p>Each Underwriter will, in their respective proportions, receive the following total fees under the Underwriting Agreement:</p> <ul style="list-style-type: none"> • under the Institutional Offer, a management selling fee of 0.4% and an underwriting fee of 1.6% of the Institutional Entitlement Offer proceeds; and • under the Retail Entitlement Offer, a management selling fee of 0.4% and an underwriting fee of 1.6% of the Retail Entitlement Offer proceeds. <p>The Company must also pay to each Underwriter their reasonable expenses including legal costs and out-of-pocket expenses incurred by the Underwriter.</p>

Risk Factors (cont'd)

Key risks – General risks:

Risk	Description
Litigation risk	The Company and the enterprises in which it invests are subject to litigation risks. All industries, including the minerals extraction and processing industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company or the enterprises in which it invests are or may become subject could have a material effect on its financial position, results of operations or the Company's activities or those of the enterprises in which it invests.
Investment speculative	Investment is subject to risks of a general nature relating to investment in shares and securities. The following risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the shares offered. The shares to be issued under this offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares. Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the shares offered
Liquidity and realisation risk	The shares issued under the offer will only be listed on ASX and will not be listed for trading on any other securities exchanges. The market price for Shares may fall or be made more volatile because of the volume of trading in the Company's shares. When trading volume is low, significant price movement can be caused by trading in a relatively small number of shares and it may be difficult for investors to sell their shares
Stock market fluctuations	There are a number of risks associated with any stock market investment. The price of the shares may rise or fall and investors who decide to sell their shares may not receive the full amount of their original investment. The value of the shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes
Dependence on general economic conditions	The operating and financial performance of the Company and the entities in which it invests will be influenced by a variety of general economic and business conditions. Any protracted down turn in Australia, Indonesia, PRC and the world economic situation could be expected to have a materially adverse effect on the Company's financial performance, financial position and cash flows. Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on nickel laterite and NPI prices. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for nickel laterite and NPI as well as exchange rate movements. In recent times, there have been many reports of rising geopolitical tensions between Australia and PRC and their respective trading partners. The implications of such occurrences are hard to precisely foreshadow but may include outcomes such as import or restrictions, quotas imposed in destination markets, tariffs, other production impediments or constraints, investment restrictions or other economic impacts. Changes in regulatory environments and local and global policy responses all have the ability to impact adversely on the general economic conditions in which the Company and its investment entities operate.
Negative publicity may adversely affect the Share price	Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the Company's share price performance whether or not this is justifiable

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International Offer Restrictions

Cayman Islands

This document may not be distributed from within the Cayman Islands and does not constitute an offer of New Shares to the public in the Cayman Islands. The New Shares may not be offered or sold to the public in the Cayman Islands or from within the Cayman Islands.

China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This document does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International Offer Restrictions

Indonesia

A registration statement with respect to the New Shares has not been, and will not be, filed with Otoritas Jasa Keuangan in the Republic of Indonesia. Therefore, the New Shares may not be offered or sold to the public in Indonesia. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations of the Republic of Indonesia.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International Offer Restrictions

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

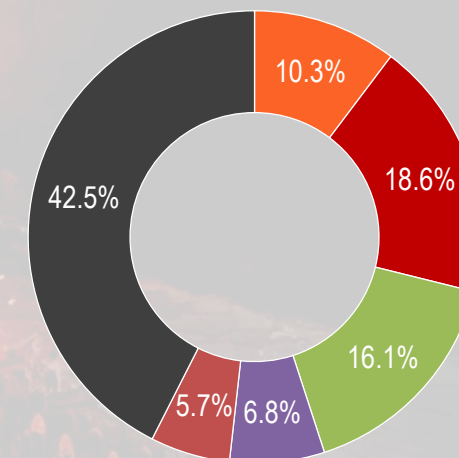
- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

TRADING INFORMATION

1 DECEMBER 2020

ASX Code	NIC
Shares on Issue	2,128.1B
Share Price	A\$1.045
Market Capitalisation	A\$2,223.9M
Indexes	ASX All Ords / ASX 300/ MSCI

- Directors and Management
- Shanghai Decent
- PT Karunia Bara Perkasa
- Blackrock
- Shanghai Wanlu
- Other

ANALYST COVERAGE⁽¹⁾

Bell Potter	Buy	Target Price	\$1.60
Canaccord	Buy	Target Price	\$1.60
Petra Capital	Buy	Target Price	\$1.40
Shaw & Partners	Buy	Target Price	\$1.33
BMO	Outperform	Target Price	\$1.30
Macquarie	Outperform	Target Price	\$1.30
Citi	Buy	Target Price	\$1.30

SUBSTANTIAL SHAREHOLDERS

Shanghai Decent (SDI)	18.6%
PT Karunia Bara Perkasa	16.1%
Blackrock	6.8%
Shanghai Wanlu	5.7%

(1) NIC does not endorse, confirm or express a view as to the accuracy of or representations or recommendations made by each of the analysts. Investors should refer to the reports or recommendations of each of these analysts and form their own view.



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2 December 2020

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Sydney NSW 2000

(5 pages by email)

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Nickel Mines announces A\$364 million equity raising to fund the initial acquisition of a 30% interest in the Angel Nickel Project

The Directors of Nickel Mines Limited (**'the Company'** or **'Nickel Mines'**) are pleased to launch a A\$364 million fully underwritten, accelerated pro-rata non-renounceable entitlement offer (**'Entitlement Offer'**) to fund the acquisition of its initial 30% interest in the Angel Nickel Project (**'ANI'**) within the Indonesia Weda Bay Industrial Park (**'IWIP'**).

As announced on 24 November 2020, Nickel Mines has executed a binding Definitive Agreement (**'Agreement'**) with its partner Shanghai Decent Investment (Group) Co., Ltd (**'Shanghai Decent'**) and Decent Resource Limited (**'Decent Resource'**) (an affiliate of Shanghai Decent) to acquire a 70% equity interest in ANI (the **'Transaction'**).

Nickel Mines will acquire its 70% interest in ANI through the acquisition of shares in a Singaporean incorporated holding company, Angel Capital Private Limited (**'Angel Capital'**) (which is currently 100% owned by Decent Resource, an affiliate of Shanghai Decent, and shareholder loans due or owing by Angel Capital (and/or its subsidiaries). Angel Capital will wholly own (directly and indirectly) a PMA operating company, PT Angel Nickel Industry, which is to be incorporated in Indonesia and will own the ANI assets.

The ANI structure will replicate the structures used for the existing HNI and RNI investments.

Site preparations and foundation works for construction of ANI are underway, and will comprise:

- Four RKEF lines, with a combined annual nameplate production capacity of 36,000t of equivalent contained nickel in nickel pig iron;
- A captive 380MW power plant; and
- Ancillary facilities required for the operation of each of the RKEF lines and the power plant.

Total consideration payable by Nickel Mines in connection with the Transaction is US\$490 million, which is to be undertaken in two tranches as follows:

- (i) An initial acquisition (**'First Acquisition'**) whereby Nickel Mines will acquire an initial interest of 30% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel

Capital (and / or its subsidiaries) at a cost of US\$210 million¹, which is to occur by no later than 31 March 2021²; and

- (ii) A second acquisition ('**Second Acquisition**') whereby Nickel Mines will acquire an additional 40% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and / or its subsidiaries) at a cost of US\$280 million, which is to occur by no later than 31 December 2021².

The majority of the proceeds from the Entitlement Offer will be put towards funding the First Acquisition payment. Excess funds will go towards strengthening the balance sheet and will provide additional working capital. The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.

The First Acquisition payment of US\$210 million is due by the end of Q1 2021. Nickel Mines has already made payments of US\$30 million, reducing the current payable balance for the First Acquisition to US\$180 million³.

A further US\$280 million will be required to fund the Second Acquisition which is due to complete by the end of Q4 2021, to secure a further 40% interest in ANI⁴.

The staged acquisition approach allows for an optimal funding mix from cash reserves, debt and equity.

Nickel Mines has optionality and flexibility around funding sources given its very lowly leveraged pro-forma balance sheet (net cash of US\$112m⁵) and strong cashflows from its existing operations within IMIP (Q3 2020 EBITDA of US\$49 million from the Hengjaya Nickel ('**HNI**') and Ranger Nickel ('**RNI**') RKEF projects on a 100% basis). The Company is progressing potential debt funding options for the Second Acquisition payment.

The Company is aiming to be fully funded for the Second Acquisition as soon as practically possible in 2021.

Transaction transforms Nickel Mines

Nickel Mines' attributable nickel production profile is estimated to approximately double within two years⁶.

Completion of the Transaction will give Nickel Mines a 70% interest in ANI, which represents ~25.2ktpa of attributable nameplate nickel metal production following successful commissioning of ANI. By comparison HNI and RNI each have an annual nameplate capacity of ~15ktpa on a 100% basis. The Company's 80% interest in HNI and RNI combined represents ~24ktpa of attributable nameplate nickel metal production.

The Directors consider that the US\$490 million Transaction price represents an attractive valuation and is highly accretive. The Transaction increases attributed share of estimated nickel production by ~25.2ktpa, at an implied price of ~US\$19,444/t Ni Eq^{7,8}. This compares to a market implied valuation⁹ for HNI and RNI of ~US\$46,289/t Ni Eq based on nameplate capacity and ~US\$32,446/t Ni Eq based on annualised September quarter production^{8,10}.

¹ First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

² Based on a valuation of US\$700 million on a 100% basis.

³ First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

⁴ Nickel Mines will acquire the stated interest in ANI by acquiring shares in Angel Capital and an equal proportion of shareholder loans due or owing by Angel Capital (and/or its subsidiaries), based on a valuation of US\$700m on a 100% basis.

⁵ Reflects attributable net cash position based on Nickel Mines' 80% share of the cash held within Singaporean entities that ultimately own HNI and RNI and 80% share of the cash held by the entity that holds Hengjaya Mine.

⁶ Statement assumes Completion of the Transaction and ANI ramp up to annual nameplate capacity.

⁷ ANI has an annual nameplate capacity of 36ktpa of nickel metal (in nickel pig iron) on a 100% basis. Implied valuation for 70% interest in ANI illustratively assumes no portion of the transaction value is attributed to captive 380MW power plant.

⁸ Ni Eq is nickel metal equivalent contained in nickel pig iron (NPI).

⁹ Based on Nickel Mines' Enterprise Value at US\$1,111m as at 15 October 2020 (being the last closing price before the announcement of the MOU to acquire 70% of 4 new RKEF lines at IWIP), based on a market capitalisation of A\$1,639m and net cash of US\$49m, assuming AUD:USD FX rate of 0.7077. Implied valuation multiple illustratively assumes no value is attributed to Hengjaya Mine.

¹⁰ Annualised combined HNI and RNI production run rate, based on September 2020 quarter production, of ~42,800 Ni Eq tonnes per annum on a 100% basis.

Shareholder Approval for the Transaction

The Transaction is subject to the approval of Nickel Mines' shareholders under ASX Listing Rule 10.1 as it involves the acquisition of a substantial asset from an associate of a substantial shareholder. A shareholder vote to approve the Transaction is expected to take place in January 2021. An Independent Expert Report as to whether the Transaction is fair and reasonable to shareholders not associated with Shanghai Decent has been prepared and will be released to the market on the same day as this announcement, and will be included in the Notice of Meeting.

Entitlement Offer overview

To fund the First Acquisition, Nickel Mines is undertaking a fully underwritten 2 for 11 Entitlement Offer to raise A\$364 million (equivalent to approximately US\$268 million¹¹).

The Entitlement Offer is fully underwritten, and comprises:

- An accelerated institutional entitlement offer ('**Institutional Entitlement Offer**'); and
- A retail entitlement offer ('**Retail Entitlement Offer**').

The Entitlement Offer will be conducted at A\$0.94 per New Share ('**Offer Price**'), representing a:

- 10.0% discount to the last traded price of A\$1.045 on Tuesday, 1 December 2020; and
- 8.6% discount to TERP of A\$1.03¹².

The Entitlement Offer will result in approximately 386.9 million new ordinary shares being issued ('**New Shares**'), representing approximately 18.2% of Nickel Mines' existing shares on issue. New Shares issued will rank equally with existing shares.

The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the ASX or any other exchange.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

The Entitlement Offer is conditional on the Company receiving confirmation from the ASX prior to the Institutional Settlement Date that it:

- (i) Does not consider the Transaction to be an acquisition of a classified asset for the purposes of the ASX Listing Rules; and
- (ii) Will not exercise its discretion under Listing Rule 11.1.3 to require the Company to re-comply with ASX's admission and quotation requirements in Chapters 1 and 2 of the Listing Rules.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), Friday, 4 December 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 9 December 2020.

¹¹ Based on AUD:USD exchange ratio 0.737 as at 1 December 2020.

¹² TERP is the theoretical ex-rights price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their Entitlement.

Indicative timetable of the Entitlement Offer

The timetable below is indicative only and subject to change. Nickel Mines reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX listing rules and the Corporations Act 2001 (Cth).

The quotation of New Shares is subject to confirmation from the ASX.

All times below are based on Sydney, Australia time.

Event	Date
Trading halt and announcement of Entitlement Offer	Wednesday, 2 December 2020
Institutional Entitlement Offer opens	Wednesday, 2 December 2020
Institutional Entitlement Offer closes	Thursday, 3 December 2020
Trading halt lifted and Shares recommence trading	Friday, 4 December 2020
Record Date under Entitlement Offer	7:00pm, Friday, 4 December 2020
Retail Entitlement Offer opens and Retail Offer Booklet and Application and Entitlement Forms dispatched to eligible retail shareholders	Wednesday, 9 December 2020
Settlement of New Shares issued under Institutional Entitlement Offer	Monday, 14 December 2020
Issue and commencement of trading of New Shares under Institutional Entitlement Offer	Tuesday, 15 December 2020
Retail Entitlement Offer closes	5:00pm, Friday, 18 December 2020
Settlement of New Shares issued under Retail Entitlement Offer	Thursday, 24 December 2020
Issue of New Shares under Retail Entitlement Offer	Tuesday, 29 December 2020
Commencement of trading of New Shares issued under Retail Entitlement Offer	Wednesday, 30 December 2020
Holding statements sent to retail shareholders	Thursday, 31 December 2020

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Important notices

The release of this announcement was authorised by the Board of Nickel Mines.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward looking statements and comments about future events, including about the plans, objectives and strategies of Nickel Mines' management, the industry and the markets in which Nickel Mines operates, Nickel Mines' expectations about the financial and operating performance of its businesses, the timetable and outcome of the Entitlement Offer and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Nickel Mines' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond Nickel Mines' control. Refer to the various risks factors in the Appendix under "Risk Factors" of the investor presentation entitled "Equity Raising Presentation" released to the ASX today.

Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nickel Mines. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Mines.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Nickel Mines shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nickel Mines is not licensed to provide investment or financial product advice in respect of Nickel Mines shares. Cooling off rights do not apply to the acquisition of Nickel Mines shares pursuant to the Entitlement Offer.

4 December 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(4 pages by email)

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Successful completion of Institutional Entitlement Offer

The Directors of Nickel Mines Limited (**'the Company'** or **'Nickel Mines'**) are pleased to announce the successful completion of the institutional component (**'Institutional Entitlement Offer'**) of its fully underwritten 2 for 11 accelerated pro-rata non-renounceable entitlement offer (**'Entitlement Offer'**) that was announced on Wednesday, 2 December 2020.

As announced previously, Nickel Mines has executed a binding Definitive Agreement (**'Agreement'**) with its partner Shanghai Decent Investment (Group) Co., Ltd (**'Shanghai Decent'**) and Decent Resource Limited (**'Decent Resource'**) (an affiliate of Shanghai Decent) to acquire a 70% interest in the Angel Nickel Project (**'ANI'**) within the Indonesia Weda Bay Industrial Park (**'IWIP'**) (the **'Transaction'**).

Total consideration payable by Nickel Mines in connection with the Transaction is US\$490 million, which is to be undertaken in two tranches as follows:

- (i) An initial acquisition (**'First Acquisition'**) whereby Nickel Mines will acquire an initial interest of 30% of the shares in Angel Capital Private Limited (**'Angel Capital'**)¹ and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and / or its subsidiaries) at a cost of US\$210 million², which is to occur by no later than 31 March 2021³; and
- (ii) A second acquisition (**'Second Acquisition'**) whereby Nickel Mines will acquire an additional 40% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and / or its subsidiaries) at a cost of US\$280 million, which is to occur by no later than 31 December 2021³.

The majority of the proceeds from the Institutional Entitlement Offer will be put towards funding the First Acquisition payment. Excess funds will go towards strengthening the balance sheet and will provide additional working capital. The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.

¹ Angel Capital is a Singaporean incorporated holding company which is currently 100% owned by Decent Resource, an affiliate of Shanghai Decent. Angel Capital will wholly own (directly and indirectly) a PMA operating company, PT Angel Nickel Industry, which is to be incorporated in Indonesia and will own the ANI assets.

² First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

³ Based on a valuation of US\$700 million on a 100% basis.

The Institutional Entitlement Offer raised approximately A\$275 million at A\$0.94 per New Share (**Offer Price**). It was well supported by institutional shareholders with take-up of approximately 73%. There was also strong demand from both existing Nickel Mines' shareholders and new institutional investors for the balance of the institutional component, comprising renounced entitlements and entitlements attributable to ineligible shareholders.

Nickel Mines' Managing Director, Justin Werner said:

"We are delighted with the success of the offer which is a clear endorsement of the Company's achievements to date and the Agreement to acquire a 70% interest in the Angel Nickel Project. This Transaction is transformative for the Company and is expected to approximately double the Company's nickel production capacity. It will provide us with operational footprints within what are estimated to become the world's two largest nickel production centres and further cements and extends our excellent relationship with Shanghai Decent".

New shares issued under the Institutional Entitlement Offer will rank equally with existing shares. The new shares issued under the Institutional Entitlement Offer are expected to be allotted on Tuesday, 15 December 2020. Trading will commence on a normal settlement basis on the Australian Securities Exchange (ASX) on the same day.

Retail Entitlement Offer

The retail component of the Entitlement Offer, which is fully underwritten, will further raise approximately \$89 million (**Retail Entitlement Offer**). The Retail Entitlement Offer will open on Wednesday, 9 December 2020 and close at 5.00pm (Sydney time) on Friday, 18 December 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), Friday, 4 December 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 9 December 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement. Any additional New Shares will be limited to the extent that there are sufficient New Shares from eligible retail shareholders who do not take up their full entitlements. The allocation of any additional New Shares under the Retail Entitlement Offer will be subject to the terms set out in the Retail Offer Booklet.

Sub-underwriting commitment

The Company's partner and largest shareholder, Shanghai Decent, has provided a sub-underwriting commitment as part of the Retail Entitlement Offer. The size of the commitment is such that their ownership in the Company will not exceed 19.9% at the completion of Offer.

The sub-underwriting commitment has been made on the same terms as other sub-underwriters and will not have a material consequence on the control of Nickel Mines. The Underwriters have notified the Company that the obligations of each of the sub-underwriters, including Shanghai Decent, under the sub-underwriting agreements will terminate if the Underwriters' obligations under the underwriting cease or are terminated pursuant to any express termination rights. No sub-underwriting fee will be payable to Shanghai Decent by the Underwriters.

Offer timetable

The timetable below is indicative only and subject to change. Nickel Mines reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX listing rules and the Corporations Act 2001 (Cth).

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Important notices

The release of this announcement was authorised by the Board of Nickel Mines.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward looking statements and comments about future events, including about the plans, objectives and strategies of Nickel Mines' management, the industry and the markets in which Nickel Mines operates, Nickel Mines' expectations about the financial and operating performance of its businesses, the timetable and outcome of the Entitlement Offer and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Nickel Mines' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond Nickel Mines' control. Refer to the various risk factors in the Appendix under "Risk Factors" of the investor presentation entitled "Equity Raising Presentation" released to the ASX on 2 December 2020.

Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nickel Mines. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Mines.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Nickel Mines shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nickel Mines is not licensed to provide investment or financial product advice in respect of Nickel Mines shares. Cooling off rights do not apply to the acquisition of Nickel Mines shares pursuant to the Entitlement Offer.

pjn10605

NIC
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

9 December 2020

Dear Shareholder

Notice to Eligible Retail Shareholders: Accelerated Pro-Rata Non-Renounceable Entitlement Offer – ASX Code: NIC

On 2 December 2020, Nickel Mines Limited (ACN 127 510 589) (ASX:NIC) (**Nickel Mines**) announced that it was conducting an accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) for new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.94 per New Share (**Offer Price**) to raise approximately A\$364 million.

The majority of the proceeds of the Entitlement Offer will be put towards funding the Company's initial 30% interest in the Angel Nickel Project. Excess funds will go towards strengthening the Company's balance sheet and will provide additional working capital. The Company is also in discussions with Shanghai Decent about early repayment of the remaining balance of the Ranger Debt Facility.

This letter is to inform you about the Entitlement Offer and to explain that, if you are an Eligible Retail Shareholder (as defined below), you will be able to purchase 2 New Shares for every 11 existing Nickel Mines ordinary shares held on the record date of 7:00pm (Sydney time) on 4 December 2020 (**Entitlement**). New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Nickel Mines ordinary shares from their date of issue. Fractional Entitlements will be rounded up to the nearest whole number of shares.

What is the Entitlement Offer?

The Entitlement Offer is being made by Nickel Mines in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, meaning that the Entitlement does not require disclosure under Part 6D.2 of the Corporations Act and no prospectus or product disclosure document is required to be prepared in relation to the Entitlement Offer.

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**).

The Entitlement Offer is lead managed and underwritten by Bell Potter Securities Limited and Credit Suisse (Australia) Limited (the **Underwriters**).

Eligible Retail Shareholders are shareholders in Nickel Mines who:

- (a) are registered as a holder of fully paid shares in Nickel Mines as at 7:00pm (Sydney time) on 4 December 2020 (**Record Date**);
- (b) have a registered address on Nickel Mines' share register that is in Australia or New Zealand or are a shareholder that Nickel Mines has otherwise determined is eligible;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States with respect to their shares in Nickel Mines (to the extent such person holds Nickel Mines shares for the account or benefit of such person in the United States);
- (d) did not receive an offer to participate (other than as nominee, in respect of the other underlying holdings) in the Institutional Entitlement Offer, and were not otherwise treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible shareholders. In particular, shareholders that are in the United States or that are acting for the account or benefit of a person in the United States (to the extent such person holds Nickel Mines ordinary shares for the account or benefit of such persons in the United States) are not eligible to participate in the Retail Entitlement Offer.

According to our records, you satisfy the eligibility criteria for an Eligible Retail Shareholder.

Retail Offer Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable which means that Entitlements are non-transferable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred. If Eligible Retail Shareholders take no action they will not be allocated New Shares or receive any value in respect of the Entitlements they do not take up and their Entitlements will lapse.

Timetable

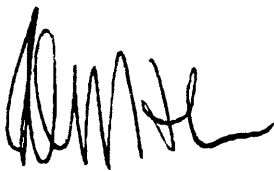
The timetable for the Entitlement Offer is as follows:

Event	Indicative Date
Announcement of Entitlement Offer	Wednesday, 9 December 2020
Record Date for eligibility in the Retail Entitlement Offer	7.00pm (Sydney time), 4 December 2020
Retail Entitlement Offer opens	9 December 2020
Retail Offer Booklet despatched, including personalised Entitlement and Acceptance Form	9 December 2020
Retail Entitlement Offer closes	5.00pm (Sydney time), 18 December 2020
Announce results of Entitlement Offer	23 December 2020
Issue of New Shares under the Retail Entitlement Offer	29 December 2020
Quotation and normal trading on ASX of New Shares issued under the Retail Entitlement Offer	30 December 2020
Dispatch of holding statements	31 December 2020

This timetable is indicative only and may be subject to change. Nickel Mines reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Nickel Mines reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or the Nickel Mines Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) from 8.30am to 5.00pm (Sydney time) during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Nightingale', written in a cursive style.

Peter Nightingale
Chief Financial Officer
Nickel Mines Limited
pnightingale@nickelmines.com.au

IMPORTANT INFORMATION

This letter is issued by Nickel Mines. This letter is not a prospectus or offering document under Australian law or any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any Entitlements or securities in Nickel Mines, in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Entitlements or Nickel Mines shares.

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This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

NICKEL

MINES LIMITED

ABN 44 127 510 589

NIC

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For all enquiries:

Phone:



(within Australia) 1300 855 080
(outside Australia) +61 3 9415 4000

Web:



www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

Retail Entitlement Offer - Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Sydney time) on Friday, 18 December 2020**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Offer Booklet dated 9 December 2020.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Nickel Mines Limited Retail Entitlement Offer

Payment must be received by 5:00pm (Sydney time) on Friday, 18 December 2020

© Registered to **BPAY** Pty Limited ABN 69 079 137 518

Entitlement and Acceptance Form


X 9999999991

IND

STEP 1 Registration Name & Offer Details

Registration Name:

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details:

Existing Shares entitled to participate as at
7.00pm (Sydney time) Friday, 4 December 2020:

Entitlement to New Shares on a 2 for 11 basis:

Amount payable on full acceptance at \$0.94 per New Shares:

*Maximum Additional New Shares for which you may apply
(50% of your Entitlement)

Amount payable on full acceptance of Entitlement and application
for the maximum number of Additional New Shares

*You may only apply for Additional New Shares if you have applied for 100% of your Entitlement

STEP 2 Make Your Payment by 5:00pm (Sydney time) on Friday, 18 December 2020

Make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY



Billers Code: 339614
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your
payment from your cheque or savings account.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Nickel Mines Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Entitlement and Acceptance Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

Detach here

Nickel Mines Limited Acceptance Payment Details

Entitlement taken up:

Enter the number of Additional New Shares applied for (if
any) up to a maximum of 50% of your Entitlement:

Amount enclosed at \$0.94 per New Shares:

A\$



Entitlement No: 12345678
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000



BPAY is the most efficient and secure form of payment. Your BPAY payment details
are shown above.

Contact
Name

Daytime
Telephone

123456789123456789+0000000001-3051+14