

5 June 2019

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(2 pages by email)

## **SUCCESSFUL PLACEMENT RAISES A\$55M**

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Company has completed a Placement of new fully paid ordinary shares to both new and existing institutional investors raising A\$55M before costs as the first tranche of a multi-component financing package that will see the Company increase its stake in the Ranger Nickel Project from 17% to 60%, as first announced on 17 April 2019.

The Placement, arranged by Bell Potter Securities as Lead Manager and Book Runner, will see the issuance of 137,500,000 new shares in the Company at a price of A\$0.40 per share, representing a 6.1% discount to the 30-day VWAP. The new shares are anticipated to be allotted on Thursday 13 June 2019.

The Placement was completed under the Company's existing 15% Placement capacity under ASX Listing Rule 7.1 and precedes the issuance of US\$40M of new fully paid ordinary shares to Shanghai Decent that will complete the equity component of the Company's US\$121.4M funding requirement to move to 60% of Ranger Nickel.

Shanghai Decent will be issued its new equity in the Company at a price of A\$0.41 per share. This will see Shanghai Decent's ownership interest in the Company increase to approximately 18.1%. The Company will shortly seek shareholder approval to increase its equity interest in Ranger Nickel and for the issuance of new shares to Shanghai Decent as partial consideration for this acquisition with a Notice of Meeting expected to be issued by mid-June.

As announced on 21 May 2019, Decent Investment International Private Limited, an associate company of Shanghai Decent, has agreed to provide the Company an US\$80M debt facility that will complete the financing package.

The US\$121.4M acquisition cost to move to 60% of Ranger Nickel will therefore be funded by the US\$80M debt facility, US\$40M of new equity to Shanghai Decent and US\$1.4M from the completed placement. The funds raised beyond the US\$121.4M will be used to fast-track a number of development initiatives currently underway at the Company's 80% owned Hengjaya Mine and for general working capital purposes.

Commenting on the completion of the successful placement, Nickel Mines' Managing Director Justin Werner said:

*“Nickel Mines is grateful for the enormous support shown by many of our large institutional shareholders, who have committed to backing the Board’s vision to build Nickel Mines into a world class nickel company. It was also very encouraging to see several new investor groups joining the register with their participation offering strong validation for what we have been able to achieve in the nine months since Nickel Mines IPO in August 2018. We also thank them for their support.*

*As a Board we have a very clear vision for growing the Company, with these plans underpinned by responsible capital management and an underlying objective of maximising returns to all shareholders. This equity financing, combined with the strong cash flow generation from RKEF operations are now set to deliver, will see Nickel Mines with a robust balance sheet and well placed to deliver on these growth and shareholder return objectives.*

*As the remaining tranches of this financing package are finalised over the next month and the two RKEF projects continue to ramp up to full production we look forward to providing further updates to the market and our shareholders on our progress.”*

**For further information please contact**

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**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.