

1 October 2021

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

ANGEL NICKEL PROJECT OWNERSHIP INCREASED TO 80%

Highlights:

- **Nickel Mines has completed the acquisition of its 80% interest of the Angel Nickel project**
- **Nickel Mines' nameplate nickel production to more than double post commissioning in 2022**
- **The Company has a construction cost guarantee, removing capital expenditure risk**
- **Construction well advanced and on schedule for commissioning in the second half of 2022**
- **Nickel Mines now controls RKEF operations in two of the world's leading nickel production centres**

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to announce that the Company has completed the acquisition of a further 30% interest in Angel Capital Private Limited ('Angel Nickel'), the Singaporean holding company and ultimate 100% owner of the Angel Nickel project currently under construction within the Indonesia Weda Bay Industrial Park ('IWIP'). The Angel Nickel project comprises four next generation RKEF¹ lines with nameplate nickel production of 36,000 tonnes per annum and a 380MW power station.

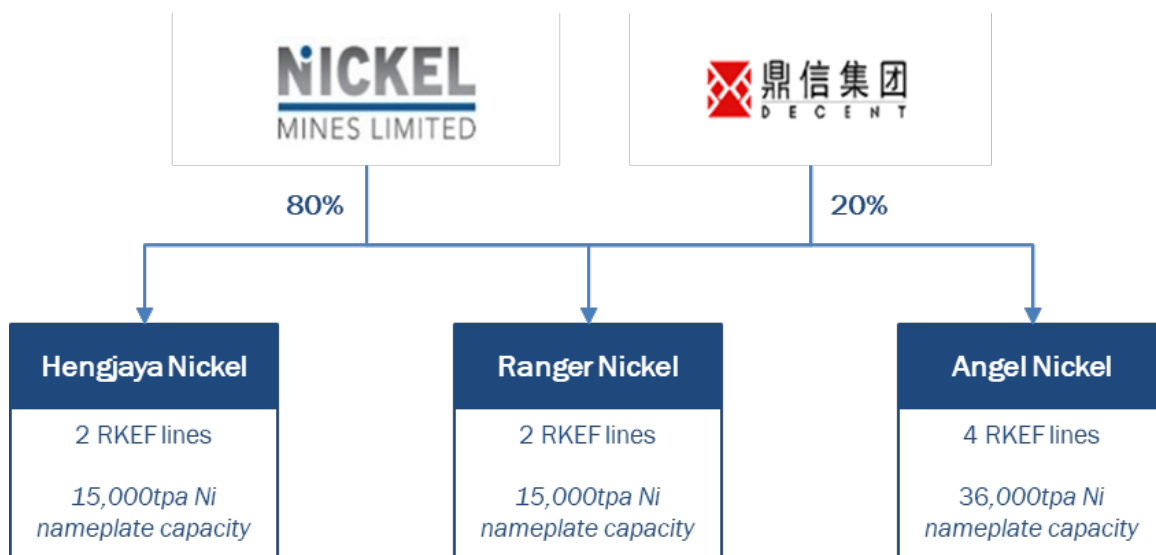
Following the payment of US\$210 million, Nickel Mines' direct ownership interest in the Angel Nickel project has increased to 80%, having acquired its initial 30% interest in February 2021 and a further 20% in April 2021. The Company now holds an 80% interest across all of its RKEF operations – Angel Nickel, Hengjaya Nickel and Ranger Nickel. The remaining 20% is held by Company's largest shareholder and strategic partner, Shanghai Decent Investment (Group) Co., Ltd ('Shanghai Decent'), a group company of the world's largest stainless-steel producer, Tsingshan.

Angel Nickel is expected to have commenced commissioning by no later than October 2022. Once commissioned, the Company's nameplate production profile will more than double, with annual production capacity (on a 100% basis) increasing from 30,000 tonnes of nickel metal to 66,000 tonnes.

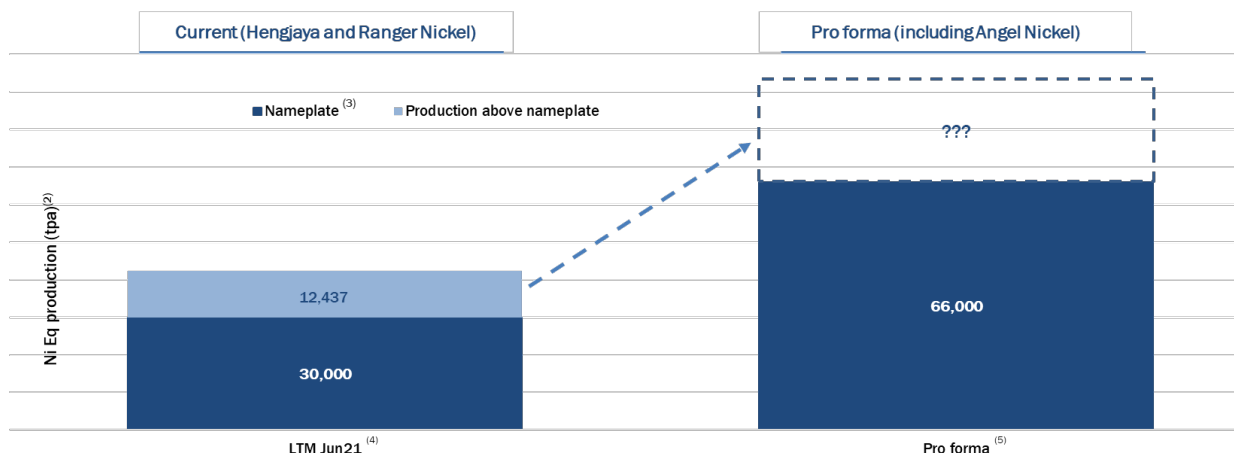
¹ RKEF: Rotary Kiln Electric Furnace

Importantly, Shanghai Decent has provided the Company with a contractual commitment that the total cost of Angel Nickel will not exceed US\$700 million – Nickel Mines, through its acquisition of the 80% interest, has now paid its share of this and as such, has no capital expenditure risk in relation to Angel Nickel. Construction at Angel Nickel is progressing well, and the Company looks forward to providing a more detailed update on the various Project workstreams in its upcoming September quarterly activities report.

Nickel Mines' RKEF ownership interests (simplified)



Nickel Mines' strong RKEF production profile



² "Ni Eq" is nickel metal equivalent contained in nickel pig iron ('NPI')

³ Nameplate production levels reflect nameplate capacity on a 100% basis (15ktpa each for Hengjaya Nickel and Ranger Nickel and 36ktpa for Angel Nickel)

⁴ Reflects 12 months production to 30 June 2021 on a 100% basis

⁵ Expected total nameplate production capacity once completed (30ktpa current capacity plus 36ktpa capacity expected at Angel Nickel), with potential "production above nameplate" unknown

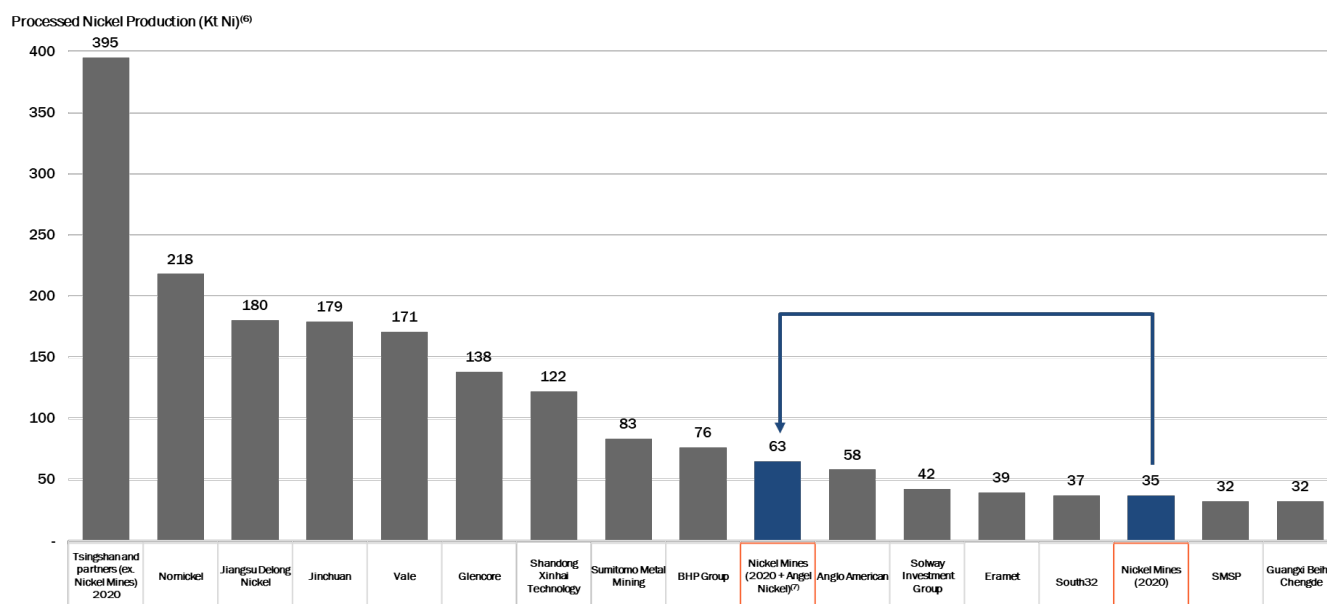
Commenting on the completion of the acquisition of Angel Nickel, Managing Director Justin Werner said:

“Through this acquisition, Nickel Mines is now set to more than double its nameplate nickel production capacity, placing it firmly in the top 10 global nickel producers and diversifying its operating bases. The 380MW captive power plant is expected to deliver a 20% cost saving on power, resulting in lower operating costs than our existing Hengjaya Nickel and Ranger Nickel operations, which already sit at the bottom of the NPI cost curve.

With commissioning on track for the second half of 2022, we congratulate our partners Shanghai Decent on the progress made despite a resurgent COVID-19 Delta variant which has impacted global supply chains and logistics, and with this transaction, we have further strengthened our strong strategic relationship.

The Company has a strong treasury post acquisition and a conservative balance sheet. With continued strong performance from our RKEF operations, Nickel Mines is well positioned to capitalise on the strong forecast nickel growth over the next decade.”

Nickel Mines is emerging as one of the largest nickel producers globally



For further information please contact:

Justin Werner
Managing Director
jwerner@nickelmines.com.au
+61 2 9300 3300

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelmines.com.au
+61 439 908 732

pjn10966

⁶ Source: Wood Mackenzie. Comparable companies (on attributable basis) reflect Wood Mackenzie Q4 2020 global production rankings by mines, excluding Nickel Mines which reflects attributable NPI production (for 2020) and attributable nameplate capacity (for Angel Nickel)

⁷ Reflects Nickel Mines' 2020 attributable production + 80% of Angel Nickel's nameplate capacity (without any potential performance above nameplate capacity)