

27 January 2023

NIC
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NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Shareholder,

SHARE PURCHASE PLAN – LETTER TO ELIGIBLE SHAREHOLDERS

We write to you as the holder of Nickel Industries Limited (ASX:NIC) (**Nickel Industries 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, 17 January 2023 (**Record Date**).

On behalf of the Directors, I am pleased to offer you the opportunity to participate in the Nickel Industries share purchase plan (**SPP**), which was announced to the Australian Securities Exchange (**ASX**) on Wednesday, 18 January 2023 and follows shortly after the successful placement of Shares to sophisticated, professional and institutional investors which raised approximately A\$264 million (US\$185 million) (**Placement**).

In our 18 January 2023 ASX announcement, we outlined that capital raised under the Placement, the US\$270 million (~A\$386 million) placement to Newstride Development Limited (**Newstride**) (or its nominee) (an entity within the Tsingshan group and an affiliate of Shanghai Decent Investment (Group) Co. Ltd (**Shanghai Decent**)), US\$15 million (~A\$21 million) placement to Shanghai Wanlu Investment Co. Ltd. (or its nominee) and US\$1.4 million (~A\$2 million) placement to Non-Executive Director Mark Lochtenberg (or his nominee) (**Conditional Placement**) and the SPP will be used to fund the acquisition of:

- the Company's 10% interest in PT Huayue Nickel Cobalt (a company incorporated in Indonesia) (**HNC Acquisition**);
- the Company's further 10% interest in the Oracle Nickel Project (**ONI**), which is currently under construction within the Indonesian Morowali Industrial Park (**ONI Acquisition**); and
- options to collaborate with Decent on future battery nickel opportunities (**Options**).

The Conditional Placement and HNC Acquisition are subject to Nickel Industries' shareholder approval (with the vote expected to be held in late Q1 / early Q2, 2023) and the ONI Acquisition is conditional upon completion of the HNC Acquisition. The Conditional Placement to Newstride is subject to Foreign Investment Review Board approval.

A trading update and further details about the Placement, Conditional Placement, ONI Acquisition, HNC Acquisition and the Options are set out in Nickel Industries' announcements released on Wednesday 18 January 2023 which we encourage you to read.

Nickel Industries is undertaking the SPP offer to shareholders of the Company with a registered address in Australia or New Zealand as at 7:00pm (Sydney time) 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\$1.02, being the price at which Shares were issued to investors under the Company’s recent Placement, representing a ~8.9% discount to the closing price of A\$1.12 on Tuesday, 17 January 2023. 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 www.computersharecas.com.au/NICSPP; or
- contact Nickel Industries’ 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 Friday, 27 January 2023 and is expected to close at 5:00pm (Sydney time) on Friday, 24 February 2023 (**Closing Date**).

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

Event	Date
Record date for determining eligibility for SPP	7.00pm (Sydney time) Tuesday, 17 January 2023
SPP offer opening date	Friday, 27 January 2023
SPP offer closing date	Friday, 24 February 2023
Allotment of SPP Shares	Friday, 3 March 2023
Normal trading of SPP Shares	Monday, 6 March 2023

Nickel Industries 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 Industries will be diluted. Your right to participate in the SPP is not transferable.

SCALE BACK

The SPP aims to raise approximately A\$28.6 million (~US\$20 million). There is no guarantee that shareholders will receive all the Shares they apply for under the SPP. Nickel Industries 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 Industries 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 Industries 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 Industries Limited