

5 August 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(30 pages by email)

PRESENTATION TO INVESTORS

I attach a PowerPoint presentation being presented by Nickel Mines Limited's Managing Director, Justin Werner, to investors present at the Diggers and Dealers Mining Forum being held in Kalgoorlie, Western Australia.

Yours sincerely



Richard Edwards
Company Secretary

pjn10019

NICKEL
MINES LIMITED

EMERGING AS A GLOBALLY SIGNIFICANT NICKEL PRODUCER

DIGGERS & DEALERS - KALGOORLIE

AUGUST 2019



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EXECUTIVE SUMMARY

EMERGING AS A GLOBALLY SIGNIFICANT NICKEL PRODUCER



Nickel Mines Limited (NIC) is an Australian company publicly listed on the ASX.

A\$200M IPO completed on 20 August 2018.



NIC holds an **80%** interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine (HM).

HM is located in Morowali Regency, Central Sulawesi, Indonesia, adjacent to Tsingshan Holding Group's (Tsingshan) Indonesian Morowali Industrial Park (IMIP).



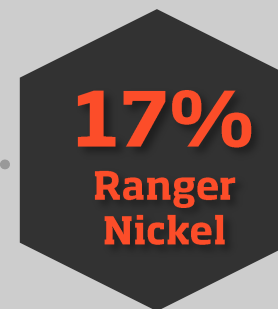
2 Line RKEF Plant producing nickel pig iron (NPI) yielding ~16.5kt pa of nickel metal.

Initial **25%** interest acquired for **US\$50M**.

Additional **35%** interest acquired for **US\$70M**.

Option to increase to **100%** for **US\$120M** extending 12 months from first NPI production.

Commissioning complete. Monthly production rate >1,500t per month.



2 Line RKEF Plant.

Replica of HNI.

Initial **17%** interest acquired for **US\$50M**.

Additional **43%** interest to be acquired for **US\$121.4M**.

Option to increase ownership to **80%** for **US\$60M** extending 18 months from first NPI production.

Commissioning commenced May 2019.

EGM held on 26 July 2019 approved move to 60%.



MOU signed to supply limonite ore to the IMIP's new HPAL plant.

Limonite ore previously mined as overburden now able to be monetized, lowering overall mining costs.

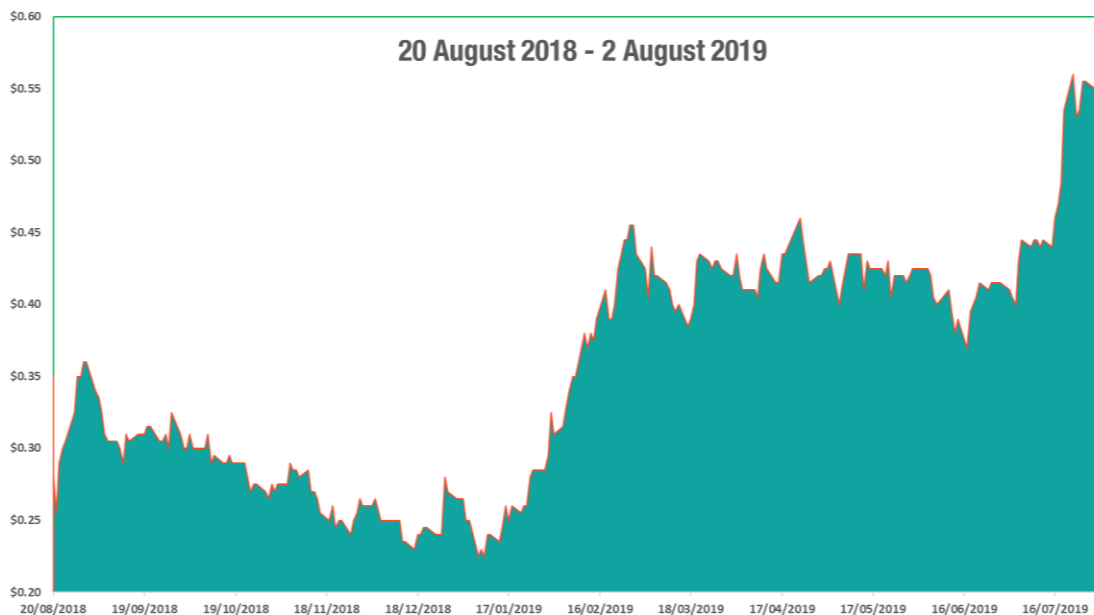
Potential for future equity participation.

CORPORATE SNAPSHOT

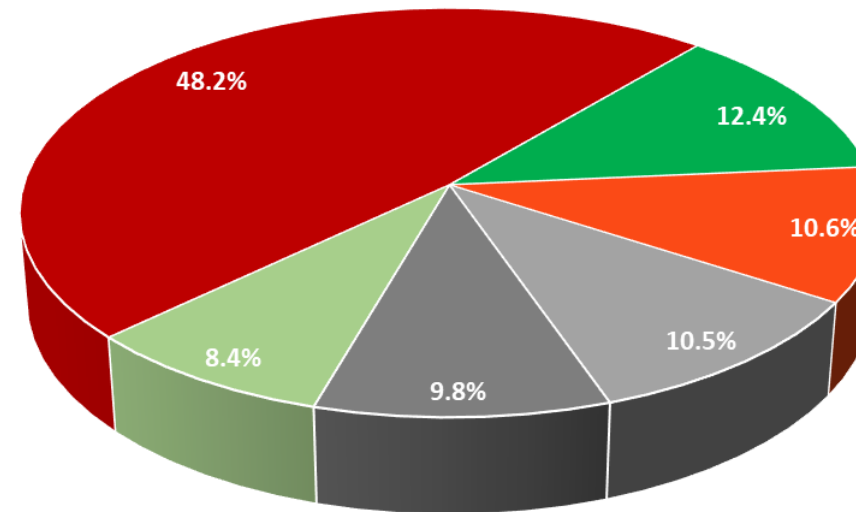
TRADING INFORMATION **2 AUGUST 2019** **POST RANGER COMPLETION**

ASX Code	NIC	
Shares on Issue	1.525.5B	1.665.4B
Share Price	A\$0.55	A\$0.55
Range	A\$0.22-A\$0.585	

Market Capitalisation **A\$839M** **A\$916M**



Shareholder Structure



■ Directors and Management ■ Shanghai Decent ■ Blackrock ■ Shanghai Wanlu ■ Regal ■ Other

Substantial Shareholders **Analyst Coverage**

Shanghai Decent (SDI)	10.6%	18.1%
Blackrock	10.5%	9.6%
Shanghai Wanlu	9.8%	9.0%
Regal FM	8.4%	7.7%
Norm Seckold	8.1%	7.4%

Bell Potter	BUY	Target Price	\$0.94
Patersons Securities	BUY	Target Price	\$0.92
Canaccord	BUY	Target Price	\$1.00
Petra Capital	BUY	Target Price	\$1.10

Free Float **Indexes**

~1,245M shares or ~81.6% of issued capital

ASX All Ords
ASX 300 – potentially in September rebalance

HENGJAYA MINE THE FOUNDATION ASSET



I N D O N E S I A



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

- JORC compliant resource:
 - 37.5M dmt at 1.81% nickel (1.5% COG) for ~680k tonnes contained nickel.¹
 - 180M dmt at 1.30% nickel (1.0% COG) for ~2.3M tonnes contained nickel.²
- 1,402 holes over 30,296 metres.
- Resource not fully defined – approximately half of the mapped ultramafic nickel bearing area has been resource drilled.
- 30+ year resource life based on a 1.5M wmt pa mining operation.

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.
- 2015 – commenced supplying ~30K wmt/m to IMIP.
- 2017- superseded by contractual agreement to supply ~50K wmt/m to IMIP.
- Plans underway to increase mining capacity to ~1.5M wmt pa.

While we own a world class nickel laterite mine...

THIS IS NOT A MINING STORY

**It's a story about the production of the most
profitable nickel units in the global market
in partnership with the world's largest
stainless steel producer**

INTRODUCTION TO TSINGSHAN, SDI and IMIP



- Currently the world's largest stainless steel producer with output of 9.29 Mt in 2018.
- Established a clear early mover advantage in building in-country processing capacity within Indonesia.
- A recognised global leader in RKEF processing technology to produce NPI.
- Pioneers of 'hot-charging' molten forms of NPI directly into stainless steel operations.
- Vertical integration and logistics management underpin the Group's 'Lowest Cost Producer' philosophy.

- Shanghai Decent is a Tsingshan Group company.
- Manager of IMIP.
- Key architect in establishing Tsingshan's integrated stainless steel industry supply chain from mining, to NPI smelting to stainless steel output in the form of slab, hot rolled coil (HRC) and cold rolled coil (CRC).
- Responsible for Tsingshan's international project management, including project construction, equipment design and procurement, logistics and raw material importation/supply.
- A counterparty to the Collaboration and Subscription Agreement (CSA) with NIC and Wanlu.

- Committed to ahead of the Indonesian Government's 2014 DSO export ban.
- Currently ~30,000 employees.
- 3.0 Mt pa stainless steel capacity
- 0.5 Mt pa carbon steel capacity (currently expanding to 3.5 Mt pa).
- 0.6 Mt pa high carbon ferrochrome capacity.
- 1.5 Mt pa NPI capacity (expanding to 1.95 Mt pa).
- 2GW coal-fired power plant
- Lime plant, coke plant, acid plant.
- Significant port facilities.
- Executive guest quarters and 5-star hotel.

INDONESIAN MOROWALI INDUSTRIAL PARK (IMIP)



“The PT SMI facility is world-class and arguably the lowest cost FeNi operation in the world.”

- Glencore Nickel Market Developments (September 2016)

FULLY INTEGRATED NPI & STAINLESS STEEL PLANT



Rotary Kiln



RKEF Control Room



Electric Furnace



NPI Ingot Casting



Molten NPI



Stainless Steel Mix



Stainless Steel Slab



Hot Rolled Coil (HRC)

SUPPORTED BY WORLD CLASS FACILITIES & INFRASTRUCTURE



Surrounded by Ni Laterite Deposits



2GW Coal Fired Power Station



Stockpile Areas



Significant Port Facilities

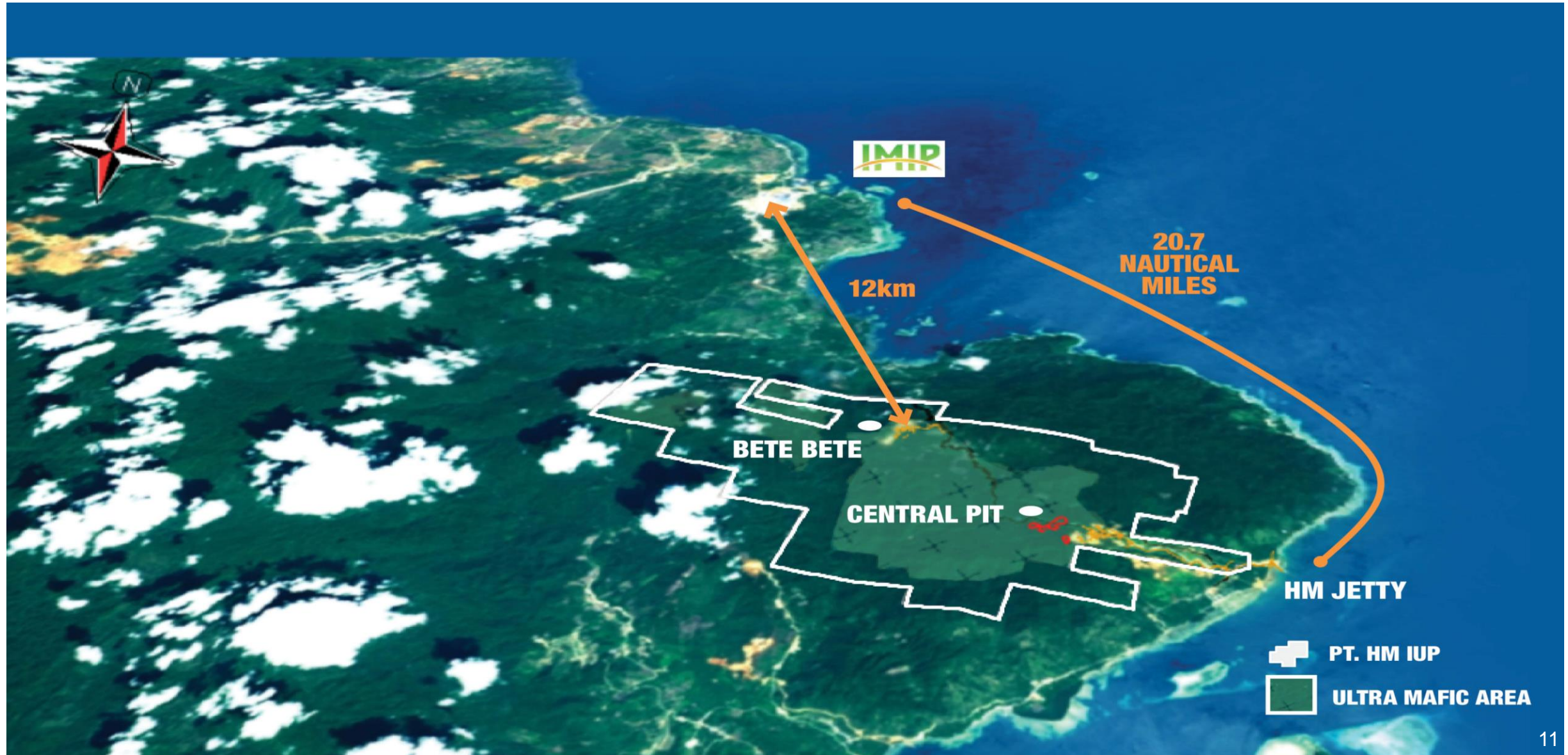


Executive Quarters and Helipad



5-Star Hotel

HENGJAYA MINE LOCATION IS EVERYTHING



**WHAT DOES NICKEL MINES BENEFIT FROM
BY PARTNERING WITH TSINGSHAN?**

GLOBAL INDUSTRY LOWS IN CAPITAL INTENSITY

PROJECT	YEAR	PLANT	NI CAPACITY (Kt pa)	CAPITAL COST (US\$M)	COST/t NiEq (US\$)
Murrin Murrin	1999	HPAL	40	1,700	42,500
Ravensthorpe	2007	HPAL	40	3,000	75,000
VNC (Goro)	2010	HPAL	60	6,000	100,000
Ambatovy	2012	HPAL	60	5,500	91,667
Koniambo	2013	FeNi	30	6,300	105,000
Onca Puma	2011	FeNi	52	3,200	61,538
Barro Alto	2011	FeNi	40	1,900	47,500
Ramu	2012	HPAL	34	1,490	43,823
Dumont	DFS	HPAL	41	2,700	65,746
CleanTeq	DFS	HPAL	17	920	53,933
HNI/RNI	2018	NPI	16.5	200	12,121*

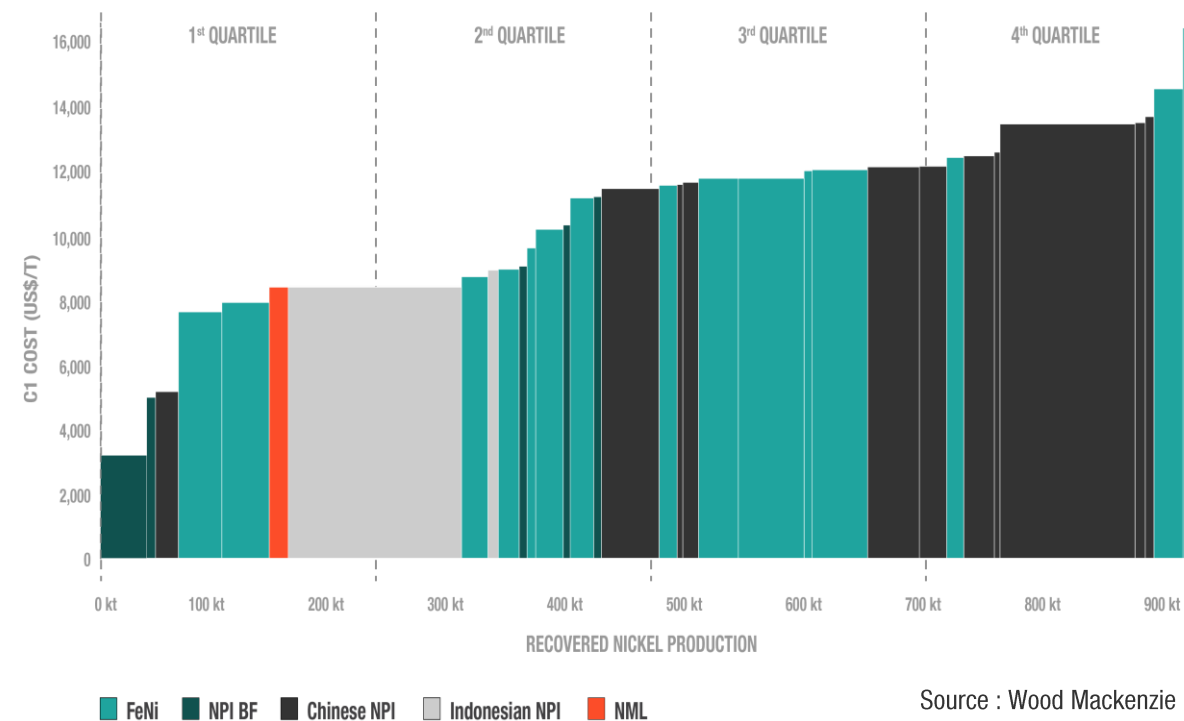
Source : Macquarie, CLSA

CONSTRUCTION AND OPERATIONAL EXPERTISE

- **NIC has a guaranteed CAPEX.**
- **24 RKEF lines now built and operating within the IMIP.**

* NIC's initial 60% stake in HNI was acquired at a cost of \$12,121/t NiEq. Subsequent ownership interests in HNI will be acquired at \$18,181/t NiEq.
 NIC's interest in RNI will be acquired at valuations of US\$280M-US\$300M equating to US\$16,969-US\$18,181/t NiEq.

BOTTOM QUARTILE NPI COSTS



Source : Wood Mackenzie

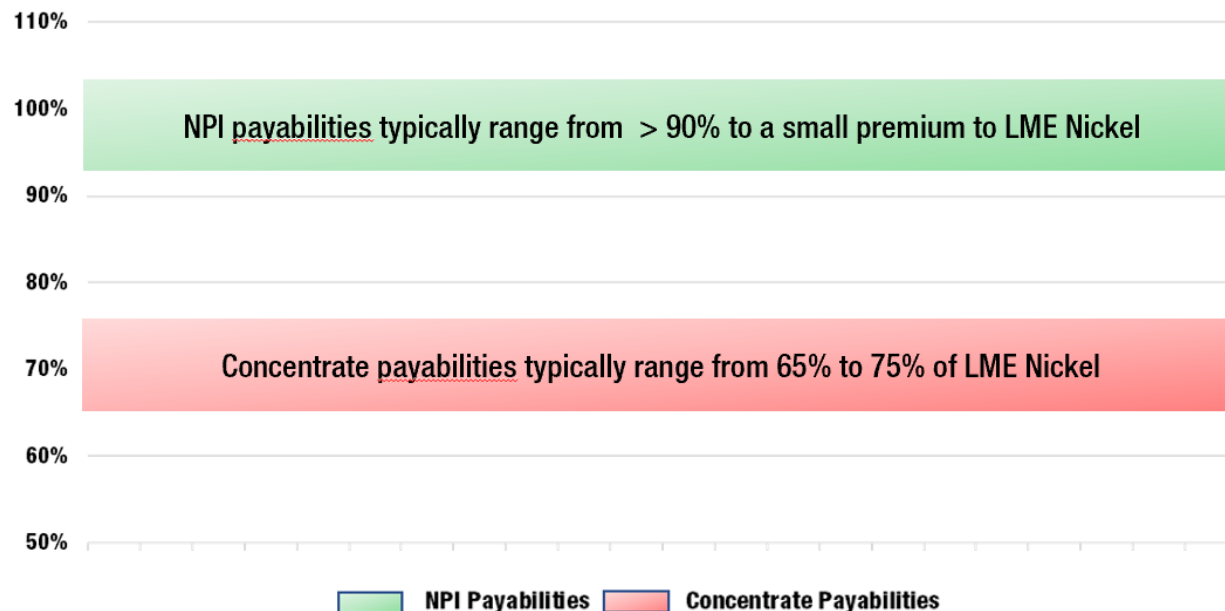
BOTTOM QUARTILE OPERATING COSTS

- **Significant cost advantages from locally sourced high grade nickel ore as NPI feedstock and thermal coal for reliable power generation.**
- **IMIP's fully integrated production chain delivers significant cost and logistics savings.**

SUPERIOR NPI PAYABILITIES



Superior Payabilities Underpin a Compelling Economic Advantage for NPI Producers



- 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.

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.

- **100%** Corporate Income Tax Reduction for **7 years** commencing from the year of commercial production.
- **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.
- **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 seven years, also commencing from the tax year in which commercial production is achieved.



Tax concessions further strengthen HNI's/RNI's impressive EBITDA and FCF profile and enhance future growth/dividend optionality

THE CURRENT STATE OF PLAY

HENGJAYA NICKEL NOW PRODUCING ABOVE NAMEPLATE CAPACITY

Commissioning of both RKEF lines continues to ramp up to a steady state production and operating cost profile.

HENGJAYA NICKEL		April	May	June	Qtr Total	March Qtr
NPI Production	tonnes	8,684.8	11,320.5	11,251.1	31,256.4	8,372.3
NPI Grade	%	14.8	13.4	14.0	14.0	13.0
Nickel Metal Production	tonnes	1,289.4	1,518.1	1,578.8	4,386.3 [^]	1,090.2
IMIP NPI Pricing[#]	USD/t Ni	12,800	11,800	11,700	12,059	12,800
Cash Costs[*]	USD/t Ni	7,601	7,771	7,782	7,725	7,648

[^] Nickel Mines attributable tonnes : 2,632 tonnes

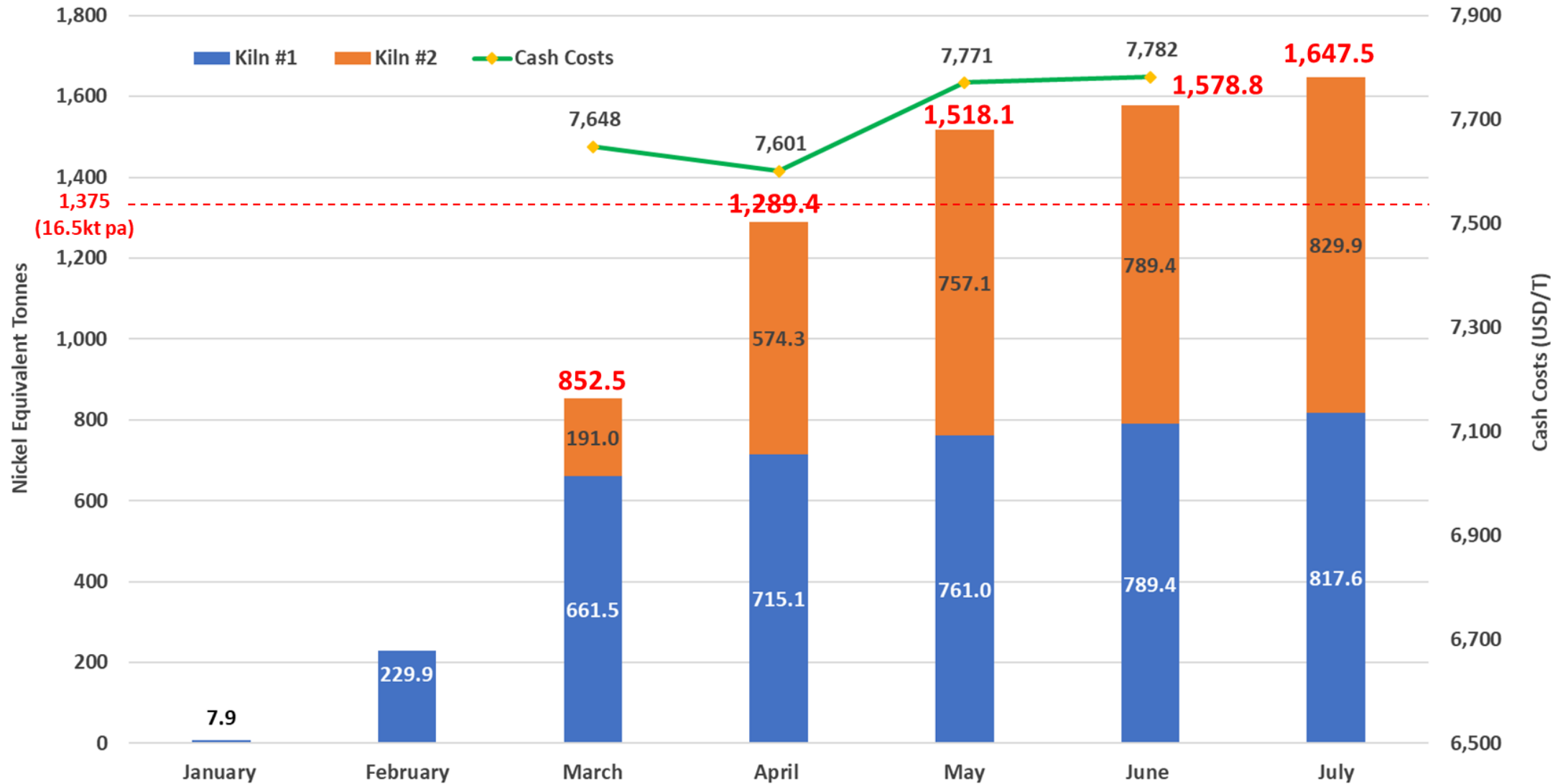
^{*} All in Costs (inclusive of depreciation and interest) for the June quarter averaged US\$8,198/t Ni.

[#] The IMIP's NPI price is set on a monthly basis with reference to the average price paid for NPI by several of China's largest stainless steel mills with adjustments made for VAT (17% in China) and freight.



HENGJAYA NICKEL A SEAMLESS RAMP-UP

Hengjaya Nickel - Commissioning ramp-up



RANGER NICKEL NOW COMMISSIONING

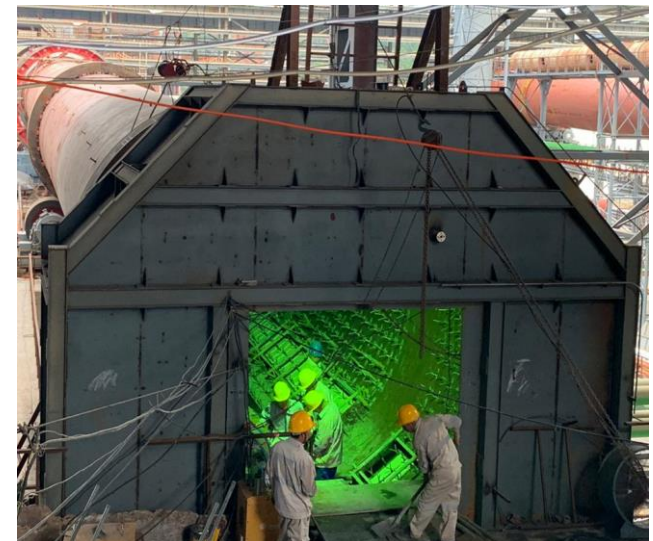
Kiln #1 commenced commissioning on 31 May 2019 with Kiln #2 coming on line a month later on 29 June 2019. Commissioning of both RKEF lines continues to ramp up to a steady state production and operating cost profile.

RANGER NICKEL		April	May [^]	June*	Qtr Total
NPI Production	tonnes	-	123.1	2,354.0	2,477.1
NPI Grade	%	-	9.5	12.7	12.6
Nickel Metal Production	tonnes	-	11.7	299.5	311.2 #

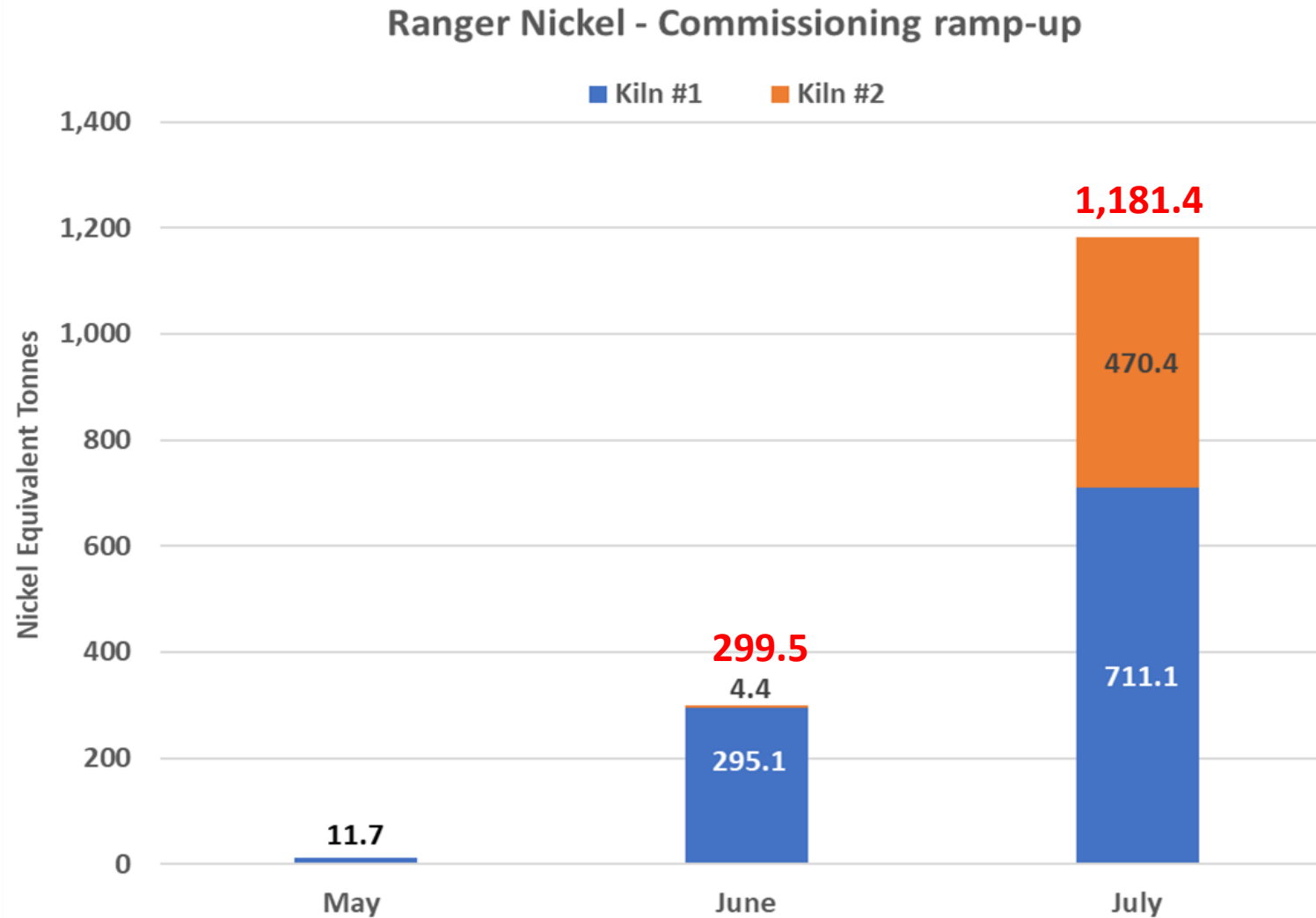
Nickel Mines attributable production : 52 tonnes

[^] May is represented by a single day of production.

* June quarter numbers include 40.3 tonnes of NPI and 4.4 tonnes of nickel metal from kiln #2 which commenced operation on 29 June 2019.



RANGER NICKEL NOW COMMISSIONING



Ranger Nickel's ramp-up in production is expected to be consistent with that of Hengjaya Nickel

RANGER NICKEL INCREASING INTEREST TO 60%

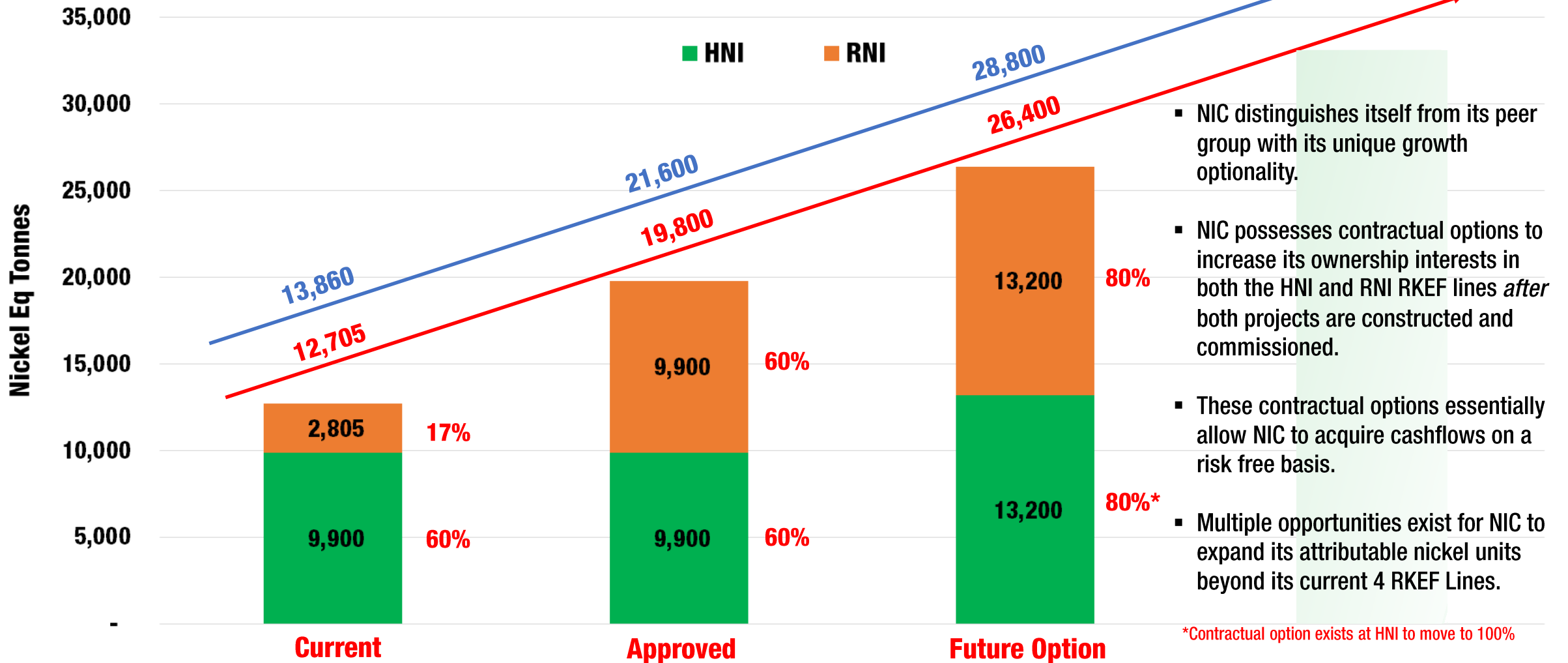


- Acquisition to be completed via a ~US\$160M financing package comprising:
 - **US\$80M senior secured debt.**
 - to be provided by Shanghai Decent.
 - **A\$55M placement component.**
 - ~137.5M new shares issued at \$0.40.
 - Strongly supported by new and existing institutional and sophisticated investors.
 - **US\$40M equity conversion by Shanghai Decent**
 - Shanghai Decent elected to receive US\$40M worth of NIC shares as partial consideration for the acquisition.
 - ~139.9M new shares will be issued to Shanghai Decent at \$0.41 increasing their ownership interest in NIC to ~18.1%.
- **An EGM held on 26 July 2019 approved the increase in ownership of Ranger Nickel from 17% to 60% and the issuance of US\$40M worth of NIC shares to Shanghai Decent.**

WHY INVEST?

UNIQUE GROWTH OPTIONALITY

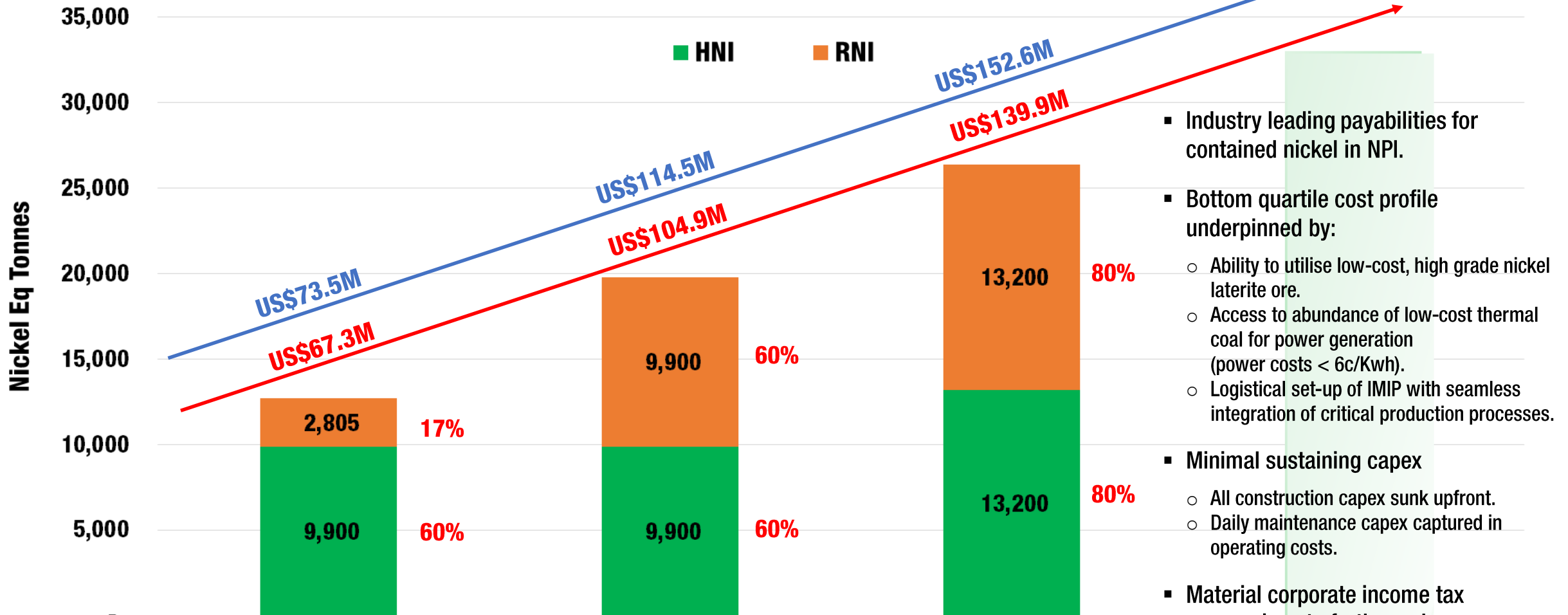
A Clear Line of Sight on Additional Nickel Units



— Based on an assumed production capacity of 16,500t pa of nickel metal. — Based on an assumed production capacity of 18,000t pa of nickel metal.

COMPELLING ECONOMICS

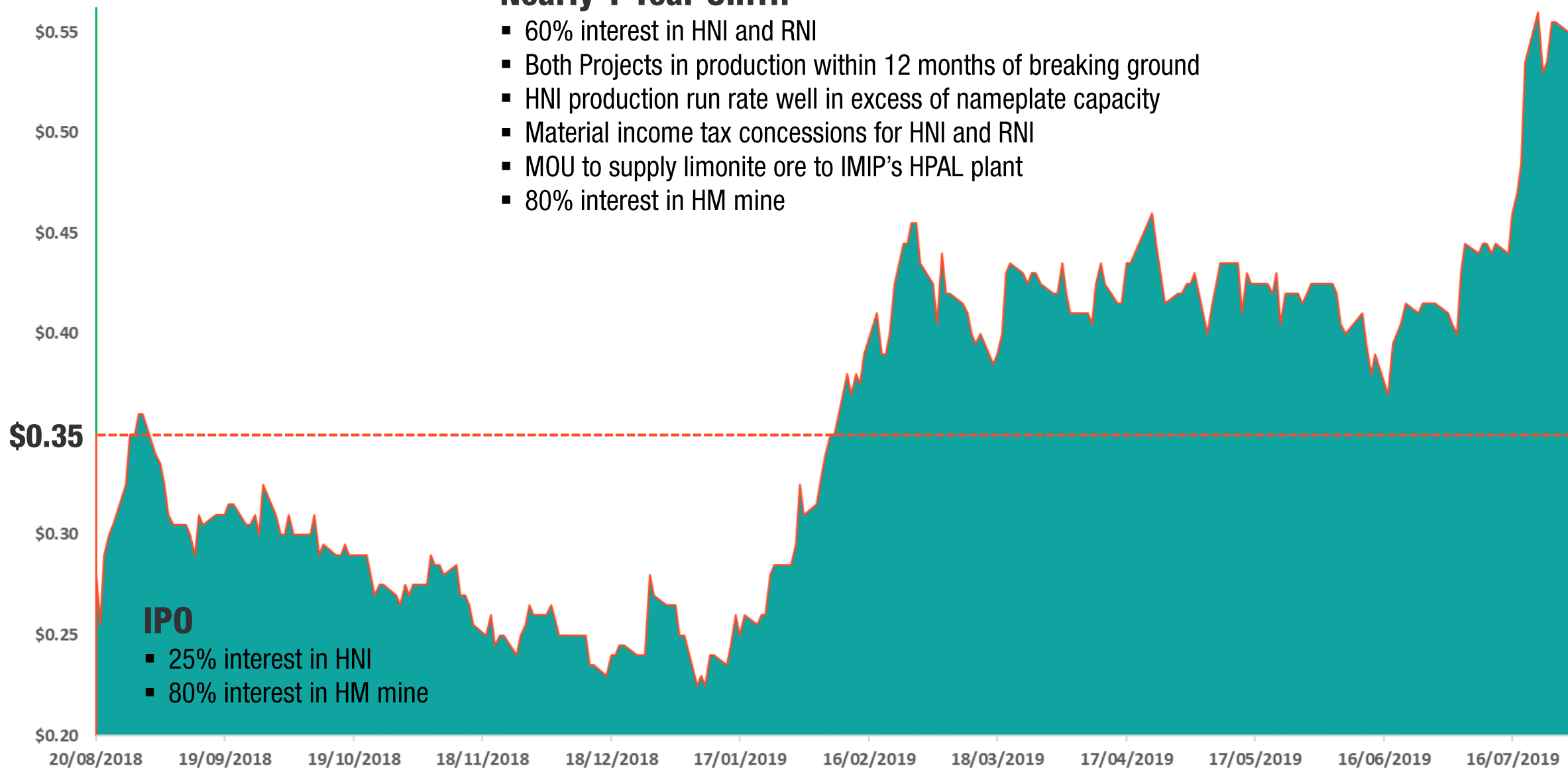
A Clear Line of Sight on Strong EBITDA and FCF Growth



- Industry leading payabilities for contained nickel in NPI.
- Bottom quartile cost profile underpinned by:
 - Ability to utilise low-cost, high grade nickel laterite ore.
 - Access to abundance of low-cost thermal coal for power generation (power costs < 6c/Kwh).
 - Logistical set-up of IMIP with seamless integration of critical production processes.
- Minimal sustaining capex
 - All construction capex sunk upfront.
 - Daily maintenance capex captured in operating costs.
- Material corporate income tax concessions to further enhance FCF generation.

EBITDA numbers based on spot Ni price of US\$14k/t , cash costs of US\$8k/t and 95% payability of LME nickel.
Indicative only and not to be construed as financial guidance. Based on assumed production capacities of 16.5kt pa and 18 kt pa of nickel metal.

PRICE VERSUS VALUE DISCONNECT

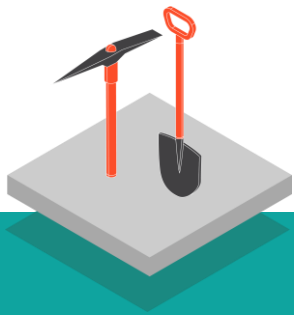


Nearly 1 Year On....

- 60% interest in HNI and RNI
- Both Projects in production within 12 months of breaking ground
- HNI production run rate well in excess of nameplate capacity
- Material income tax concessions for HNI and RNI
- MOU to supply limonite ore to IMIP's HPAL plant
- 80% interest in HM mine

IPO

- 25% interest in HNI
- 80% interest in HM mine



WORLD CLASS NICKEL RESOURCE

JORC compliant resource with significant extension potential.

- 37.5M dmt at 1.81% nickel (1.5% COG) for ~680k tonnes contained nickel.¹
- 180M dmt at 1.30% nickel (1.0% COG) for ~2.3M tonnes contained nickel.²

Ability to supply RKEF plant for 30+ years (at 1.5M wmt pa).

Adjacent to Tsingshan's IMIP.



STRATEGIC PARTNERSHIP WITH GLOBAL INDUSTRY LEADER

Multi-faceted Collaboration Agreement with the world's largest stainless steel and NPI producer.

SDI currently operating 2Mt pa stainless steel plant and 20 RKEF lines at IMIP with further expansion plans.

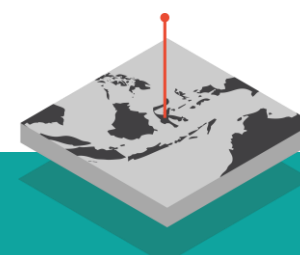


PROVEN LOW COST PROCESSING TECHNOLOGY

Tsingshan is a leading exponent of pyrometallurgical technology using the RKEF process to produce NPI from laterite ores.

RKEFs built at industry-low levels of capital intensity.

Current C1 cash operating costs across existing RKEF lines averaging ~US\$8,500/t NiEq.

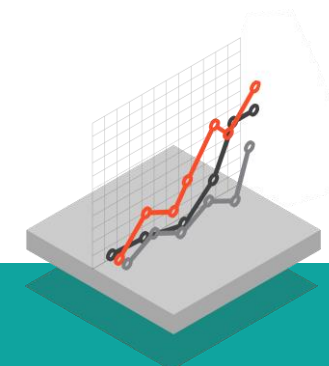


ABILITY TO LEVERAGE IMIP INFRASTRUCTURE

IMIP is a fully permitted industrial zone jointly sanctioned by the Indonesian and Chinese Governments.

Largest vertically integrated NPI/Stainless Steel facility in the world.

Supported by world class infrastructure and logistics – featuring on site power station and port facilities.



STRENGTHENING NICKEL MARKET FUNDAMENTALS

Nickel demand expected to grow 2-3% over medium to long term underpinned by improving outlook for stainless steel and growing EV battery market.

Global nickel supply deficit emerged in 2016 and is expected to remain in place until at least 2027.

Consensus outlook for long term nickel price materially above current levels.

INVESTMENT THESIS



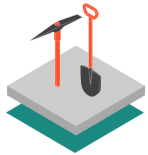
Indonesia is now the epicentre of global nickel supply growth.

- If you want nickel exposure you need to be invested in this region.



NPI is now the most prevalent source of new nickel supply.

- While NPI is currently predominantly consumed by the stainless steel market, it may soon provide an alternative source of supply (to sulphides) for the battery market.



Tsingshan is by far the most dominant producer of Indonesia's NPI and has established clear competitive advantages with regards to the cost and supply of nickel ore and power.



Tsingshan has demonstrated an ability to build nickel capacity at industry-low levels of capital intensity.

- As an investor you cannot buy exposure to cheaper operational nickel units.



NIC offers unmatched leverage to growth in global nickel unit production capacity.

- IMIP nickel units set to rapidly increase over the next 5 years.

NIC offers the only publicly available investment exposure to Tsingshan and its world class NPI operations in Indonesia



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STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by the staff and contractors of Nickel Mines Limited and its subsidiaries and approved by Mr Brett Gunter, a Member of the Australasian Institute of Mining and Metallurgy. Mr Gunter is an employee of PT GMT Indonesia and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Information in this report that relates to Exploration Results and Mineral Resources were published in a Technical Assessment Report and a Resource Estimate Report prepared by PT GMT Indonesia dated April 2018 and December 2018 respectively which are 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.

Mr Gunter has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Category	1.5% Cut-Off Grade		1.0% Cut-Off Grade	
	Dry Tonnes (million)	Ni (%)	Dry Tonnes (million)	Ni (%)
Measured	0.7	1.8	6.9	1.2
Indicated	15	1.9	50	1.4
Inferred	22	1.8	120	1.3
Total	38	1.8	180	1.3