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16 February 2022

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Dear Shareholder,

## SHARE PURCHASE PLAN – LETTER TO ELIGIBLE SHAREHOLDERS

We write to you as the holder of Nickel Mines Limited (ASX:NIC) (**Nickel Mines** or **the Company**) fully paid ordinary shares (**Shares**) with a registered address in Australia or New Zealand as at the record date of 7.00pm (Sydney time) on Tuesday, 8 February 2022 (**Record Date**).

On behalf of the Directors, I am pleased to offer you the opportunity to participate in the Nickel Mines share purchase plan (**SPP**), which was announced to the Australian Securities Exchange (**ASX**) on 9 February 2022 and follows shortly after the successful placement of Shares to sophisticated, professional and institutional investors which raised approximately US\$106 million (A\$148 million) (**Placement**).

In our 9 February 2022 ASX announcement, we outlined our decision to raise capital (including by way of the SPP) was to fund the acquisition of the Company's initial 30% interest in the Oracle Nickel Project, which is currently under construction within the Indonesia Morowali Industrial Park.

Nickel Mines is undertaking the SPP offer to shareholders of the Company with a registered address in Australia or New Zealand as at 7:00pm on the Record Date, that are not in the United States and are not acting for the account or benefit of persons in the United States (**Eligible Shareholders**).

The Issue Price per Share to be issued under the SPP (**SPP Shares**) will be A\$1.37, being the price at which Shares were issued to investors under the Placement, representing a ~5.8% discount to the closing price of A\$1.455 on 8 February 2022. The SPP will allow Eligible Shareholders to apply for up to A\$30,000 worth of SPP Shares at the Issue Price.

## HOW TO APPLY

To apply for Shares under the SPP, Eligible Shareholders can either:

- download a copy of the SPP offer booklet (**Offer Booklet**) and their personalised application form online from the SPP website at <https://NICSP.theagency.com>; or
- contact Nickel Mines' Share Registry, Computershare Investor Services Pty Limited (**Share Registry**) from 8.30am to 5.00pm (Sydney time) Monday to Friday on 1300 850 505 (callers within Australia) or +61 3 9415 4000 (callers outside Australia) to request a copy of the Offer Booklet and personalised application form.

The fastest and easiest way to apply and pay for Shares under the SPP is by BPAY® or, for Eligible Shareholders in New Zealand, by electronic funds transfer. We recommend that payments are made via BPAY® wherever possible.

The SPP offer opens on Wednesday, 16 February 2022 and is expected to close at 5:00pm (Sydney time) on Tuesday, 8 March 2022 (**Closing Date**).

SPP Shares issued will be fully paid and rank equally with all existing Shares on issue.

<b>Event</b>	<b>Date</b>
Record date for determining eligibility for SPP	7.00pm (AEST) Tuesday, 8 February 2022
SPP offer opening date	Wednesday, 16 February 2022
SPP offer closing date	Tuesday, 8 March 2022
Allotment of SPP Shares	Tuesday, 15 March 2022
Normal trading of SPP Shares	Wednesday, 16 March 2022

Nickel Mines reserves the right to amend the timetable for the SPP at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases.

Participation is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of Shares, however, your interest in Nickel Mines will be diluted. Your right to participate in the SPP is not transferable.

## **SCALE BACK**

The SPP aims to raise approximately A\$18 million (~US\$13 million). There is no guarantee that shareholders will receive all the Shares they apply for under the SPP. Nickel Mines may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion. In the event of a scale back occurring, Nickel Mines reserves the right to give priority to Eligible Shareholders in any manner it sees fit, including taking into account the size of your shareholding as at the Record Date. Any decisions made by Nickel Mines will be final.

If a scale back produces a fractional number of SPP Shares when applied to the number of Shares for which you have applied, the number of SPP Shares issued to you will be rounded down to the nearest whole number of SPP Shares.

If there is a scale back, the difference between the Application Monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you in full without interest.

On behalf of the Board, I thank you for your continued support.

Yours sincerely,

Robert Neale  
Chairman, Nickel Mines Limited