

21 April 2021

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

Acquisition of a further 20% interest in Angel Nickel

The Directors are pleased to announce that Nickel Mines Limited ('the Company') has completed the acquisition of a further 20% interest in Angel Capital Private Limited ('Angel'), the Singaporean holding company and ultimate 100% owner of the Angel Nickel project comprising four next generation RKEF lines and a 380MW power station currently under construction within the Indonesia Weda Bay Industrial Park ('IWIP') on Halmahera Island in Indonesia's North Maluku province.

The Company now holds a 50% interest in the Angel Nickel project, having acquired its initial 30% interest in February 2021, and has the right to further increase its interest in Angel to 80% by 31 December 2021.

The acquisition of the 20% interest in Angel was agreed with the Company's partner, Shanghai Decent Investment Group Co., Ltd, whereby the second stage acquisition of a further 50% of Angel has been split into two parts, thereby providing funding flexibility for the Company:

- Part A being 20% for payment of US\$137.6M by 30 June 2021; and
- Part B being 30% for payment of US\$210.0M by 31 December 2021.

The Part A payment of US\$137.6M is inclusive of a US\$2.4M discount based on the US\$6.0M early payment discount the Company negotiated as announced on 20 January 2021.

Reiterating the Independent Expert's Valuation Reports prepared by Lonergan Edwards & Associates Limited as announced on 2 December 2020 and 20 January 2021:

- Based on the assumptions in the Independent Expert Valuation Report, the value of 100% of the Angel Nickel project ranges from US\$1.4 billion to US\$1.5 billion.

The Directors are also pleased to advise that construction of the Angel Nickel project is well progressed with all material earthworks and plant footings now largely completed together with the commencement of fabrication of key long lead items including boilers, turbines and generators.

The following photographs show recent progress of the Angel Nickel project.



Foundations for lines #1 and #2



Foundations for lines #3 and #4



Slag washing precipitating tank



Area for electrostatic precipitator



Buggy ladles for lines #1 and #2



Buggy ladles for lines #3 and #4

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