

22 February 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

HENGJAYA NICKEL PROJECT UPDATE

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Company's 60% owned subsidiary, PT Hengjaya Nickel Industry ('PTHNI'), operator of the Hengjaya Nickel Project, has been issued an Industrial Business Licence ('Izin Usaha Industri' or 'IUI') by the Online Single Submission Management and Organizing Agency of the Government of Indonesia.

Issuance of the IUI signifies that PTHNI has fulfilled all commitments and obtained all approvals required by the Government of Indonesia for commercial operation of the Hengjaya Nickel Project, including the production of nickel pig iron ('NPI') and the marketing, selling and receiving of payment for the NPI it produces. The IUI remains valid for the life of the Hengjaya Nickel Project, so long as PTHNI continues to comply with all applicable laws and regulations.

COMMISSIONING UPDATE

Commissioning of the first line of Hengjaya Nickel continues to progress well, with a number of successful taps being undertaken with NPI product ranging in grade from 9.58% to 16.76% nickel. The production target from the Hengjaya Nickel Project when fully operational will be 150,000 tpa of NPI at an average grade of 11% for 16,500 tpa of contained nickel.

Commenting on the issuance of the IUI and Hengjaya Nickel Project commissioning, Managing Director Justin Werner said:

"Nickel Mines is again pleased that, through the efforts of our partner Shanghai Decent, commissioning of the Hengjaya Nickel Project is ahead of schedule and Hengjaya Nickel has been awarded its IUI. This recognises the quality and commitment by Shanghai Decent to world best practice building standards not just technically but also environmentally, and brings Nickel Mines another step closer to achieving its objective of becoming a globally significant tier-1 nickel producer."

"Nickel Mines looks forward to further updating the market as the Hengjaya Nickel Project progresses through commissioning to targeted commercial nameplate capacity and as the Ranger Nickel Project enters the final stages of construction ahead of scheduled commissioning of its first RKEF line, anticipated to be in mid-April 2019."



Photos showing NPI tap from the Hengjaya Nickel Project

For further information please contact

Justin Werner
Managing Director
jwerner@nickelmines.com.au
+62 813 8191 2391

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelmines.com.au
+61 439 908 732

About Nickel Mines Limited

Nickel Mines Limited (ASX: NIC) is an ASX listed company on the cusp of becoming a significant player in the global nickel industry having established a financial, operational and strategic partnership with China's Tsingshan group, the world largest stainless steel producer.

Under the terms of two separate Collaboration Agreements with Shanghai Decent, a Tsingshan group company, Nickel Mines will own and operate RKEF processing facilities within the Indonesia Morowali Industrial Park, the world's largest vertically integrated stainless steel facility with a current stainless steel production capacity of 3.0 million tonnes per annum.

Nickel Mines also holds an 80% interest in the long life, high grade Hengjaya nickel mine located in Morowali Regency, Central Sulawesi, Indonesia just 12 kilometres from the IMIP.



Aerial photo of the IMIP