

30 June 2020

The Manager Companies
 ASX Limited
 20 Bridge Street
 Sydney NSW 2000

(3 pages by email)

COMPLETION OF MOVE TO 80% OF HENGJAYA NICKEL AND RANGER NICKEL RKEF PROJECTS

Further to the ASX announcement of 17 June 2020, the Directors of Nickel Mines Limited ('the Company' or 'Nickel Mines') are pleased to advise that the Company has now completed the acquisition of a further 20% of the issued and paid-up share capital of Hengjaya Holdings Private Limited and Ranger Investment Private Limited, being the respective Singaporean domiciled holding companies that wholly own PT Hengjaya Nickel Industry and PT Ranger Nickel Industry, the Indonesian PMA¹ companies that in turn own 100% of the Hengjaya Nickel and Ranger Nickel Projects.

The ownership structure of each RKEF Project is now as follows:



¹ PMA Company means a 'Penanaman Modal Asing', an Indonesian foreign investment company in which foreign share ownership of up to 100% is allowed.

The Company paid Shanghai Decent and its nominees US\$120 million for the additional 20% interest in the two Projects, plus a settlement for the 20% of the undistributed retained earnings attributable to Shanghai Decent remaining in both PT Hengjaya Nickel Industry and PT Ranger Nickel Industry to the end of April 2020. A final settlement of the undistributed retained earnings at 30 June 2020 will be made following completion of the 30 June 2020 half year financial statements.

Managing Director Justin Werner commented:

“The ownership of 80% of both the Hengjaya Nickel and Ranger Nickel RKEF Projects further highlights Nickel Mines rapid value accretive journey to becoming a globally significant low cost nickel producer in a little under 2 years from its Initial Public Offering. The move to 80% of Hengjaya Nickel and Ranger Nickel RKEF Projects will lift the Company’s attributable annual nickel production and capture additional significant cashflows arising from the monthly distributions from both companies.

With a very strong balance sheet, Nickel Mines is well placed to capitalise on any future growth opportunities that may arise and weather any challenges the current global Covid-19 pandemic may present.”

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About Nickel Mines Limited

Nickel Mines Limited (ASX: NIC) is an ASX listed company with an 80% interest in two RKEF processing facilities within the Indonesia Morowali Industrial Park ('IMIP'), 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 has established a financial, operational and strategic partnership with China's Tsingshan group ('Tsingshan'), the world largest stainless steel producer.

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