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The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

RANGER NICKEL'S KILN 2 PRODUCES FIRST NPI

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that Kiln #2 at the Company's 17% owned Ranger Nickel Project has commenced commissioning and produced its first nickel pig iron ('NPI').

Nickel Mines has the option to acquire up to 80% of the Ranger Nickel Project and on 26 July 2019 a shareholders' meeting will be held to approve Nickel Mines increasing its ownership of the Ranger Nickel Project to 60%.

On 29 June 2019, Shanghai Decent, the Company's operating partner and currently 83% equity holder in the project advised that first NPI had been produced from Ranger Nickel's Kiln #2 in a maiden production run, less than one month after Kiln #1 commenced commissioning. The commissioning process and ramp-up to full production is anticipated to be consistent with that of the Company's 60% owned Hengjaya Nickel Project which has enjoyed a seamless ramp-up and is currently producing nickel units well above nameplate capacity.



First NPI from Ranger Nickel's Kiln #2 on 29 June 2019

Ranger Nickel's Kiln #2 is anticipated to take approximately 2 months to ramp up to 80% of capacity. The commissioning of Ranger Nickel's Kiln #2 once again comes well ahead of previous guidance for the second half of the September quarter and now sees all four kilns across the Company's Hengjaya and Ranger RKEF projects having been put into production in less than 18 months.

Commenting on the commencement of commissioning of Ranger Nickel's second kiln, Managing Director Justin Werner said:

"The commencement of commissioning of Ranger's second kiln is the culmination of a remarkable last 6 months that have seen the Company's two RKEF projects commence production and put Nickel Mines on the path to becoming a globally significant nickel producer. By the end of July the Company is expected to have formally moved to a 60% interest in Ranger, which along with its 60% interest in Hengjaya, will see the Company with attributable nickel production of approximately 20,000 tonnes per annum, a feat achieved less than 18 months since first breaking ground at Hengjaya Nickel back in January 2018.

Nickel Mines is exceptionally pleased with the production numbers reported to date and we look forward to reporting the strong financial results being generated across both RKEF projects as we enter the Company's first full reporting period as a nickel producer."

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

pjn9969

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