NICKEL MINES LIMITED

A NEW FORCE IN GLOBAL NICKEL

Results Presentation

1H 2021





Consistent operations deliver record 1H financial performance

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1H 2021 HIGHLIGHTS



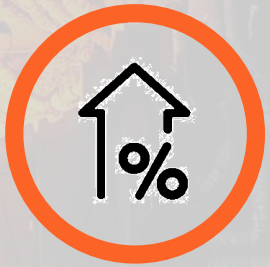
- Gross Profit of US$93.4M
- Operating Profit of US$89.9M
- Strong conversion of EBITDA to FCF



- 20,210.3 tonnes Ni production
- Record attributable Ni production of 16,168.2 tonnes
- RKEF EBITDA US$101.3M



- Mine production of +1M wmt
- HM EBITDA US$11.5M on a stand-alone basis



- Increased acquisition in Angel Nickel from 20% to 50%
- Targeting 2H 2022 commissioning



- HNI and RNI construction loans fully repaid
- Declaration of maiden ‘dividend’ to project shareholders



- Repayment of Ranger debt facility
- Maiden US$175M bond issuance
- Maintenance of robust, lowly geared balance sheet



- Admitted to ASX 200
- Diversification into nickel matte (MoU)
- Meticulous attention to COVID-19 management



- Regular repatriations of funds from Indonesia
- Declaration of an interim A$0.02 dividend

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FINANCIAL SNAPSHOT - AN EXCELLENT 1H ACROSS BOTH RKEF AND MINE OPERATIONS

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All figures in US$M	1H 2021	1H 2020	▲
Sales Revenue	$288.7	$227.8	27%
Gross Profit	$93.4	$56.4	66%
Operating Profit	$88.9	$51.6	72%
Profit After Tax	$83.0	$45.5	82%
Profit Attributable to NIC	$65.3	$24.4	168%
EBITDA from RKEF Operations	$101.3	$74.0	37%
EBITDA from Mine Operations	$11.5	($2.7)	

- Excellent 1H 2021 financial performance underpinned by:
  - Strong and consistent RKEF production.
  - Higher realised NPI prices.
  - Higher EBITDA margins despite cost pressures from rising nickel ore, coal and electricity prices.
  - Material profit contribution from Hengjaya Mine resulting from significant investment in mine expansion initiatives over the last 18 months.
- Increased profit attributable to NIC benefitting from the increased ownership interest in HNI and RNI from 1 July 2020.
- Declaration of a 1H 2021 interim dividend of A$0.02 cps (1H 2020 : A$0.01 cps)
  - Record date - 2 September 2021
  - Payment date - 10 September 2021

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BALANCE SHEET - GROWING WITH SIGNIFICANT FLEXIBILITY FOR THE FUTURE

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All figures in US$M	30 June 2021	31 December 2020
Current Assets	$386.2	$538.6
Total Assets	$1,389.1	$1,234.7
Current Liabilities	$39.0	$57.7
Total Liabilities	$268.9	$148.4
Net Assets	$1,120.2	$1,086.2
Gross Debt / Total Assets	12.6%	4.1%
Gross Debt / LTM NIC Attributable EBITDA	0.9x	0.3x

- Strong operational performance has underpinned the maintenance of a robust balance sheet.
- During 1H 2021 NIC repaid the remaining US$45M of the Ranger Debt facility.
- In April the Company successfully completed a maiden US$ bond issuance:
  - US$175M Senior Unsecured Notes
  - 6.5% semi annual coupon
  - 3-yr term /2-yr non-call
  - 102.5 /5.6% yield to maturity (as at 20 August 2021)
  - This is NIC's only debt
- As at 30 June 2021:
  - Cash US$190M / (Debt US$175M)
  - Net cash US$15M
- Gearing remains extremely conservative providing significant flexibility for future opportunities.

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RKEF PRODUCTION - INDUSTRIAL STYLE CONSISTENCY

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EBITDA figures in US$M EBITDA margins in US$/t	1H 2021	1H 2020	▲
Hengjaya Nickel Production (Ni tonnes)	10,073.0	10,651.9	(5.4%)
Ranger Nickel Production (Ni tonnes)	10,137.3	10,743.3	(5.6%)
Total RKEF Production (Ni tonnes)	20,210.3	21,395.2	(5.5%)
NIC Attributable Production (Ni tonnes)	16,168.2	12,837.1	25.9%
RKEF EBITDA – Group	$101.3	$74.0	36.9%
RKEF EBITDA – NIC Attributable	$81.0	$44.4	82.4%
RKEF EBITDA Margin /tonne production	$5,022/t	$3,393/t	48.0%

- Consistent production from both Hengjaya Nickel and Ranger Nickel of > 10,000 tonnes.
- Slight decrease in production tonnes primarily due to reduction in NPI grades (13.8% in 2021 versus 14.4% in 2020).
  - Grade reductions result in smaller contract pricing penalties which are important to maintaining margins.
- Material EBITDA margin improvement on a per tonne of production basis.
- NIC's attributable share of RKEF production and EBITDA benefitted from a step-up in RKEF ownership from 60% to 80% from 1 July 2020.

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RKEF OPERATIONS - ANOTHER PERIOD OF CONSISTENT PRODUCTION PERFORMANCE

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HENGJAYA NICKEL		March 2021 Quarter	June 2021 Quarter	1H 2021
NPI Production	tonnes	36,811.4	36,927.8	73,739.2
NPI Grade	%	13.8	13.6	13.7
Nickel Metal Production	tonnes	5,064.9	5,008.1	10,073.0
Cash Costs	US$/t Ni	8,725	9,133	8,927

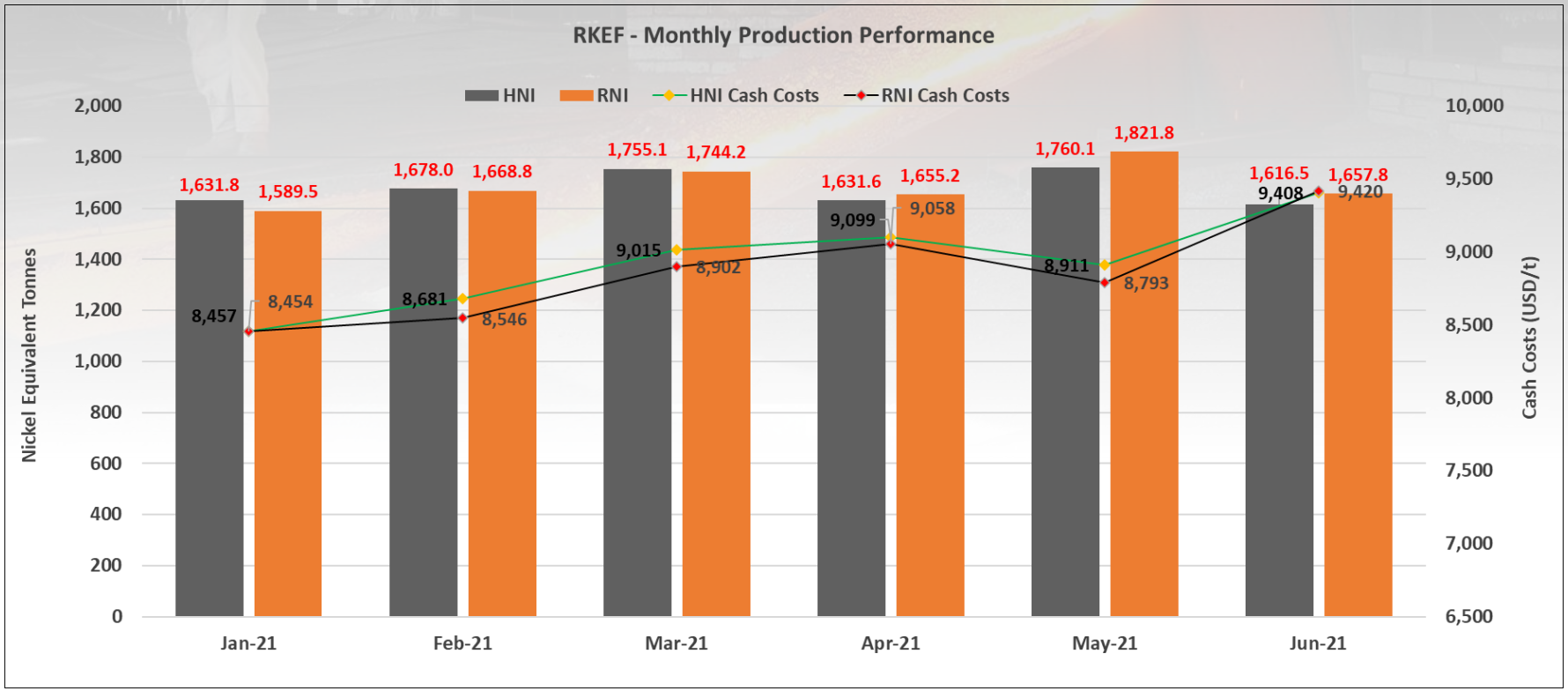
RANGER NICKEL		March 2021 Quarter	June 2021 Quarter	1H 2021
NPI Production	tonnes	35,127.9	37,558.7	72,686.6
NPI Grade	%	14.2	13.7	13.9
Nickel Metal Production	tonnes	5,002.5	5,134.8	10,137.3
Cash Costs	US$/t Ni	8,641	9,081	8,864

Production in 1H 2021:

20,210 tonnes nickel metal (100% basis)

and

16,168 tonnes nickel metal (NIC attributable)

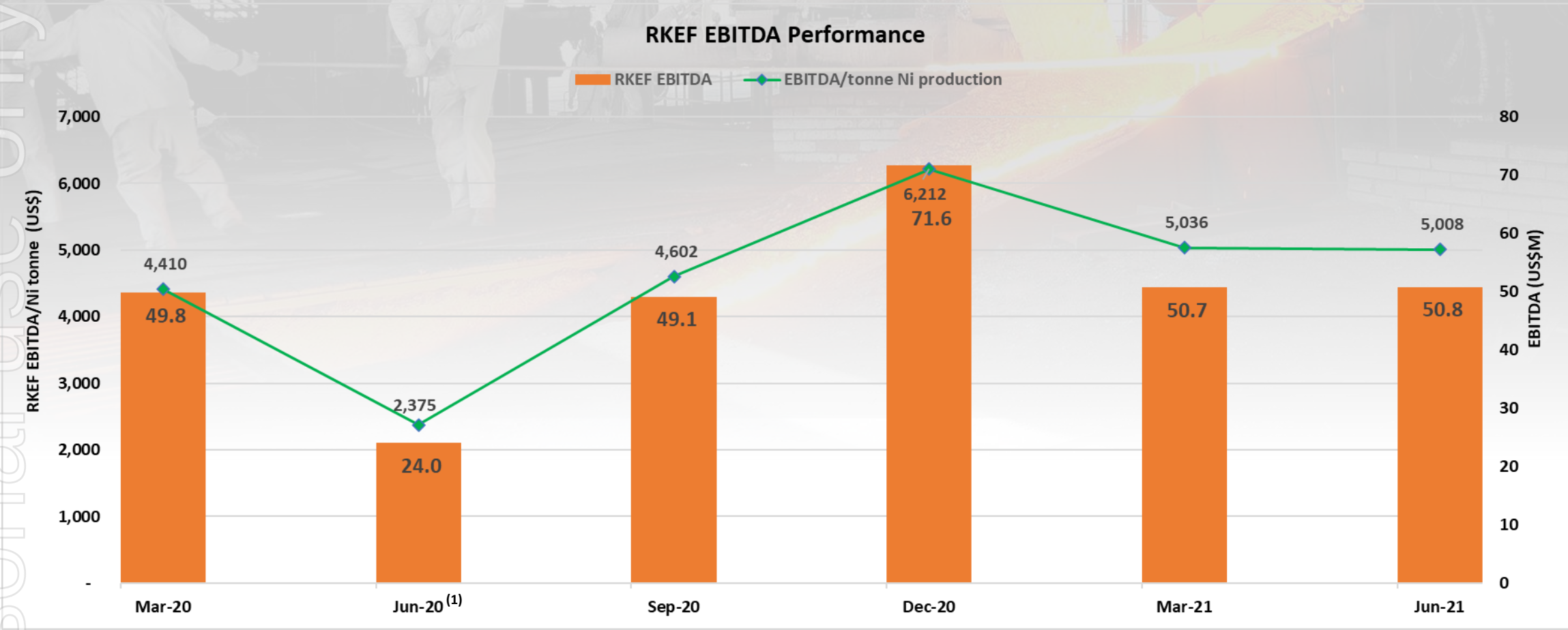


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RKEF OPERATIONS – ANOTHER QUARTER OF STRONG EBITDA MARGINS

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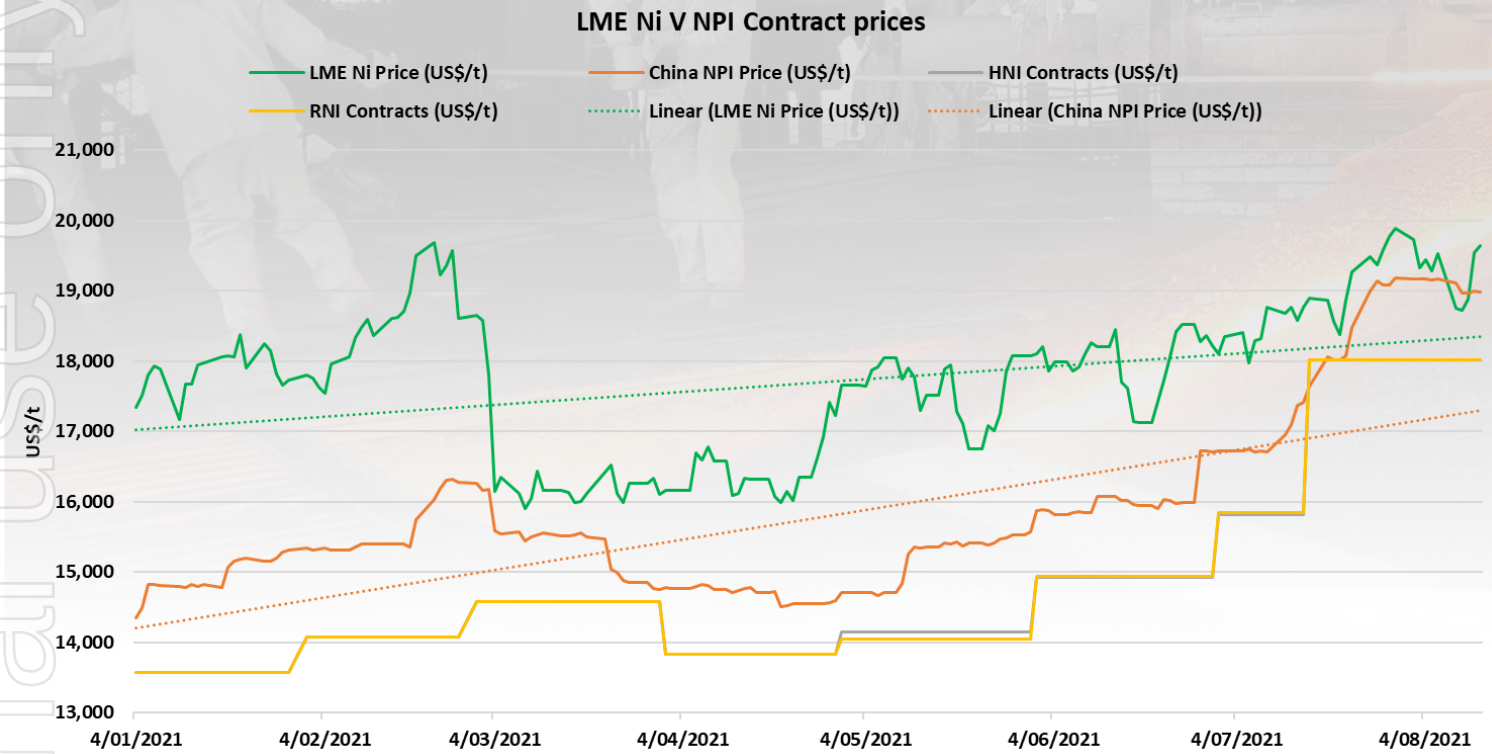
Reliability and consistency are the hallmarks of NIC's RKEF operations



(1) Pricing in the June quarter of 2020 was impacted by COVID-19.

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NPI CONTRACT PRICES - CAPTURING THE CURRENT NPI TAILWINDS



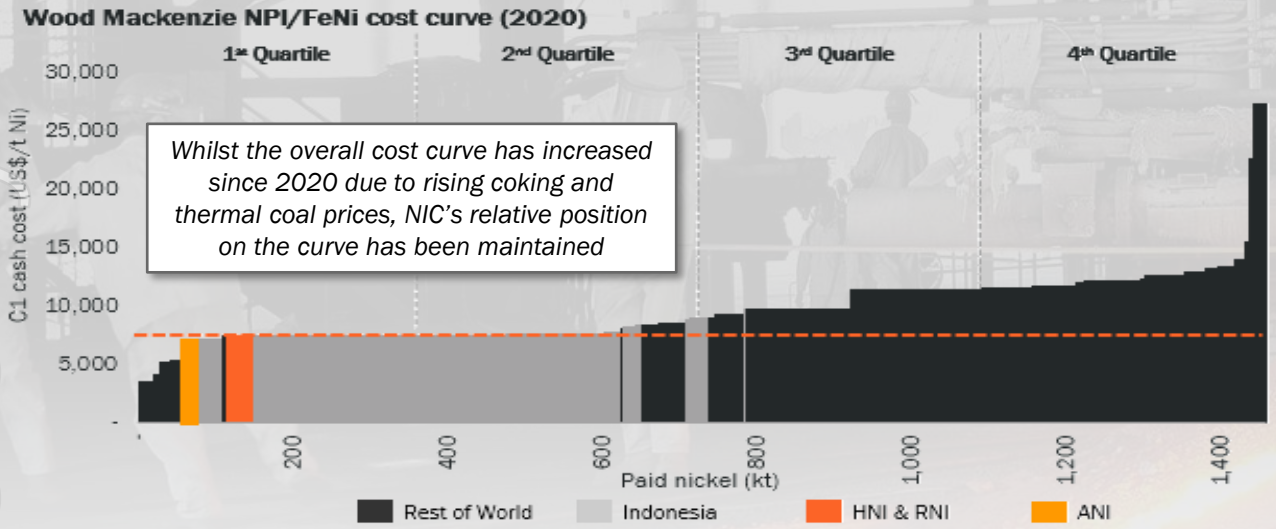
- For 1H 2021
  - Average China NPI price(1) was ~US$15,300/t Ni representing approximately 88% of the average LME nickel price during the half.
  - NIC's weighted average contract sales prices (pre-final assay) was 90.7% of the average China NPI price.
  - Discount applicable to grade penalties imposed for NPI >12% (Ni/iron trade-off).
- Looking ahead to 2H 2021
  - China NPI prices have surged on the back of robust stainless steel consumption and supply tightness across the NPI market.
  - Early Q3 contracts (pre- final assay) have been executed between US$15,400/t Ni and US$18,100/t Ni, materially above ~US$14,100/t Ni from the June quarter.

NPI pricing has carried significant momentum into early 2H 2021

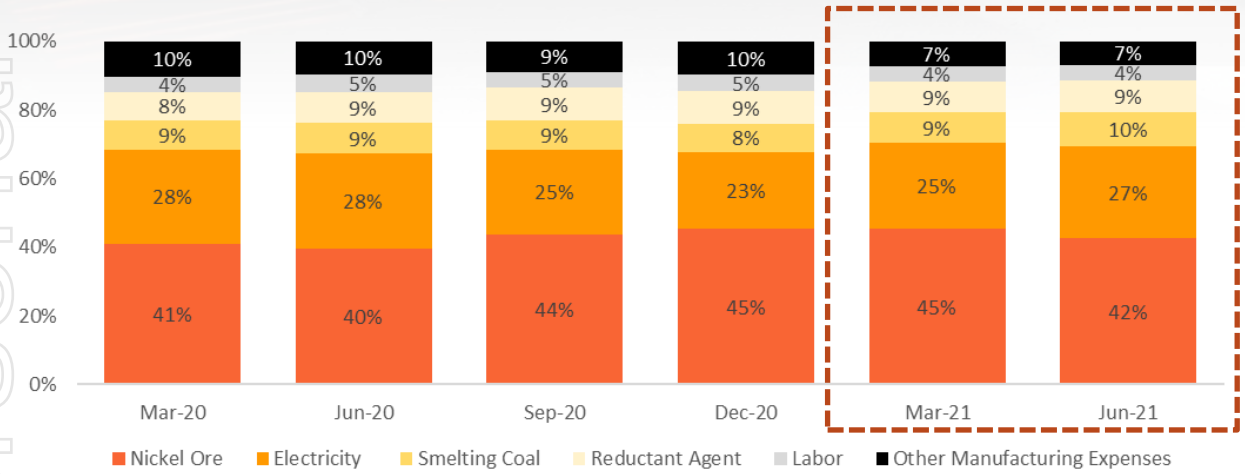
(1) China NPI prices are quoted on 8-12% Ni grade basis. All prices quoted are on an ex-VAT basis.

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WE ARE A LOW-COST PRODUCER OF NPI, GENERATING STRONG EBITDA MARGINS



Remarkably consistent operating cash costs composition - combined HNI and RNI



- NIC is a low cost, bottom cost quartile producer of NPI.
  - Certain input costs did however increase in 1H 2021 – rising nickel ore, electricity and coking coal prices.
- The entire industry cost curve has moved higher. Importantly, NIC's operations have maintained their relative positive in the bottom quartile.
  - The IMIP's centralised procurement management provides for economies of scale with regards to purchasing power.
  - Large stockpiles of key commodity inputs allow a smoothing of commodity price spikes.
  - Being part of a vertically integrated industrial supply chain brings numerous logistical benefits.
- Increasing natural hedge on nickel ore costs.
  - HNI and RNI consume ~4Mt nickel ore per annum. Hengjaya Mine is now producing at a run rate of 2Mtpa, moving to 3Mtpa from 1H 2022 and will continue to scale up.
  - This natural hedge will be particularly important in times where the LME Ni and NPI prices bifurcate.
- 1H EBITDA margins improved from the prior corresponding period. THIS IS A MARGIN BUSINESS.

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HENGJAYA MINE – A TALE OF TWO HALVES

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Production summary		March Qtr 2020	June Qtr 2020	1H2020	March Qtr 2021	June Qtr 2021	1H2021	
Saprolite mined	wmt	149,958	62,610	212,568	456,487	574,791	1,031,278	+385%
Overburden mined	BCM	179,524	150,817	330,341	262,270	549,213	811,483	
Limonite mined	BCM	75,254	182,730	257,984	402,557	349,373	751,930	+191%
Strip ratio(1)	BCM/wmt	1.5	4.0	2.2	1.5	1.6	1.5	
Tonnes sold	wmt	155,599	54,029	209,628	424,410	542,384	966,794	+361%
Average grade	%	1.83	1.80	1.81	1.77	1.78	1.77	
Average price received	US$/t	24.32	23.79	23.64	35.40	36.09	35.80	
Average cost of production(2)	US$/t	29.70	44.73	34.17	22.78	23.48	23.17	



(1) Strip ratio includes limonite as overburden.
(2) Monthly production costs are a six-month average of mining costs plus port/selling costs for the actual month.

- Hengjaya Mine delivered a significantly improved operational performance in 1H 2021.
  - Record levels of mining production - both saprolite and limonite.
  - Current run-rate for saprolite production now at 2Mtpa, ramping up to 3Mtpa from 1H 2022.
  - Expansion initiatives implemented over the last 18 months are now bearing fruit.
- This translated to improved financial performance and a return to profitability.
  - US$7.5M EBITDA (on a stand-alone basis) for Q2 2021.
  - Hengjaya Mine set to make an increasing contribution to the overall Group result.

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ANGEL NICKEL OVERVIEW - A QUICK REFRESHER

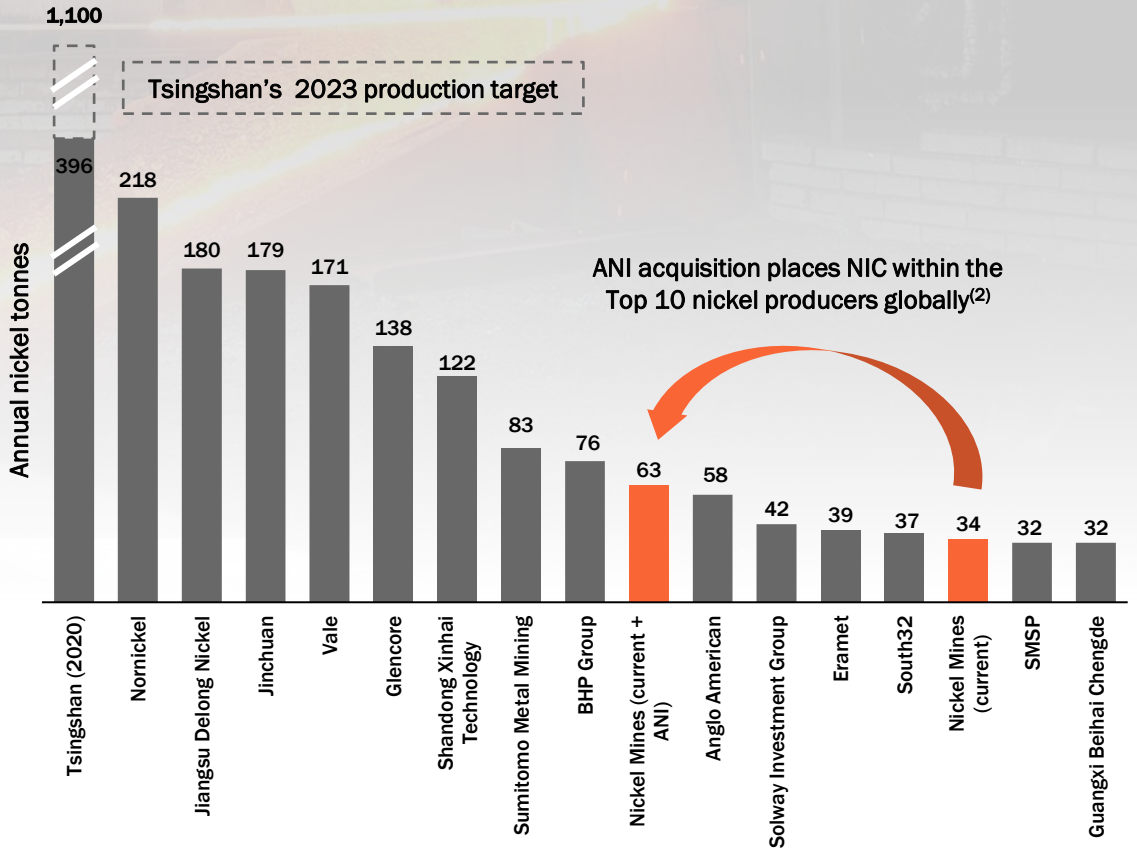
Nickel Mines is acquiring an 80% interest in Angel Nickel, with 50% already completed

- Nickel Mines has executed a binding definitive agreement with Shanghai Decent to acquire an 80% interest in the Angel Nickel Project (the "**Acquisition**")
- Total consideration payable by Nickel Mines in connection with the Acquisition is US$557.6m, which is being undertaken in three stages:
  - An initial acquisition ("**First Acquisition**") whereby Nickel Mines acquired a 30% interest in ANI for US$210m, funded by an A$364m equity raise. The First Acquisition payment was made in January 2021; and
  - The second acquisition ("**Second Acquisition**") has been split into two tranches:
    - **Tranche A**: 20% interest in ANI completed for US$137.6m in April 2021;
    - **Tranche B**: 30% interest in ANI to be acquired for US$210m by no later than 31 December 2021(1)



Aerial photo of the Weda Bay Industrial Park

The Acquisition will add significant scale to Nickel Mines' attributable nickel production, while diversifying geographic and production footprint



Source: Wood Mackenzie. Note: Comparable Companies (on attributable basis) reflect Wood Mackenzie Q4 2020 global production rankings by mines, excluding Tsingshan (from a Tsingshan Corporate Presentation) and Nickel Mines which reflects NPI production from RKEF lines

1. Nickel Mines will acquire the stated interest in ANI by acquiring shares in Angel Capital Private Limited and an equal proportion of shareholder loans due or owing by Angel Capital Private Limited (and/or its subsidiaries), based on a valuation of US$700m on a 100% basis
2. Reflects Nickel Mines' LTM Jun21 production + 80% of ANI nameplate capacity, assuming completion of the Second Acquisition and construction and ramp up of ANI

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ANGEL NICKEL - ON TRACK FOR COMMISSIONING IN 2H 2022

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Engineering, procurement and construction activities at Angel Nickel are progressing well. All material earthworks and plant footings are largely completed, together with the fabrication of key long lead items including boilers, turbines and generators.



Scaffolding support for the RKEF Lines



Foundations of Main Workshop



Foundations for Dry Ore shed



Aerial view of ANI powerplant



Foundations for ANI powerplant



Column reinforcement for Electrostatic Precipitator

Work status (as at 30 June 2021)

Procurement of key capital equipment ~ 60%

Construction works ~ 40%

Installation ~ 8%

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ESG & SAFETY

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Community

- Employee numbers are **> 1,850 locals**[1] at current operations, with an additional **~2,000** expected to be employed at Angel Nickel
- **Captive power capacity** installed at IMIP, providing significant social benefit and increasing affluence to remote regions
  - Recent statistics reveal that over the last decade the District of Morowali in Central Sulawesi has grown by 1,200% versus growth across the broader province of 160%[2]
- NIC deeply involved in numerous community projects focused on **educational, health and agriculture**
- **Strong engagement** with local and regional stakeholders including the Tangofa, Bete Bete and Bahodopi village regions
- Assisted locals in **rebuilding efforts** following natural disaster events including earthquakes and flooding

Environment

- Since early 2020 IMIP has cumulatively invested more than US$300 million in environmental initiatives
- Recently appointed an experienced **Sustainability Manager** with first stand alone **Annual Sustainability Report** targeted for release with the 2021 Annual Report
- Completion of **CO_2 emissions study** and global benchmarking
- Commencement of Hengjaya Mine **solar project**
- Hengjaya Mine operations are **tailings free** and received **"Best Mine Site Rehabilitation Works"** by Central Forestry in Sulawesi
- Gaseous waste controlled through electrostatic precipitators and bag filters, with emissions managed through **continuous emission monitoring systems for air quality and adherence to air quality standards**
- Qualified and independent third parties test and analyse water quality, emissions and surrounding air quality, and bio quality in the sea for **compliance with Indonesian environmental standards**
- All silica slag tailings produced at RKEF processing plants are **recycled** for use as industrial brick and concrete slab works and dedicated landfill
- **Liquid waste managed** via settlement ponds and waste water treatment plants

Health & Safety

- Nickel Mines is committed to upholding **high standards of health and safety** at its operations
- Staff and contractors are trained in safe operating practices on a regular and routine basis
- Accumulated **>3.8m safe worked hours** since the last Lost Time Injury ("**LTI**") in November 2019
- **Zero incidents or fatalities** have been recorded for Hengjaya Mine staff to date

1. > 1,500 locals employed across the HNI/RNI RKEF operations and > 350 locals employed at Hengjaya Mine
2. https://sulteng.bps.go.id/

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COVID-19 PANDEMIC PREVENTION AND CONTROL





The IMIP's vaccination program is targeting to have vaccines available to all employees by the end of September 2021



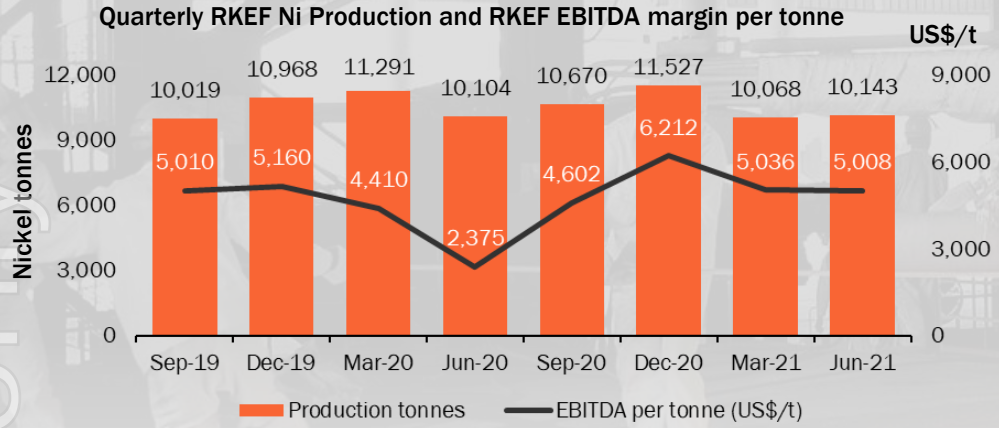


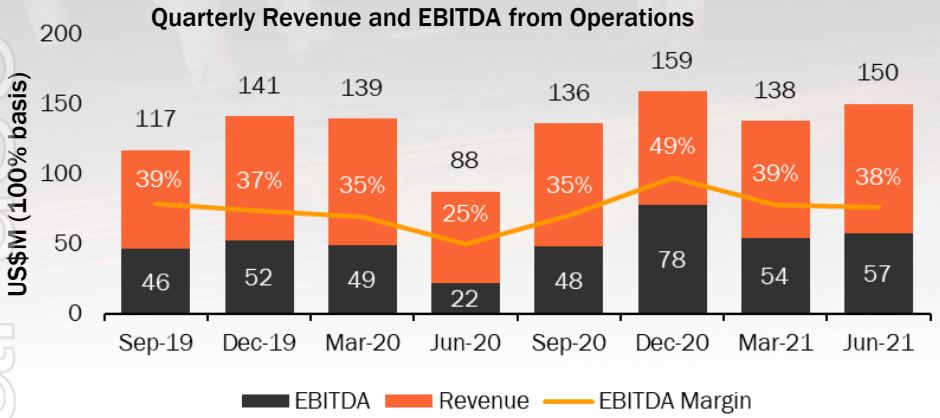
The temperature of employees on duty is checked twice daily

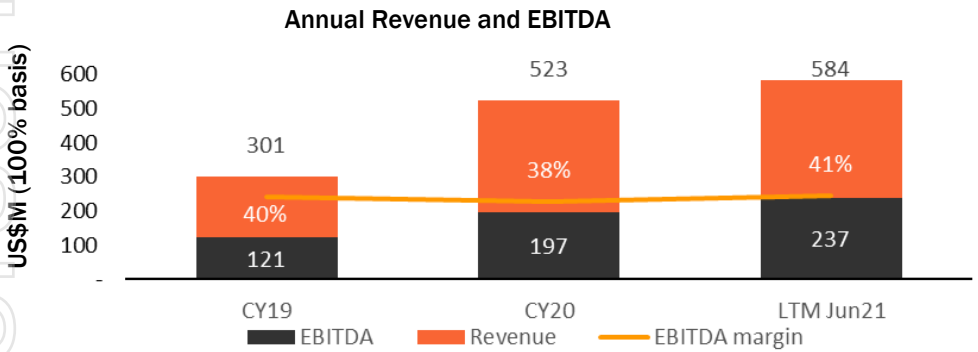
- There have been no COVID-19 related disruptions to production since the onset of the pandemic in early 2020.
- Continued strict enforcement of access controls into and out of the IMIP.
- Local government enforcement of a valid negative-PCR test prior to travelling to the Morowali Regency.
- >30,000 vaccinations have been administered across the ~40,000 workforce at the IMIP, with nearly half of Hengjaya Nickel and Ranger Nickel personnel having received at least one dose.
  - Based on current availability, vaccines will be available to almost all of the IMIP workforce by the end of September 2021.
- At Hengjaya Mine over 90% of the mine site workforce has been able to receive their first COVID-19 vaccination, with the full vaccination program expected to be completed by the end of September 2021.

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1H 2021 - CONSISTENT, STEADY-STATE INDUSTRIAL PRODUCTION AND STRONG EBITDA MARGINS







1H 2021:

- Consistent levels of production of ~10,000/t Ni per quarter.
- Improved EBITDA margins.
- Attractive stainless steel and nickel market fundamentals are providing strong NPI price momentum heading into 2H 2021.
  NIC IS HIGHLY LEVERAGED TO THESE TAILWINDS.
- Increasing financial contribution from Hengjaya Mine to the overall Group result as production levels continue to scale up.

Looking ahead to 2022:

- Angel Nickel commissioning expected in 2H 2022 more than doubling the nameplate capacity of our RKEF operations.
- Hengjaya Mine to increase saprolite production levels from 2Mtpa to 3Mtpa and beyond in addition to a potential commencement of limonite sales as the IMIP's HPAL projects come online.

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THANK YOU

For further inquiries please contact

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APPENDIX: ADDITIONAL INFORMATION

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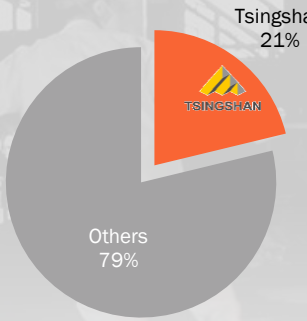
TSINGSHAN GROUP IS THE BEST PARTNER IN THE STAINLESS STEEL AND NICKEL VALUE CHAIN

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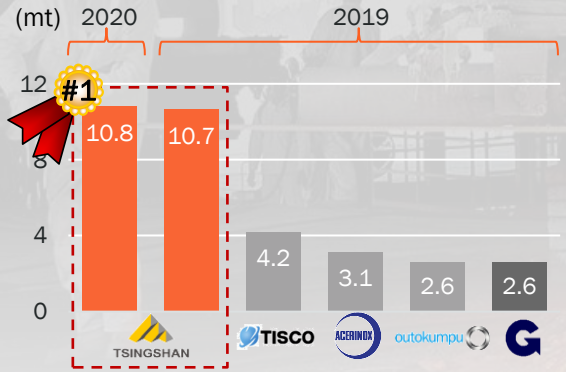
#1 Stainless Steel Producer Globally

Global Stainless Steel Market Share (2020)



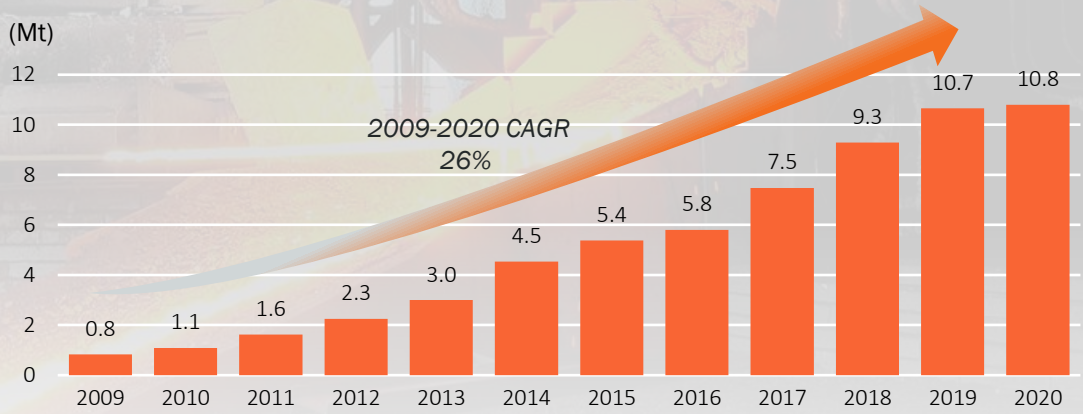
2020 Global Output: 50.9Mt[1]

Global Stainless Steel Production Ranking[2] (2019)



Robust Growth of Stainless Steel Production

Tsingshan Stainless Steel Production[5]

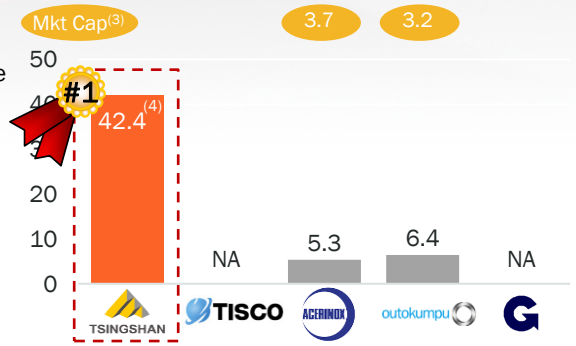


Established, Reputable Enterprise with Significant Revenue

Recognition of Tsingshan (2020)

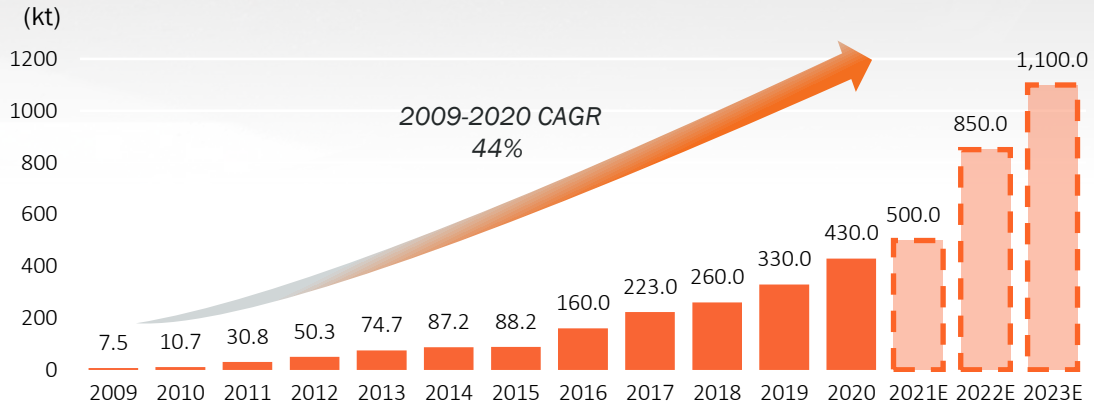
- 8th — Top 500 Chinese Private Manufacturing Enterprises
- 14th — Top 500 Chinese Private Enterprises
- 24th — Top 500 Chinese Manufacturing Enterprises
- 279th — Fortune Global 500 (2021)

Revenue of Top 5 Stainless Steel Producers (2020)



Continuous Expansion on NPI Production

Tsingshan NPI Production (Nickel Equivalent)[5]



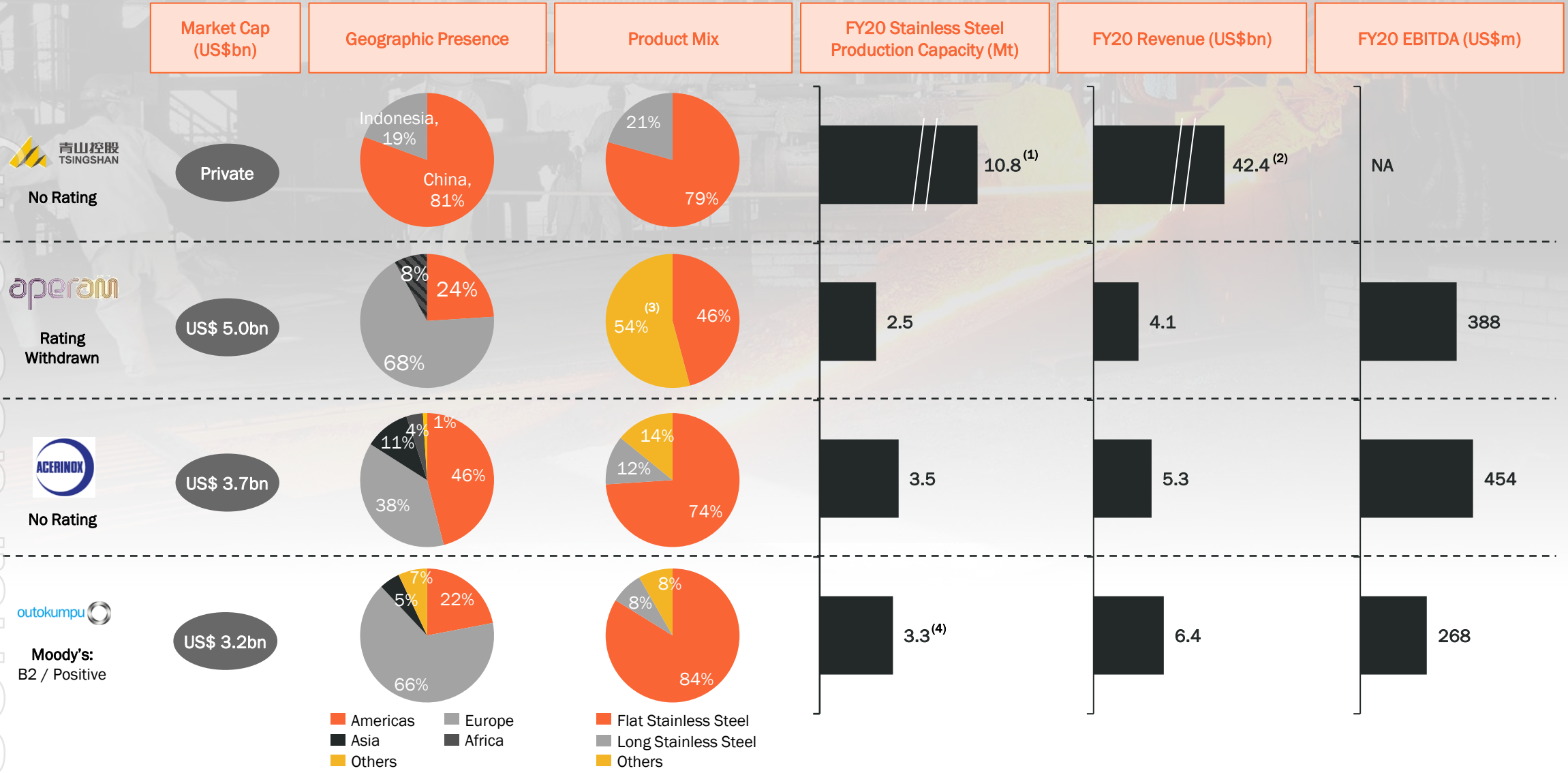
Most dominant, competitive and profitable stainless steel operations globally

Source: Wall Street Research, Wood Mackenzie, Company Information

1. International Stainless Steel Forum (ISSF) 15 March publication.
2. Calculated using 52.3mt global stainless steel production disclosed by Wood Mackenzie and stainless melt shop capacity market share from Wall Street research.
3. Market Cap from Factset as of July 29, 2021.
4. FY20 revenue details converted to US$ using average CNY/US$: 0.1448 for FY20.
5. Historical stainless steel and NPI production provided by Tsingshan, 2021 NPI output estimate provided by Tsingshan, 2022 and

STAINLESS STEEL PRODUCER BENCHMARKING

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Source: Company Filings, Credit Rating Reports and Factset as

1. FY20 stainless steel production details.
2. FY20 revenue details converted to US$ using average CNY/US$: 0.1448 for FY20.
3. Includes alloys, specialties and long steel.
4. Operates melting capacity of 3.3 mt, also operates hot rolling capacity of 3.2 mt and 2.7 mt capacity for finishing operations including cold rolling, hot white band, quarto plate and long products.

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