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The Manager Companies
ASX Limited
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(25 pages by email)

PRESENTATION TO MACQUARIE AUSTRALIA CONFERENCE

Nickel Mines Limited is pleased to release the following presentation that Managing Director Justin Werner is presenting to investors at this week's Macquarie Australia Conference.

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A NEW FORCE IN GLOBAL NICKEL

Macquarie Australia Conference

May 2021



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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,
LOWEST COST STAINLESS STEEL PRODUCER.

NIC

ASX

- Nickel Mines Limited (NIC) is an Australian company publicly listed on the ASX.
- Strategic partnership with Tsingshan group.
- ~A\$2.87BN 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.
- 80% interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine IUP licence covering 5,983 hectares.
- 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⁾

IWIP

ANI

50%

- Definitive Agreement to acquire an 80% interest for US\$560M.
- Comprises:
 - 4 new RKEF lines (Nameplate capacity ~36ktpa)
 - 380MW captive power plant.
- Stage 1 - completed.
 - 30% interest acquired for US\$210M.
- Stage 2 - two instalments
 - Part A - 20% for US\$137.6M (completed)
 - Part B - 30% for US\$210M (by 31 December 2021)
- **More than doubling of existing production capacity.**

Current nickel units produced as nickel in NPI.
MoU signed to partially diversify production to nickel in matte for sale into the EV battery supply chain.

(1) Average monthly production rate through 31 December 2020 at HNI and RNI on a 100% basis was ~1,800t Ni Eq.

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

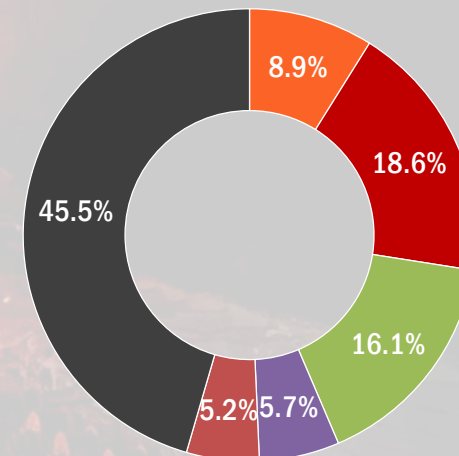
(3) dmt = dry metric tonnes.

TRADING INFORMATION

4 MAY 2021

ASX Code	NIC
Shares on Issue	2.515B
Share Price	A\$1.14
Market Capitalisation	A\$2.87B
Indexes	ASX All Ords / ASX 200/ MSCI

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



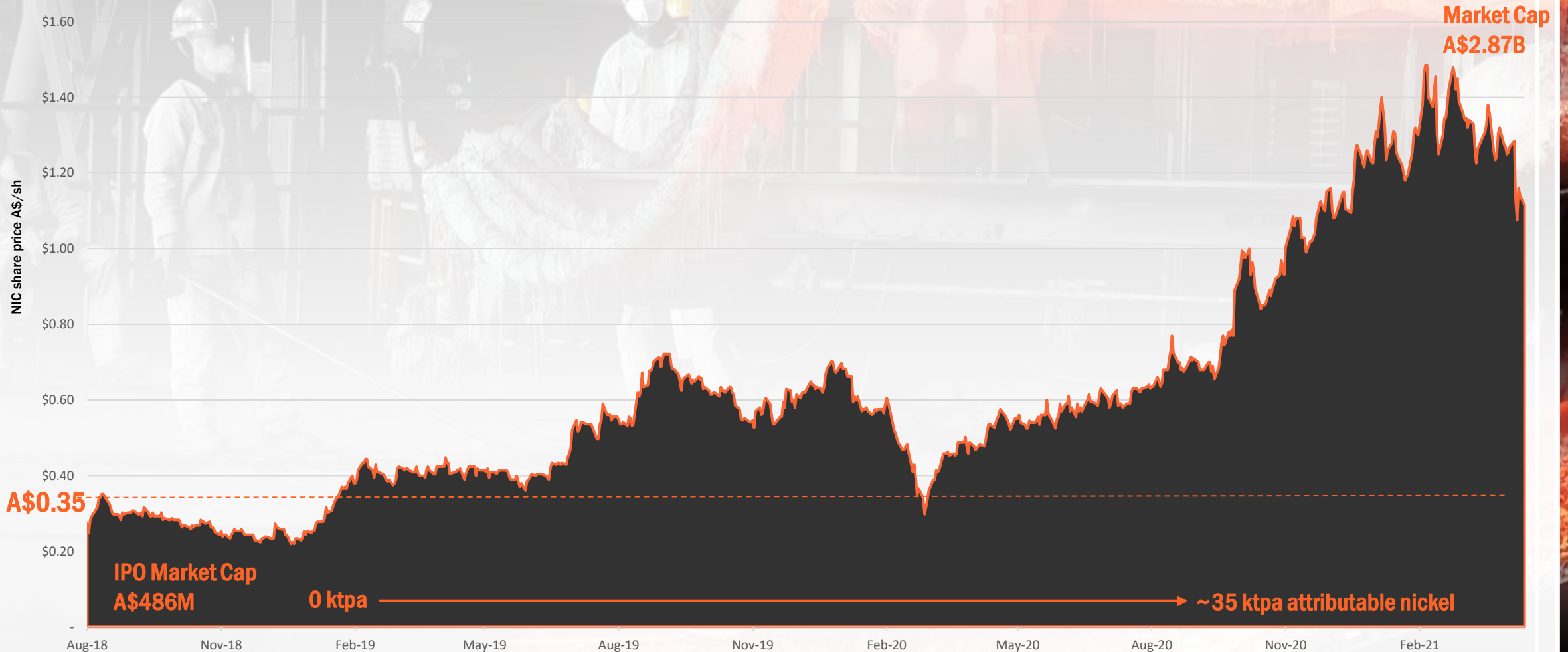
SUBSTANTIAL SHAREHOLDERS

Shanghai Decent (SDI)	18.0%
PT Karunia Bara Perkasa	15.1%
Blackrock	6.8%
Baillie Gifford	5.2%



Significant value creation delivered through rapid production growth

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 ~35 ktpa of nickel metal.



Building a Nickel Empire - Introducing ANI

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



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

IMIP



Steel production capacity	3Mt Stainless Steel per annum
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RKEF lines	36 operating RKEF lines
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Power capacity	~3GW captive power for IMIP
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NIC interest %	80% interest HNI/RNI – 4 operating RKEF lines
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IWIP



RKEF lines	12 operating RKEF lines Further RKEF lines planned and underway
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Power capacity	Currently 500MW captive power
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NIC interest %	ANI - 4 RKEF lines / 380MW power Currently 50%, moving to 80%
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**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⁽³⁾
- No cost overrun risk

FIRST PRODUCTION

- Scheduled Q3 2022



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



**INDUSTRY LEADING
CAPITAL INTENSITY**



**80% INTEREST FOR
US\$560M**

FIRST ACQUISITION

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

SECOND ACQUISITION

- US\$350M
- 20% interest **(COMPLETED)**
 - 30% interest (by 31/12/20)

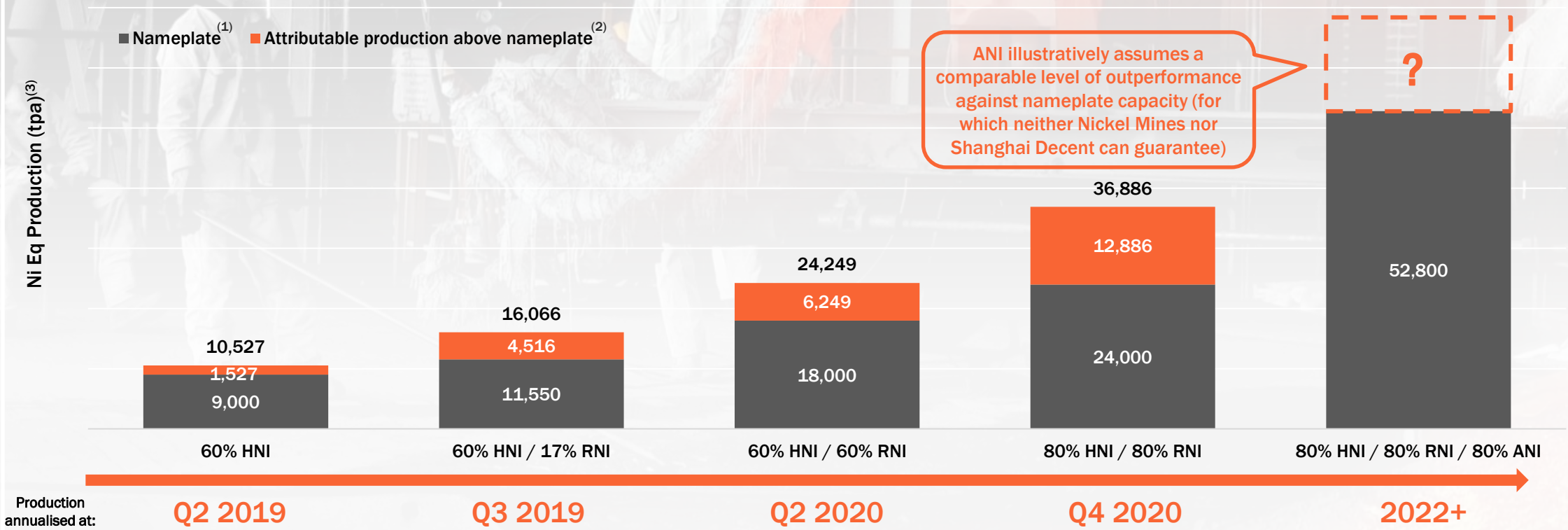
(1) Higher KVA (kilovolt amps) output.

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

(3) Shanghai Decent has agreed to indemnify PT ANI (proposed operating company for ANI) for any construction costs exceeding US\$700M

The ANI acquisition continues Nickel Mines' steady accumulation of nickel production capacity

Nameplate capacity set to double from 2022

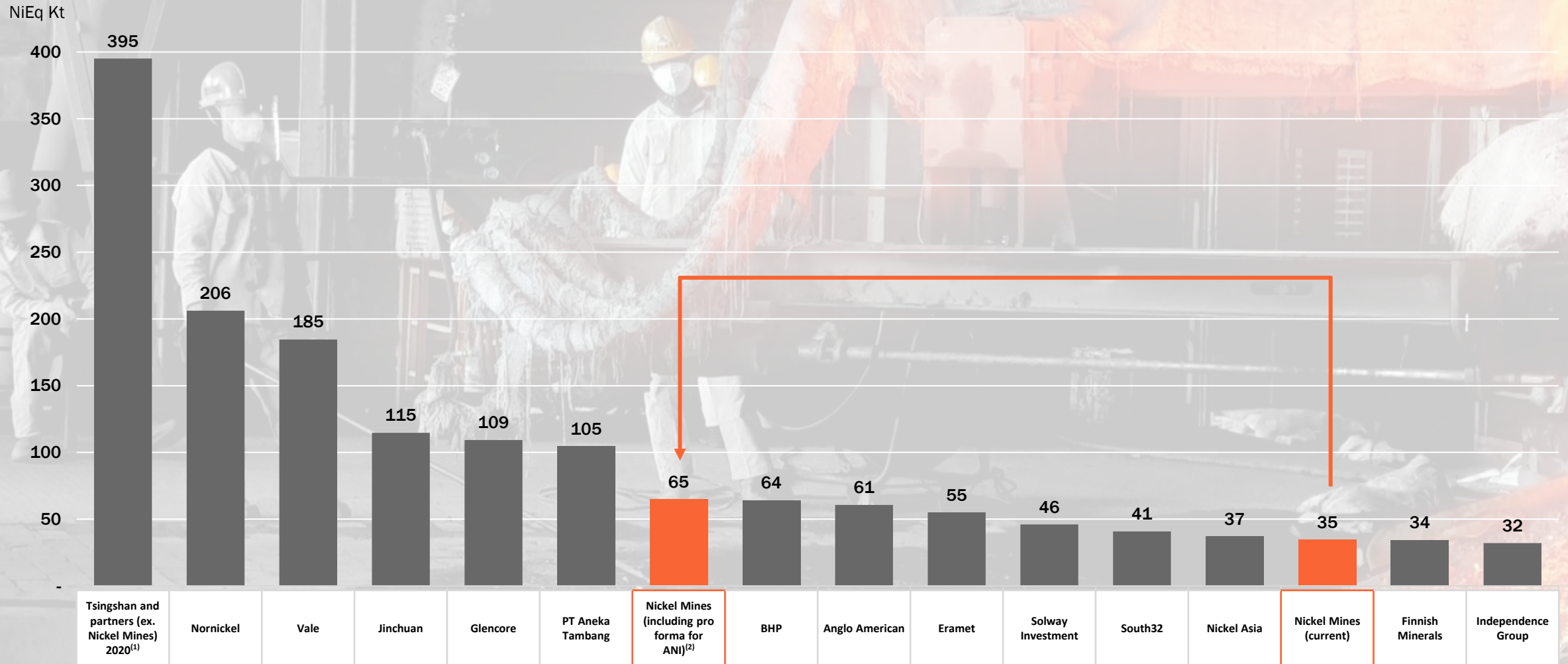


Note: These figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts.

1. Nameplate production levels reflect Nickel Mines' attributable share of nameplate nickel metal capacity at its various ownership levels based on nameplate nickel metal capacities of 15ktpa for HNI and RNI and 36ktpa for ANI.
2. Actual production figures reflect annualised quarter production performance over time against nameplate capacity at various ownership levels at HNI and RNI.
3. Ni Eq is nickel metal equivalent contained in nickel pig iron (NPI).

Top 10 nickel producer globally with scale, efficiency and expertise

ANI acquisition to add significant scale, while diversifying Nickel Mines' geographic and production footprint



Source: Wood Mackenzie, Tsingshan.

Note: Comparable companies (on attributable basis) reflect Wood Mackenzie Q4 2020 global production rankings by mines, excluding Nickel Mines which reflects estimated run-rate NPI production from RKEF lines.

1. Sourced from Tsingshan.

2. Reflects Nickel Mines' estimated run rate production, including 80% of ANI production, assuming completion of the acquisition and construction and ramp up of ANI.

Engineering, procurement and construction activities at Angel Nickel are progressing well. All material earthworks and plant footings now largely completed together with the fabrication of key long lead items including boilers, turbines and generators.



Foundations for Lines #1 and #2



Foundations for Lines #3 and #4



Slag washing precipitating tank



Buggy ladle for Lines #1 and #2



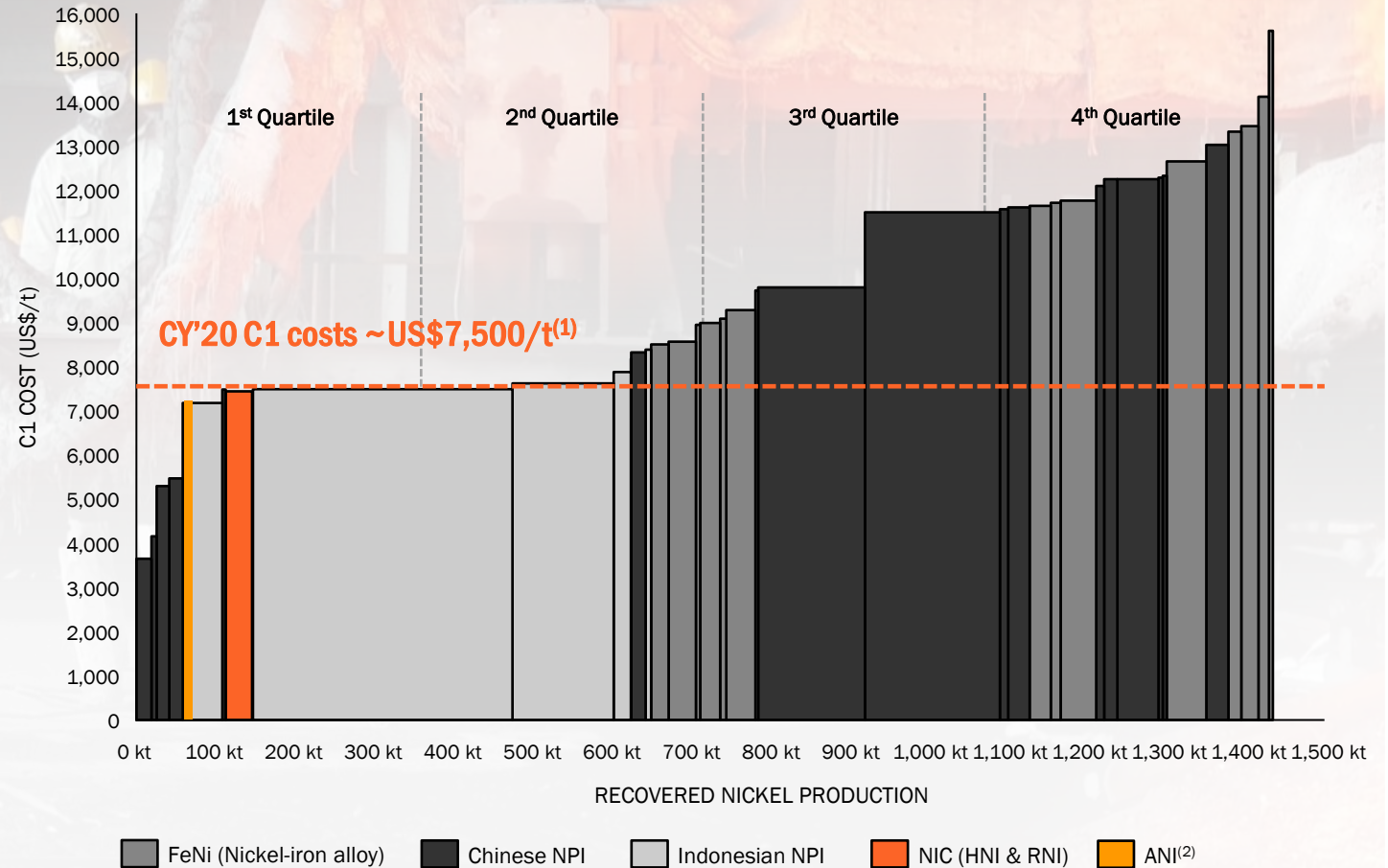
Buggy ladle for Lines #3 and #4



Area for electrostatic precipitator

Cost Advantages for Nickel Mine's operations

- The IMIP and IWIP are estimated to be located in the first quartile of the global nickel cost curve.
 - Protects margin against pricing downturn.
 - High margin from incremental production.
- The IMIP's fully integrated production chain delivers significant cost and logistics savings.
- Indonesia's export ban has resulted in significant advantages for the IMIP in terms of cost and grade of ore supply:
 - IMIP: Currently ~US\$38/t for 1.9% Ni ore (CIF).
 - Chinese NPI producers (ore from Philippines): Currently ~US\$65/t for 1.5% Ni ore (CIF).
- Industrial style cost base delivers lower beta cost profile vs traditional mining operations.
- C1 costs are naturally hedged to the nickel price, with nickel ore forming ~40% of the cost base.



Source: Wood Mackenzie 2020.

1. NIC C1 Costs as CY'20 average.

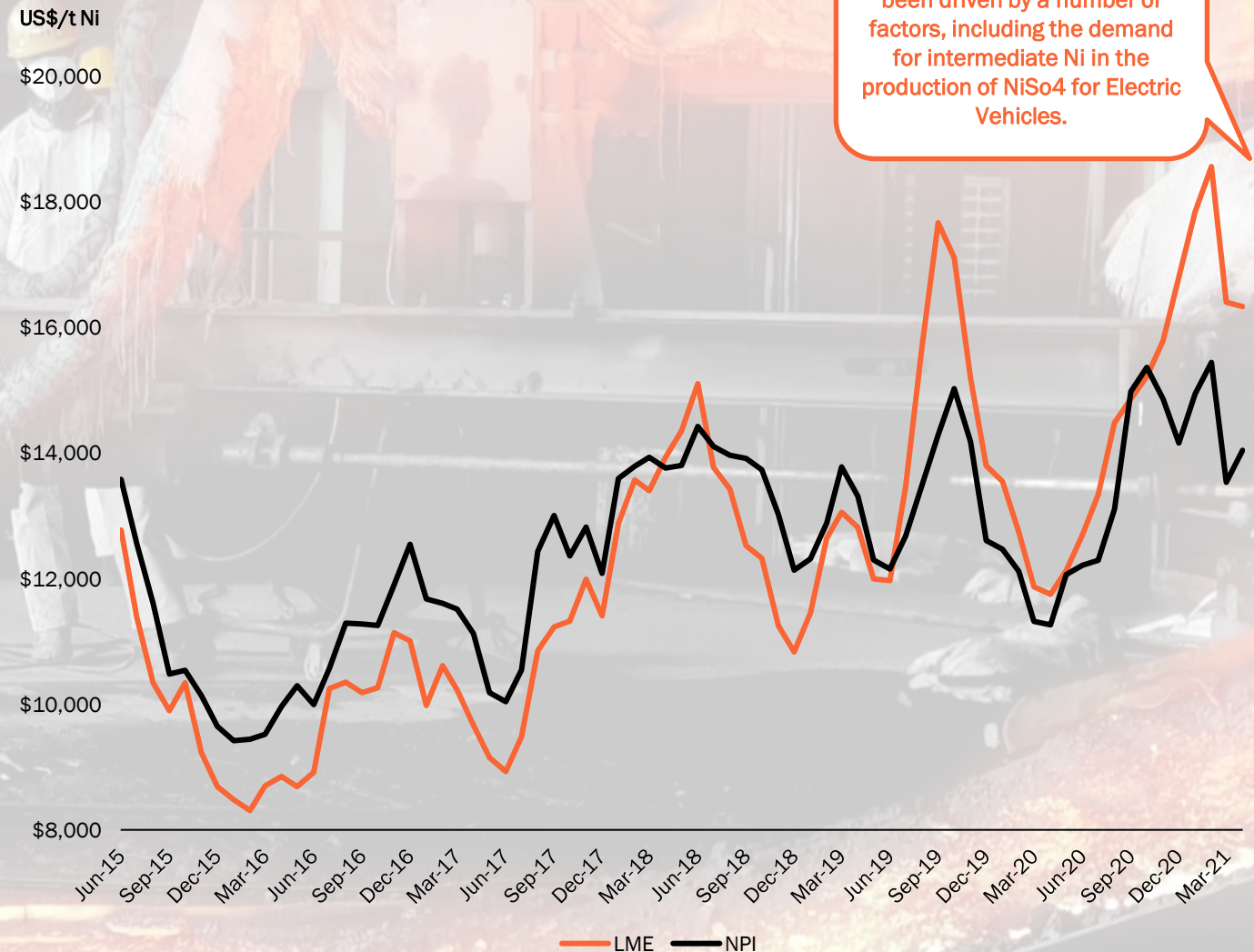
2. Assumes ANI shares same operating cost base as IMIP.

Nickel Mines - NPI price payability versus LME nickel

How does Nickel Mines get paid?

- Undertaking in place for Shanghai Decent to purchase 100% of HNI, RNI and ANI production for various Tsingshan group companies.
- NPI sales contracts are based on the prevailing prices for NPI in China, with minor adjustments applied for:
 - Nickel grade specifications
 - Freight and;
 - Foreign exchange
- NPI prices have historically correlated to LME nickel, with price payabilities typically ranging from **~90% to a small premium** to LME nickel, compared to concentrate payables of **65 -75%** of LME nickel.
- The significant expansion of the NPI market in recent years has seen a weakening of this historic correlation. Recent NPI payabilities have been in the **80% - 90%** range of LME nickel.
- Future sales of nickel matte into the EV battery supply chain are expected to more closely correlate with underlying LME nickel price movements.

LME nickel versus NPI prices since 2015⁽¹⁾



Recent nickel price strength has been driven by a number of factors, including the demand for intermediate Ni in the production of NiSo4 for Electric Vehicles.

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 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 5,983 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 ~150K+ wmt per month to the IMIP (Based on December quarter output, refer page 19)⁽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.

OPERATIONS UPDATE

Financial Results (US\$)

Full year to
31 December 2020

March Qtr 2021

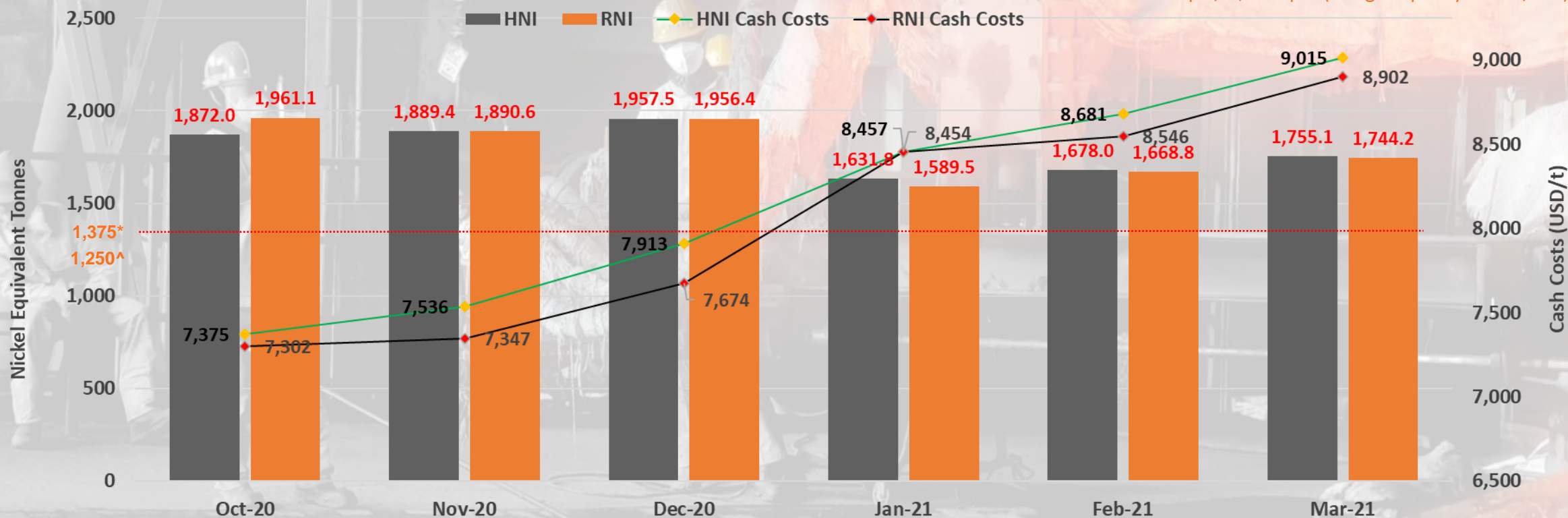
NICKEL
MINES LIMITED

Gross production	43,621.1 tonnes of nickel metal (100% basis)	10,067.5 tonnes of nickel metal (100% basis)
NIC attributable production	30,617.8 tonnes of nickel metal	8,054.0 tonnes of nickel metal
Sales	\$523.5M	\$138.2M
EBITDA	\$197.1M	\$55.2M
Cash Flow from Operating Activities	\$150.0M	\$50.7M
Cash + Inventory+ Receivables	\$530.5M	\$277.4M⁽¹⁾
Mine Production	870,505 wmt	456,487 wmt

(1) Reduced Cash balance reflects US\$180M payment towards Angel Nickel, US\$45M of debt repayments and US\$38.8M dividend payment.

Record operational performance at HNI and RNI

RKEF - Monthly Production Performance



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

- RKEF production of 10,067.5 tonnes
- Record attributable production of 8,054.0 tonnes

- HNI Cash Costs US\$8,725/t
- RNI Cash Costs US\$8,641/t
- Higher cash costs in the March quarter were attributable to rising nickel ore, reductant agent and thermal coal prices.

RKEF Operations – A solid start to 2021...coming off a record December qtr

HENGJAYA NICKEL		January	February	March	Quarter Total	Dec Quarter
NPI Production	tonnes	11,527.0	12,740.3	12,544.1	36,811.4	38,389.6
NPI Grade	%	14.2	13.2	14.0	13.8	14.9
Nickel Metal Production	tonnes	1,631.8	1,678.0	1,755.1	5,064.9	5,718.9
Cash Costs	US\$/t	8,457	8,681	9,015	8,725	7,612
RANGER NICKEL		January	February	March	Quarter Total	Dec Quarter
NPI Production	tonnes	10,643.8	11,757.0	12,727.0	35,127.8	38,676.0
NPI Grade	%	14.9	14.2	13.7	14.2	15.0
Nickel Metal Production	tonnes	1,589.5	1,668.8	1,744.2	5,002.5	5,808.1
Cash Costs	US\$/t	8,454	8,546	8,902	8,641	7,442
COMBINED OPERATIONS		January	February	March	Quarter Total	Dec Quarter
NPI Production	tonnes	22,170.9	24,497.3	25,271.1	71,939.3	77,066.7
NPI Grade	%	14.5	13.7	13.8	14.0	15.0
Nickel Metal Production	tonnes	3,221.3	3,346.9	3,499.3	10,067.5	11,527.0

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

Hengjaya Mine – March Quarter Performance

Production summary		January 2021	February 2021	March 2021	Quarter Total	Dec 2020 Quarter
Tonnes mined	Wmt	156,039	117,728	182,720	456,487	499,877
Overburden mined	BCM	81,528	98,560	82,182	262,270	266,960
Limonite mined	BCM	119,119	137,558	145,880	402,557	294,717
Strip ratio*	BCM/wmt	1.3	2.0	1.3	1.5	1.1
Tonnes sold	wmt	152,361	115,248	156,801	424,410	456,758
Average grade	%	1.76	1.78	1.77	1.77	1.81
Average price received	US\$/t	33.59	35.69	37.07	35.40	32.58
Average cost of production ¹	US\$/t	22.36	23.45	22.71	22.78	25.30

*Strip ratio includes limonite as overburden



¹ Monthly production costs are a six-month average of mining costs plus port/selling costs for the actual month.



Strategic Partnership with Tsingshan

- Partnership in multiple operating NPI processing plants to build and own nickel processing capacity within the IMIP and IWIP
- 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/IWIP

- Indonesia/IMIP/IWIP are the epicentres 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.



Leaders in Nickel Processing Technology

- Tsingshan has pioneered RKEF technology to:
 - produce NPI from lateritic ores.
 - produce nickel matte.
- Tsingshan's RKEF operations are currently delivering the lowest capital intensive and among the most profitable nickel units in the global market.



Consistent Production Outperformance

- Monthly output consistently above nameplate capacity at HNI and RNI.
- Industry leading nickel payabilities.
- Industrial-style, bottom quartile cost base.



Nickel Price Leverage

- Significant leverage to the nickel price (via NPI pricing) without the normal mining associated risks due to decoupling of processing assets from mining operations.
- Future nickel matte sales to offer enhanced leverage to LME nickel, particularly if NPI prices bifurcate.



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

- Conservatively geared balance sheet (US\$175M on US\$1.5B+ asset base)
- Strong FCF generation with US\$50M generated in the March quarter.
- 7-year corporate income tax holiday for HNI and RNI with ~5 years remaining.
- A\$0.02 final dividend declared in February 2021.



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 saprolite ore (RKEF) and limonite ore (HPAL).



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THANK YOU