

10 February 2022

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(4 pages by email)

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Successful completion of Institutional Placement

The Directors of Nickel Mines Limited (**'the Company'** or **'Nickel Mines'**) are pleased to announce the successful completion of its fully underwritten institutional placement (**'Institutional Placement'**).

The Institutional Placement raised approximately A\$148 million (~US\$106 million) from the issue of 108.1 million new ordinary shares (**'New Shares'**) at A\$1.37 per New Share. The Institutional Placement was strongly supported by both new and existing institutional shareholders. Settlement of the Institutional Placement is scheduled for Monday, 14 February 2022, with New Shares expected to be allotted on Tuesday, 15 February 2022 and trading of those shares to commence on a normal settlement basis on the same day.

The Institutional Placement is the first component of a US\$225m capital raise (**'Equity Raise'**) announced on Wednesday, 9 February 2022, also comprising:

- (i) a ~US\$106 million (~A\$148 million) non-underwritten placement to Shanghai Decent (or its nominee) (**'Conditional Placement'**)¹; and
- (ii) a non-underwritten share purchase plan (**'SPP'**) to eligible shareholders in Australia and New Zealand, with the SPP targeting to raise up to ~US\$13 million (~A\$18 million).

The majority of the proceeds from the Equity Raise will be put towards funding the acquisition of an initial 30% interest in ONI, via the First Acquisition payment and the Second Acquisition payment, as well as funding the First Shareholder Loan². Excess funds will strengthen the Company's balance sheet and provide additional capital for general corporate purposes.

Commenting on the completion of the Institutional Placement Nickel Mines' Managing Director, Justin Werner said:

"We are extremely pleased to have completed the first phase of this capital raise process. The strong support from both new and existing institutional investors is a clear endorsement of the Company's investment into the Oracle Nickel Project and the continuation of its track record for delivering value accretive transactions for its shareholders. The ONI acquisition puts us on course to triple our nickel production profile from current levels by early 2023 and represents another important step in building Nickel Mines into a globally significant nickel producer."

¹ See page 2 of this announcement for details on the conditions precedent to the Conditional Placement.

² See ASX announcement dated 9 February 2022 "US\$225M capital raise to fund initial 30% acquisition of Oracle Nickel".

The Institutional Placement has been completed using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Conditional Placement

Nickel Mines has entered into a subscription agreement with Shanghai Decent for the Conditional Placement (the '**Subscription Agreement**'). The Subscription Agreement is subject to the following conditions precedent:

- (i) Nickel Mines shareholder approval for the purposes of ASX Listing Rule 10.11 and item 7 of section 611 of the *Corporations Act 2001* (Cth) (with the vote expected to be held in March/April 2022)³; and
- (ii) Foreign Investment Review Board ('**FIRB**') approval⁴.

The Conditional Placement will be conducted at the same price as the Institutional Placement.

SPP

The non-underwritten SPP is targeting to raise up to ~US\$13 million. Eligible shareholders in Australia and New Zealand will be invited to apply for up to A\$30,000 of shares free of any brokerage, commission and transaction costs.

The issue price per new fully paid ordinary share under the SPP will also be conducted at the same price as the Institutional Placement.

An SPP offer booklet is expected to be sent to eligible shareholders, in accordance with their communications election, on 16 February 2022.

Indicative timetable of the Equity Raise

The timetable below is indicative only and subject to change. Nickel Mines reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth).

The quotation of New Shares is subject to confirmation from the ASX.

All times below are based on Sydney, Australia time.

³ Shanghai Decent will be excluded from the vote.

⁴ Shanghai Decent is expected to have a relevant interest in Nickel Mines of approximately 21% subject to the Conditional Placement being completed.

Event	Date
Record date for SPP	7:00pm (AEDT) Tuesday, 8 February 2022
Trading halt	Wednesday, 9 February 2022
Announcement of Equity Raise	Wednesday, 9 February 2022
Trading halt lifted – trading resumes on ASX	Thursday, 10 February 2022
Settlement of New Shares issued under the Institutional Placement	Monday, 14 February 2022
Allotment and normal trading of New Shares issued under the Institutional Placement	Tuesday, 15 February 2022
SPP offer opens and SPP offer booklet is dispatched	Wednesday, 16 February 2022
SPP offer closes	Tuesday, 8 March 2022
SPP issue and allotment date	Tuesday, 15 March 2022
Normal trading of SPP Shares commences and dispatch of holding statements	Wednesday, 16 March 2022
Shareholder meeting to approve the Conditional Placement	March / April 2022
Allotment of new ordinary shares under the Conditional Placement	To be confirmed ⁵

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⁵ Assuming shareholder approval is received, the allotment date of New Shares will depend on the date of receipt of the FIRB approval.

Important notices

The release of this announcement was authorised by the Board of Nickel Mines.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares to be offered and sold in the Placement have not been, and will not be, registered under the US Securities Act of 1933 (the '**US Securities Act**') or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward-looking statements and comments about future events, including about the plans, objectives and strategies of Nickel Mines' management, the industry and the markets in which Nickel Mines operates, Nickel Mines' expectations about the financial and operating performance of its businesses, the timetable and outcome of the Placement and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause Nickel Mines' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are beyond Nickel Mines' control. Refer to the various risks factors in the Appendix under "Risk Factors" of the investor presentation entitled "Equity Raising Presentation" released to the ASX today.

Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nickel Mines. As such, undue reliance should not be placed on any forward-looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nickel Mines.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Nickel Mines shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nickel Mines is not licensed to provide investment or financial product advice in respect of Nickel Mines shares. Cooling off rights do not apply to the acquisition of Nickel Mines shares pursuant to the Placement.