



AUGUST 2018

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TRADING INFORMATION

20 AUGUST 2018

ASX Code	NIC
Shares on Issue	1.388B
Share Price (IPO price)	\$0.35

Market Capitalisation (IPO Price)

\$485.8M

Cash (Post IPO Use of Funds)*	\$88.6.0M
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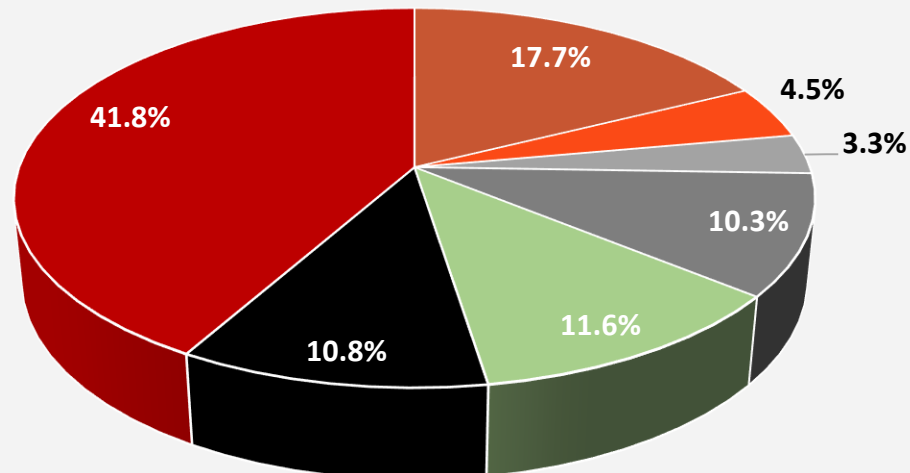
Enterprise Value

\$397.2M

IPO Use of Funds includes moving to a 60% interest in the RKEF Project, expansion of operations at Hengjaya Mine, general working capital and IPO expenses.

Capital Structure

- Existing Shareholders
- Existing Shareholders - Escrowed
- Directors and Management
- Directors and Management- Escrowed
- SDI
- Wanlu
- IPO shareholders



CAPITAL STRUCTURE

SHARES (M)

OWNERSHIP (%)

Directors and Management	189.77	13.7%
Shanghai Decent (SDI)	161.70	11.6%
Shanghai Wanlu	149.26	10.8%
Existing + IPO Shareholders	887.27	63.9%

Issued Shares

1,388.00

100.0%

Escrowed Shares	341.38	24.6%
Free Float	1,046.62	75.4%

Issued Shares

1,388.00

100.0%

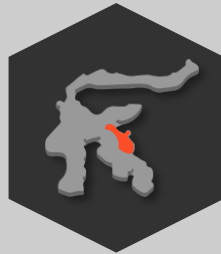
Substantial Shareholders and Free Float

- IPO investors hold approximately 42% of issued capital.
- NML's "free float" comprises ~1.046B shares or ~75% of total issued capital.

Substantial shareholders (as at 20 August 2018):

- Shanghai Decent (SDI) 11.6%
- Shanghai Wanlu 10.8%

03 EXECUTIVE SUMMARY



Nickel Mines Limited (NML) is an Australian publicly listed company trading on the ASX under the ticker NIC.

NML holds an 80% interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine (HM).

HM is located in Morowali Regency, Central Sulawesi, Indonesia, adjacent to Tsingshan Holding Group's (Tsingshan) Indonesian Morowali Industrial Park (IMIP).

In September 2017 NML executed a Collaboration and Subscription Agreement (CSA) with Shanghai Decent Investment (Group) Co. Ltd (SDI), a Tsingshan group (Tsingshan) company, and a strategic cornerstone investor, Shanghai Wanlu Investment Co. Ltd (Wanlu).

Objectives of the CSA:

Construct a 2-line Rotary Kiln Electric Furnace (RKEF) plant within the IMIP to produce Nickel Pig Iron (NPI).

Introduce SDI and Wanlu as investors in NML via subscriptions in NML shares.

Govern the terms and conditions by which NML can progressively increase its ownership interest in the RKEF plant.

In early 2018 NML completed a 2-tranche private placement funding round to raise approximately US\$77M, comprising US\$27M from financial investors and contract partners and subscriptions from SDI and Wanlu for US\$26M and US\$24M respectively.

03 EXECUTIVE SUMMARY



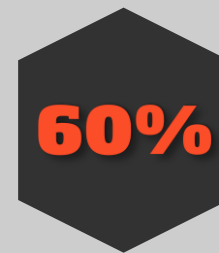
The SDI and Wanlu investments were subject to the completion of Due Diligence on NML and the satisfaction of all Conditions Precedent (CP) within the CSA, including being “debt free”.



As contemplated by the CSA, NML utilised the SDI and Wanlu subscription monies (US\$50M) to fund its initial 25% interest in the RKEF plant.



NML successfully completed an IPO and listed on the ASX on 20 August 2018.



Utilising proceeds from the IPO NML plans to increase its interest in the RKEF plant to 60% for a further US\$70M.



NML has an option to increase its interest in the RKEF plant to 100% for US\$120M up to 12 months from first NPI production.

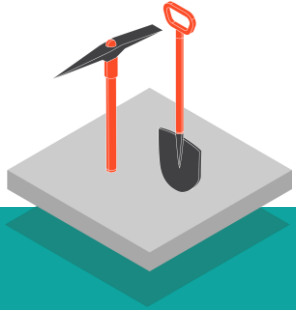


MOU signed to collaborate on an additional 2 RKEF lines within the IMIP.

NML and SDI are currently working towards a definitive agreement.

Additional 2 RKEF lines would see NML well beyond 30kt Ni pa.

04 INVESTMENT HIGHLIGHTS



WORLD CLASS NICKEL RESOURCE

JORC compliant resource of 37.5M dmt at 1.81% nickel (~680kt contained Ni) with significant extension potential.

Ability to supply RKEF plant for 30+ years (at 1.5M wmt pa).

Adjacent to Tsingshan's IMIP.



STRATEGIC PARTNERSHIP WITH GLOBAL INDUSTRY LEADER

Multi-faceted Collaboration Agreement with the world's largest stainless steel and NPI producer.

SDI currently operating 2Mt pa stainless steel plant and 20 RKEF lines at IMIP with further expansion plans.

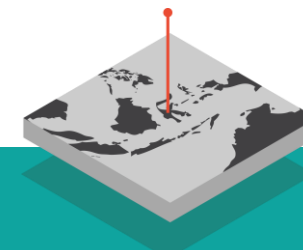


PROVEN LOW COST PROCESSING TECHNOLOGY

Tsingshan is a leading exponent of pyrometallurgical technology using the RKEF process to produce NPI from laterite ores.

RKEFs built at industry-low levels of capital intensity.

Current C1 cash operating costs across existing RKEF lines averaging ~US\$8,000/t NiEq.

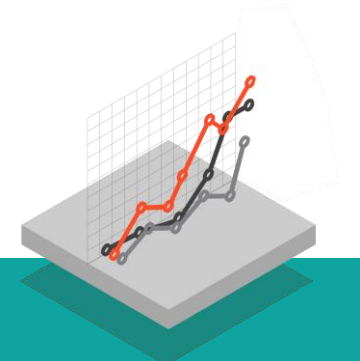


ABILITY TO LEVERAGE IMIP INFRASTRUCTURE

IMIP is a fully permitted industrial zone jointly sanctioned by the Indonesian and Chinese Governments.

Largest vertically integrated NPI/Stainless Steel facility in the world.

Supported by world class infrastructure and logistics – featuring on site power station and port facilities.



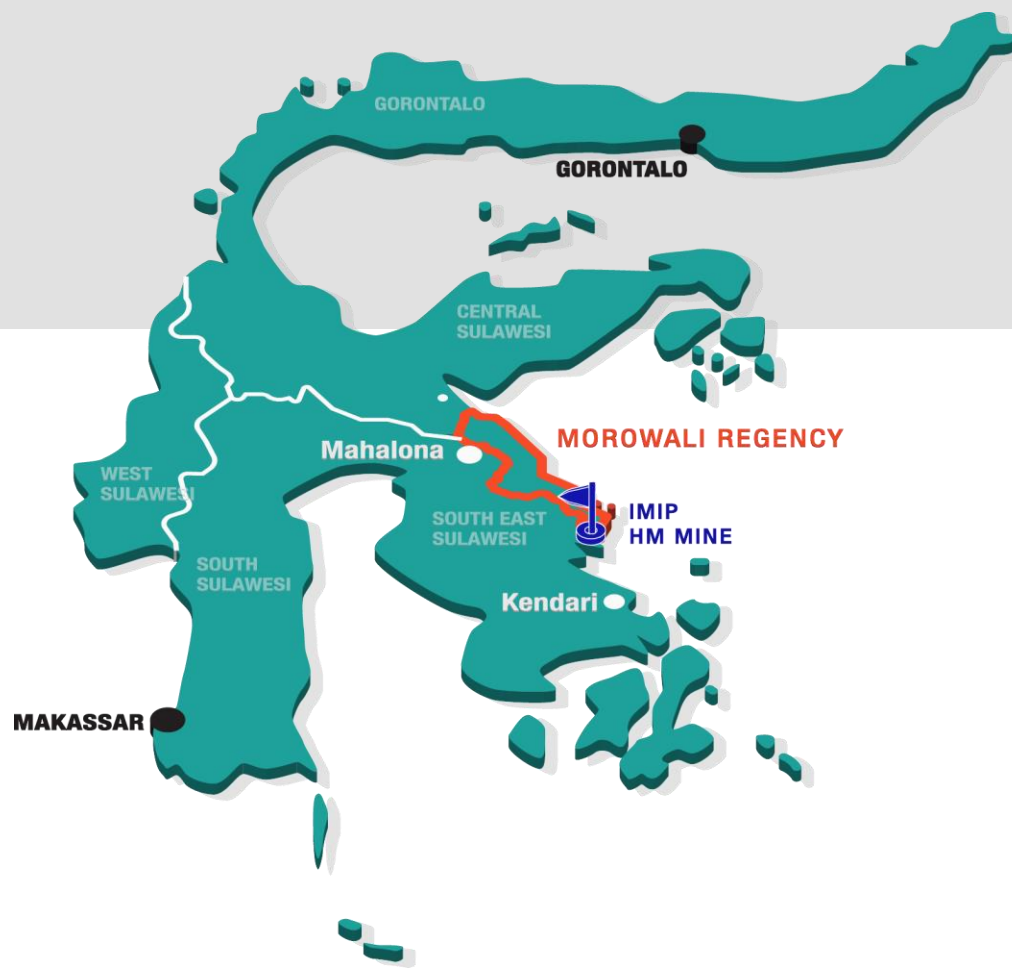
STRENGTHENING NICKEL MARKET FUNDAMENTALS

Nickel demand expected to grow 2-3% over medium to long term underpinned by improving outlook for stainless steel and growing EV battery market.

Global nickel supply deficit emerged in 2016 and is expected to remain in place until at least 2027.

Wood Mackenzie Ni price outlook – peaking at ~US\$25k/t in 2025 before settling at a long term price of ~US\$22k/t.

05 OVERVIEW OF HENGJAYA MINE



INDONESIA

LOCATION

- Morowali Regency, Central Sulawesi, Indonesia.
- A large tonnage, high grade, open-cut mine in close proximity to IMIP.

LICENCE

- IUP licence covering 6,249 hectares.
- 20 year mining operation/ production licence with a further 2 x 10 year extensions (issued May 2012).

RESOURCE

- JORC compliant resource of 37.5M dmt at 1.81% nickel (~680k tonnes contained Ni)
- 1,402 holes over 30,296 metres.
- Resource not fully defined – approximately half of the mapped ultramafic nickel bearing area has been resource drilled.
- 30+ year resource life based on a 1.5M wmt pa mining operation.

MINING

- Geology de-risked by mining activity to date.
- Prior to the 2014 export ban on unprocessed minerals ~424k wmt was shipped at an average dmt grade of 1.98% Ni.
- Since October 2015 ~896k wmt has been sold to IMIP at an average dmt grade of 2.06% Ni.
- Excellent reconciliations to date – actual tonnes and Ni grade ~9% above block model with lower than expected Fe/Si/Mg.
- Low waste to ore stripping ratio: 0.96:1.0.

06 INTRODUCTION TO TSINGSHAN, SDI and IMIP



- Currently the world's largest stainless steel producer with output of 7.48 Mt in 2017.
- Established a clear early mover advantage in building in-country processing capacity within Indonesia.
- A recognised global leader in RKEF processing technology to produce NPI.
- Pioneers of 'hot-charging' molten forms of NPI directly into stainless steel operations.
- Vertical integration and logistics management underpin the Group's 'Lowest Cost Producer' philosophy.

- SDI is a Tsingshan Group company.
- Manager of IMIP.
- Key architect in establishing Tsingshan's integrated stainless steel industry supply chain from mining, to NPI smelting to stainless steel output in the form of slab, hot rolled coil (HRC) and cold rolled coil (CRC).
- Responsible for Tsingshan's international project management, including project construction, equipment design and procurement, logistics and raw material importation/supply.
- A counterparty to the CSA with NML and Wanlu.

- Built in response to the Indonesian Government's ban on the exportation of unprocessed minerals.
- Currently ~22,000 employees.
- 2.0 Mt pa stainless steel capacity (currently expanding to 3.0 Mt pa).
- 0.5 Mt pa carbon steel capacity (currently expanding to 3.5 Mt pa).
- 0.6 Mt pa high carbon ferrochrome capacity.
- 1.5 Mt pa NPI capacity (likely expanding to 1.95 Mt pa).
- 1.26GW coal-fired power plant (currently expanding to 1.96GW).
- Lime plant, coke plant, acid plant.
- Significant port facilities.
- Executive guest quarters and 4-star hotel.

06 **INDONESIAN MOROWALI INDUSTRIAL PARK (IMIP)**



“The PT SMI facility is world-class and arguably the lowest cost FeNi operation in the world.”

- Glencore Nickel Market Developments (September 2016)

06 FULLY INTEGRATED NPI & STAINLESS STEEL PLANT



Rotary Kiln



RKEF Control Room



Electric Furnace



NPI Ingot Casting



Molten NPI



Stainless Steel Mix



Stainless Steel Slab



Hot Rolled Coil (HRC)

06 SUPPORTED BY WORLD CLASS FACILITIES & INFRASTRUCTURE



Surrounded by Ni Laterite Deposits



1.26GW Coal Fired Power Station



Stockpile Areas



Significant Port Facilities



Executive Quarters and Helipad



5-Star Hotel

PRE IPO



2017



SEPTEMBER

NML signed a landmark CSA with SDI and Wanlu to build a 2-line RKEF plant for US\$200M.

2018



JANUARY

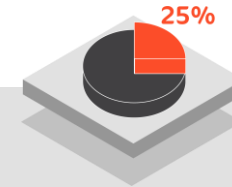
NML completed a ~US\$27M capital raising to become 'debt free' – a condition precedent to SDI and Wanlu investing in NML.



APRIL

SDI and Wanlu concluded their due diligence with all conditions precedent satisfied.

SDI and Wanlu completed their subscriptions of US\$26M and US\$24M respectively for NML shares.



APRIL

NML funded its initial 25% interest in SPV HoldCo for US\$50M.



JUNE

MOU signed to collaborate on the construction and ownership of an additional 2 RKEF lines within the IMIP.

^Foreign-invested limited liability company that will construct and operate the RKEF plant.

* Subscription proceeds of US\$26M and US\$24M from SDI and Wanlu respectively have funded NML's initial 25% equity interest in SPV HoldCo.

POST IPO



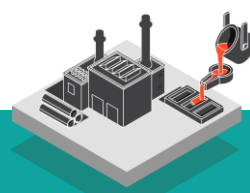
POST IPO

NML proposes to increase its holding in SPV HoldCo to 60% at a cost of US\$70M.



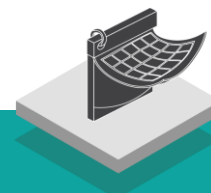
<12 MONTHS

No later than 12 months after first NPI production from the RKEF plant NML can elect to acquire the 40% interest in SPV HoldCo it does not already own for US\$120M.*



PRODUCTION

The 2-line RKEF plant will produce 150kt pa NPI (~16.5kt pa Ni metal equivalent).



LONG LIFE

HM's currently defined resource of 37.5M dmt can supply the 2-line RKEF plant for ~35 years (at 1.5M wmt pa).



GROWTH POTENTIAL

Discussions ongoing with Tsingshan for further expansion beyond the initial 2-line RKEF investment.

* Assumes NML moves directly to a 60% interest in SPV HoldCo upon IPO.

08 NML GROUP STRUCTURE



100%

HENGJAYA NICKEL MINE

- 37.5M dmt of JORC-compliant resources at 1.81% Ni.
- World-class nickel laterite deposit
- Established mining operations

100%

COLLABORATION & SUBSCRIPTION AGREEMENT

- Construct a 2-line RKEF plant within the IMIP.
- Govern the terms and conditions by which NML can progressively increase its ownership interest in the RKEF plant.

100%

2-LINE RKEF PLANT

- Already under construction.
- Design capacity: 150kt pa NPI.
- RKEF – proven, mature, cost-competitive technology.

* Assumes NML immediately exercises its contractual right to move to 60% ownership of SPV HoldCo after completion of IPO.

** NML currently owns 80% of the Indonesian PMA ('Foreign Direct Investment') company PT. Hengjaya Mineralindo. Ownership structure is the most secure form of foreign direct investment in Indonesia.

Tsingshan's Indonesian NPI production capacity has set new industry standards for operating costs and capital intensity.

PROJECT	YEAR	PLANT	NI CAPACITY (Kt pa)	CAPITAL COST (US\$M)	COST/t NiEq (US\$)
Murrin Murrin	1999	HPAL	40	1,700	42,500
Ravensthorpe	2007	HPAL	40	3,000	75,000
VNC (Goro)	2010	HPAL	60	6,000	100,000
Ambatovy	2012	HPAL	60	5,500	91,667
Koniambo	2013	FeNi	30	6,300	105,000
Onca Puma	2011	FeNi	52	3,200	61,538
Barro Alto	2011	FeNi	40	1,900	47,500
NML/SDI	2017	NPI	16.5	200	12,121*

Source: Macquarie Research

NML WILL BENEFIT FROM:

SDI'S CONSTRUCTION AND OPERATIONAL EXPERTISE

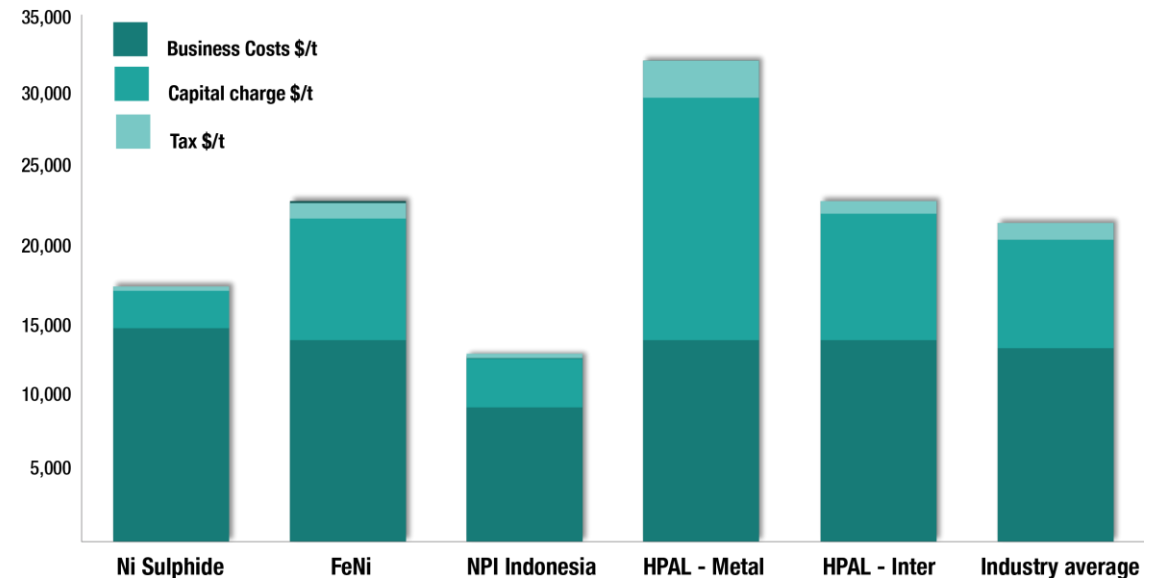
- 20-lines already built and operating.
- Track record of on-time project delivery provides confidence of completion and production commencement.

GLOBAL INDUSTRY LOWS IN CAPITAL INTENSITY

- Contractual guarantees that capital costs will not exceed US\$200M (US\$12,121/t NiEq).

BOTTOM QUARTILE OPERATING COSTS

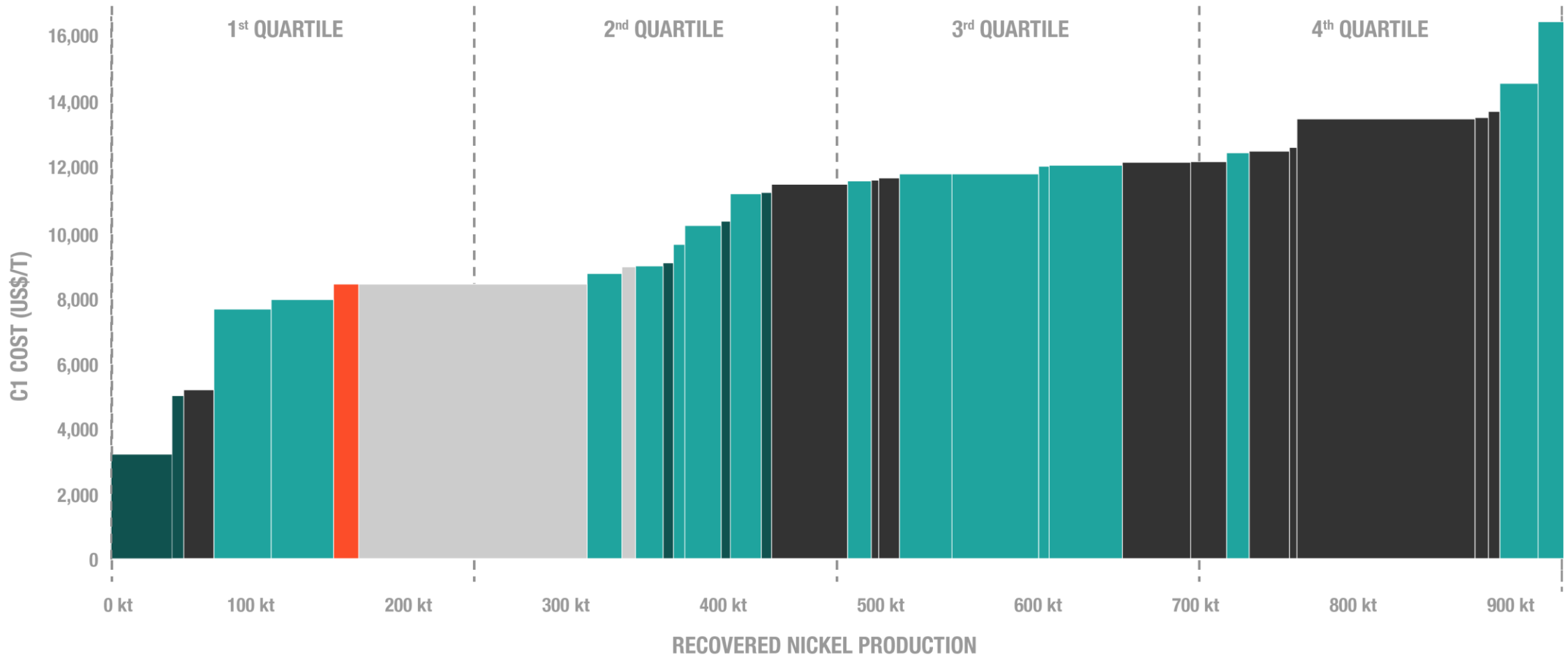
- IMIP's fully integrated NPI, chrome, coke and power plants deliver significant cost and logistics savings.



Source: CRU Research

*Assuming NML elects to move to 100% RKEF ownership its effective capital cost per unit of nickel produced increases to US\$14,545/t NiEq (US\$240M for 16.5kt pa).

09 A BOTTOM QUARTILE NPI PRODUCER

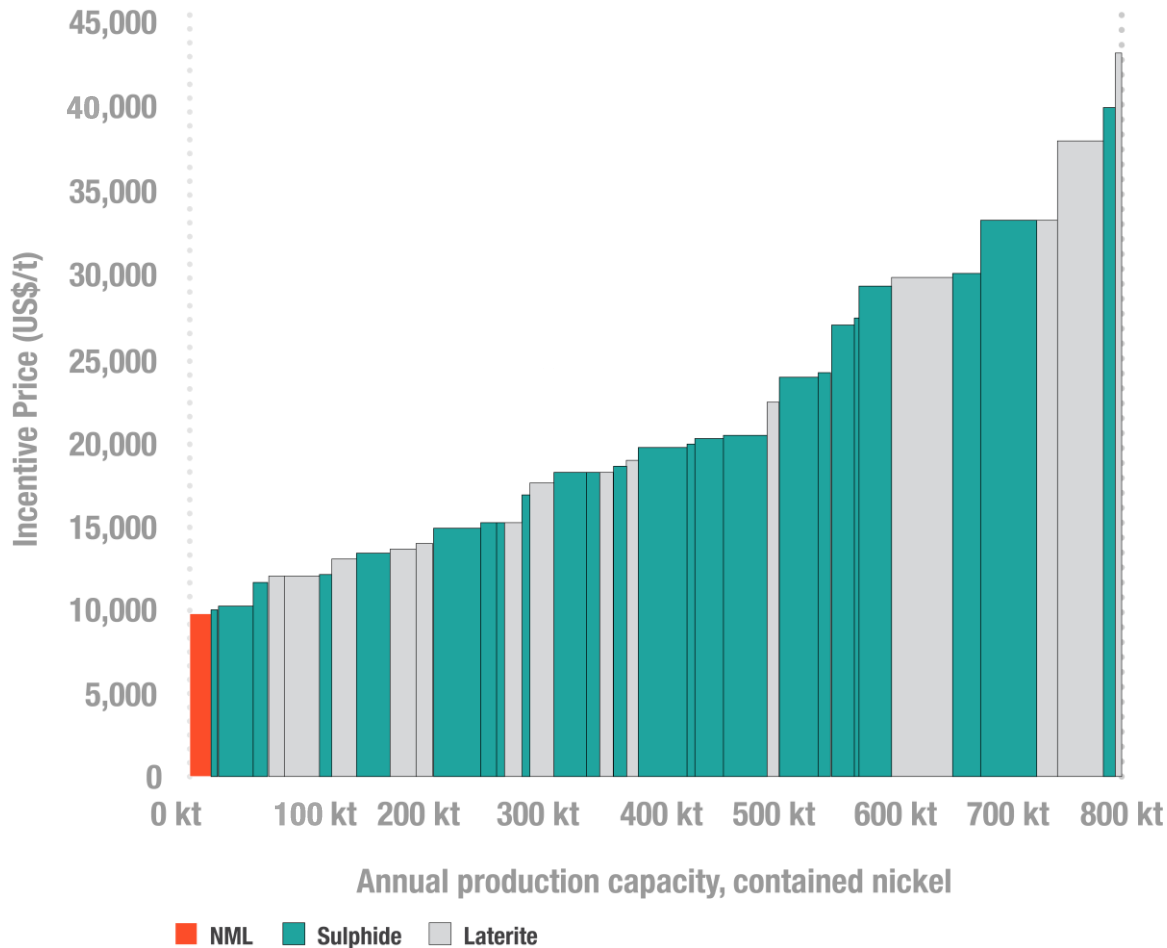


■ FeNi
 ■ NPI BF
 ■ Chinese NPI
 ■ Indonesian NPI
 ■ NML

Source : Wood Mackenzie

09 NML'S RKEF PROJECT - A STANDOUT AMONG THE NEW WAVE OF NICKEL PROJECTS

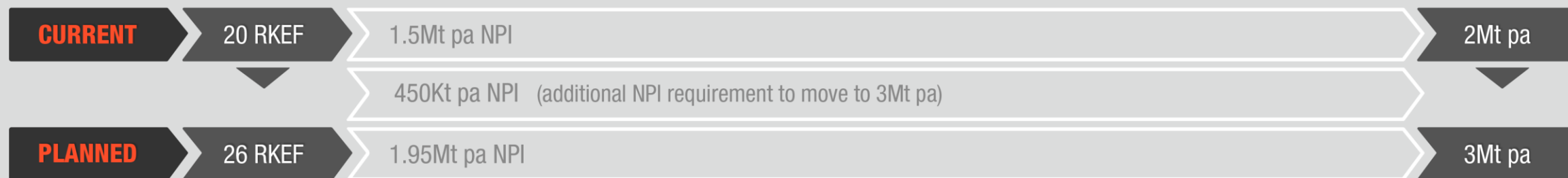
Nickel incentive price for a pre-tax 15% IRR



- Wood Mackenzie have identified a pipeline of 41 undeveloped/unfunded projects in the global nickel industry.
- The comparable incentive price required to generate a 15% pre-tax IRR takes into account operating costs, capital intensity and longevity of operations, suggesting NML's project as a standout among the next wave of competing nickel projects.
- At 'base case' pricing of US\$16k/t NML's RKEF operations would generate a post-tax IRR of ~36%.
- At Wood Mackenzie's long term price forecast of ~US22k/t NML's RKEF operations would generate a post-tax IRR of ~59%.

Source: Wood Mackenzie

10 THE IMIP'S REQUIREMENT FOR ADDITIONAL NPI



OTHER GROWTH AVENUES EXIST FOR NML

10 NML – A KEY PARTNER IN SDI'S GROWTH PLANS

In June 2018 NML and SDI signed a MOU for an additional two RKEF Lines.

As contemplated under the MOU:

- NML shall have the right, but not the obligation, to acquire an interest of no less than 51% and up to 100% in a new special purpose company which will be the owner of two new RKEF lines.
- Upon signing a definitive agreement NML shall pay SDI a non-refundable deposit of US\$5.0 million for the right to acquire its initial interest in the new special purpose company and the right to increase its ownership to 100% at a valuation of US\$300 million within 18 months from the commercial operation of the two new RKEF lines.
- NML and SDI will work to progress this MOU to a definitive agreement over the next 3 months.

NML is now integral to Tsingshan's stainless steel growth ambitions by committing to 4 of the additional 6 RKEF lines required for SDI to increase the IMIP's stainless steel output from 2Mt pa to beyond 3Mt pa.



NML Chairman Rob Neale and SDI Chairman (and new NML Director) Huang Weifeng sign a MOU to collaborate on a further two RKEF Lines.

11 FINANCIAL MODEL STEADY STATE OPERATIONS

The steady state operations financial model outputs and cost sensitivity analysis overpage have been validated by Wood Mackenzie as part of an independent review of the RKEF Feasibility Study Report and the operating performance of the 20 existing RKEF lines within the IMIP.

EBITDA/FCF Profile - 60% RKEF Ownership

60% RKEF Ownership		Nickel Price					
Steady State	US\$/t	8,000	10,000	12,000	14,000	16,000	18,000
	US\$/lb	3.63	4.54	5.44	6.35	7.26	8.16
Attributable Production	Kt Ni	9.9					
Attributable Revenue ^{1,2}	US\$M	89.8	113.1	136.4	159.7	180.0	199.8
- RKEF Revenue	US\$M	79.2	99.0	118.8	138.6	158.4	178.2
Attributable EBITDA ¹	US\$M	8.0	26.8	45.7	64.5	84.0	103.7
- RKEF EBITDA	US\$M	10.1	25.7	41.2	56.7	75.9	95.7
EBITDA margin		9%	24%	33%	40%	47%	52%
Attributable NPAT ⁴	US\$M	(2.6)	11.5	29.1	43.2	57.8	72.6
FCF ³	US\$M	4.5	17.4	29.1	41.8	55.0	68.3
- RKEF FCF	US\$M	6.3	16.8	26.2	36.7	49.7	63.1

NML has the option to move to 100% ownership of the 2 RKEF lines within 12 months of first NPI production

NML's NPI operations will offer investors exposure to a pure-play nickel asset capable of generating significant levels of distributable free cash flow at steady state production of 16.5kt pa of contained nickel metal.

¹ Revenue and EBITDA profiles assume a 49% contribution from the HM Mine in line with regulatory divestiture requirements from the Company's current 80% interest in PT Hengjaya Mineralindo.

² Revenue profiles assume that the contained nickel in the NPI receives 100% of the LME nickel price.

³ Assumes dividend withholding tax at 10%.

⁴ Equity financed.

11

FINANCIAL MODEL COST SENSITIVITY ANALYSIS

60% RKEF OWNERSHIP - Mine & RKEF Opex +10%

60% RKEF Ownership		Nickel Price					
Steady State	US\$/t	8,000	10,000	12,000	14,000	16,000	18,000
	US\$/lb	3.63	4.54	5.44	6.35	7.26	8.16
Attributable Production	kt Ni	9.9					
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- RKEF revenue	US\$M	79.2	99.0	118.8	138.6	158.4	178.2
Attributable EBITDA ¹	US\$M	1.5	20.3	39.2	58.0	77.6	97.2
- RKEF EBITDA	US\$M	4.9	20.4	35.9	51.4	70.6	90.4
EBITDA margin		2%	18%	29%	36%	43%	49%
Attributable NPAT ⁴	US\$M	(6.6)	6.7	24.2	38.3	53.0	67.7
FCF ³	US\$M	0.0	13.0	24.8	37.5	50.7	63.9
- RKEF FCF	US\$M	2.8	13.2	22.7	33.2	46.1	59.5

60% RKEF OWNERSHIP - Mine & RKEF Opex +20%

60% RKEF Ownership		Nickel Price					
Steady State	US\$/t	8,000	10,000	12,000	14,000	16,000	18,000
	US\$/lb	3.63	4.54	5.44	6.35	7.26	8.16
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- RKEF revenue	US\$M	79.2	99.0	118.8	138.6	158.4	178.2
Attributable EBITDA ¹	US\$M	(5.0)	13.9	32.7	51.6	71.1	90.7
- RKEF EBITDA	US\$M	(0.4)	15.1	30.6	46.1	65.4	85.2
EBITDA margin		(6%)	12%	24%	32%	39%	45%
Attributable NPAT ⁴	US\$M	(10.6)	1.8	16.0	33.5	44.8	62.9
FCF ³	US\$M	(4.4)	8.6	21.4	33.1	47.3	59.5
- RKEF FCF	US\$M	(0.8)	9.7	20.2	29.6	43.6	56.0

¹ Revenue and EBITDA profiles assume a 49% contribution from the HM Mine in line with regulatory divestiture requirements from the Company's current 80% interest in PT Hengjaya Mineralindo.

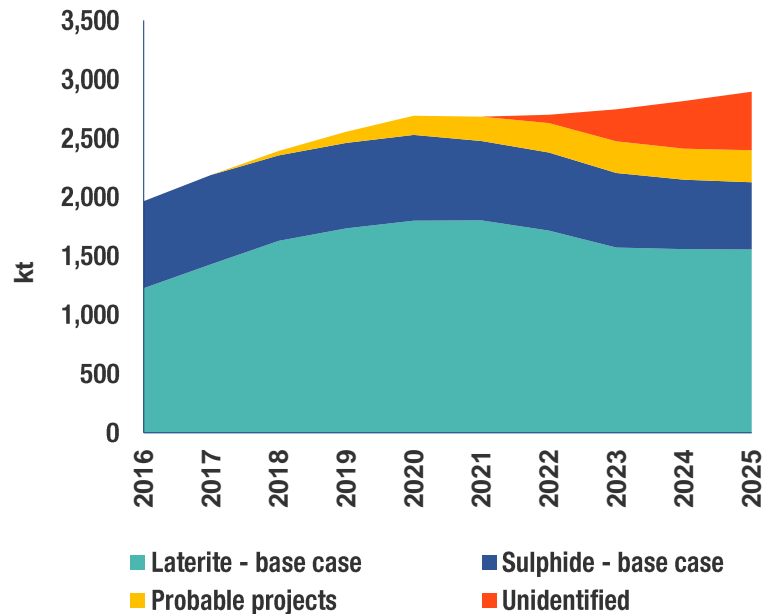
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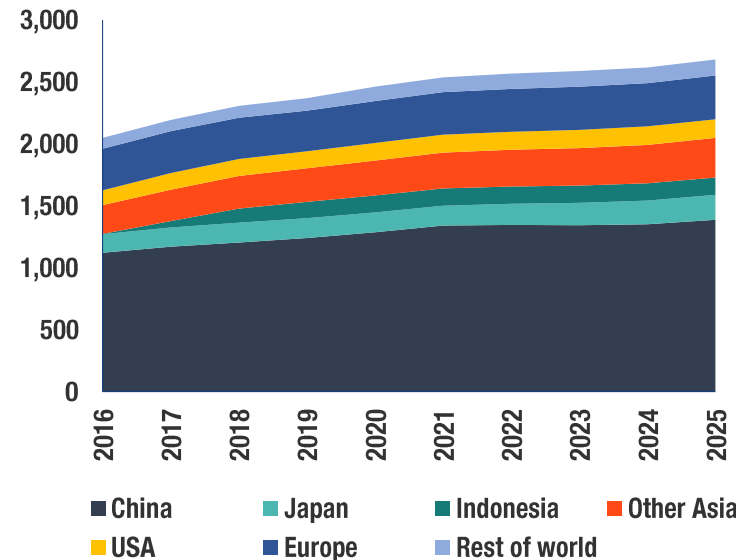
⁴ Equity financed.

12 NICKEL MARKETS SUPPLY - DEMAND OUTLOOK

Global primary nickel consumption by supply type



Global primary nickel consumption by country



Global primary nickel consumption by sector



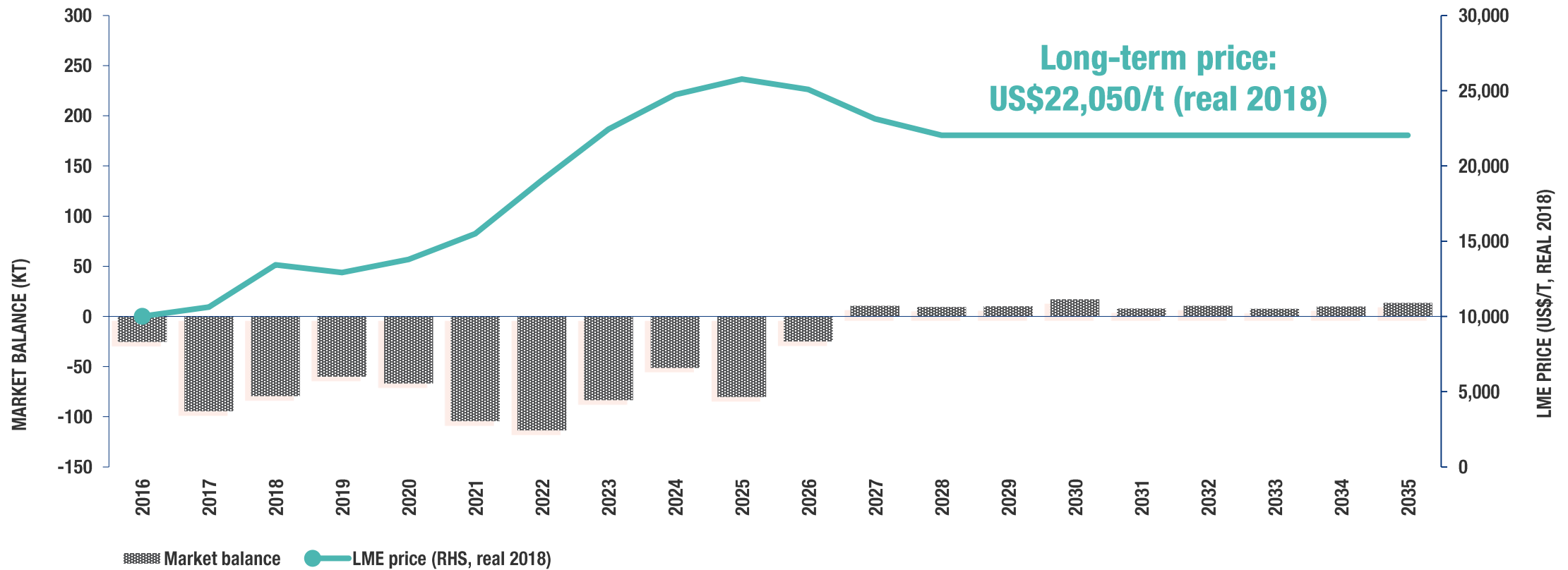
- Primary nickel supply comes from two separate ore types and is dominated by laterites.

- Primary nickel demand is dominated by China and stainless steel production however other applications such as EV batteries are set to provide a new wave of additional nickel demand and drive higher prices across the whole nickel complex.

Source : Wood Mackenzie

12 NICKEL MARKETS SUPPLY - DEMAND OUTLOOK

Market balance and LME nickel price forecasts by Wood Mackenzie



LME prices are forecast to rise to 2025 before settling at a long-term price of approximately US\$22,000/t (real 2018).

13 BOARD & MANAGEMENT



ROBERT NEALE
Chairman

30+ years management experience in the resources and energy sectors. Past Managing Director of New Hope Corporation as well as having held the position of Chairman, Independent and Non-Executive Director of a number of public and listed companies including Westside Corporation Limited, Northern Energy Corporation Limited, Planet Gas Limited and Bridgeport Energy Limited. Currently Chairman of ASX-listed Mayur Resources Limited and a Non-Executive Director of unlisted Amber Power Limited.



NORMAN SECKOLD
Deputy Chairman

30+ years in the full time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver & Gold and Cockatoo Coal Limited. Currently Chairman of ASX-listed Collierina Cobalt Limited, Planet Gas Limited and Santana Minerals Limited.



JUSTIN WERNER
Managing Director

20+ years' mining and management experience. Previously consulted to a number of blue chip mining companies including BHP, Rio Tinto and Freeport McMoran.

Successful track record of mine discovery and development in Indonesia.

Currently a Director of ASX-listed Collierina Cobalt Limited.

Managing Director of NML since 2012.



PETER NIGHTINGALE
Director & CFO

Director or Company Secretary of a range of resource companies including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Mogul Mining NL, Bolnisi Gold NL, Cockatoo Coal Limited, Sumatra Copper & Gold plc. and Argent Minerals Limited. Currently a Director of ASX-listed Collierina Cobalt Limited, Planet Gas Limited and unlisted public company Prospech Limited.



MARK LOCHTENBERG
Non-Executive Director

Former co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal. Former Executive Chairman and founding Managing Director of Cockatoo Coal Limited and current Chairman of ASX-listed Equus Mining Limited.



JAMES CROMBIE
Non-Executive Director

Ex-President, CEO and Director of Palmarejo Silver & Gold.

Currently President and CEO of Odyssey Resources Limited, Reunion Gold Corp., and a director of Arian Silver and Torex Gold Resources Inc.

13 BOARD & MANAGEMENT SDI & WANLU DIRECTOR NOMINEES



HUANG WEIFENG
Non-Executive Director

Extensive career experiences across a range of industrial enterprises including as Plant Manager of Wenzhou Tractor Plant of Wenzhou Machinery Industrial Corporation and Executive Chairman of China Perfect Machinery Industry Corp., Ltd.

Formerly served as Director of Shanghai Jinqiao Export Processing Zone Development Co. Ltd, a publicly-listed company on the Shanghai Stock Exchange and was concurrently the Deputy CEO of Shanghai Jinqiao Group. Also former Chairman of the board of Harbin High Tech (Group) Co., Ltd, another publicly-listed company on the Shanghai Stock Exchange.

Currently the Chairman of Shanghai Decent Investment (Group) Co., Ltd, (SDI) and President Director of PT. Indonesia Morowali Industrial Park, the management company responsible for operating the IMIP. Under his leadership SDI has led the investments of over US\$5 billion in the IMIP making it the most integrated ferronickel and stainless steel complex in the world.



XU YUANYUAN
Non-Executive Director

Ms Xu Yuanyuan is an Executive Director of Shanghai Wanlu Investment Co., Ltd and is the Shanghai Wanlu nominated Non-Executive Director on the Nickel Mines Limited Board as per the Collaboration and Subscription Agreement completed in April 2018.



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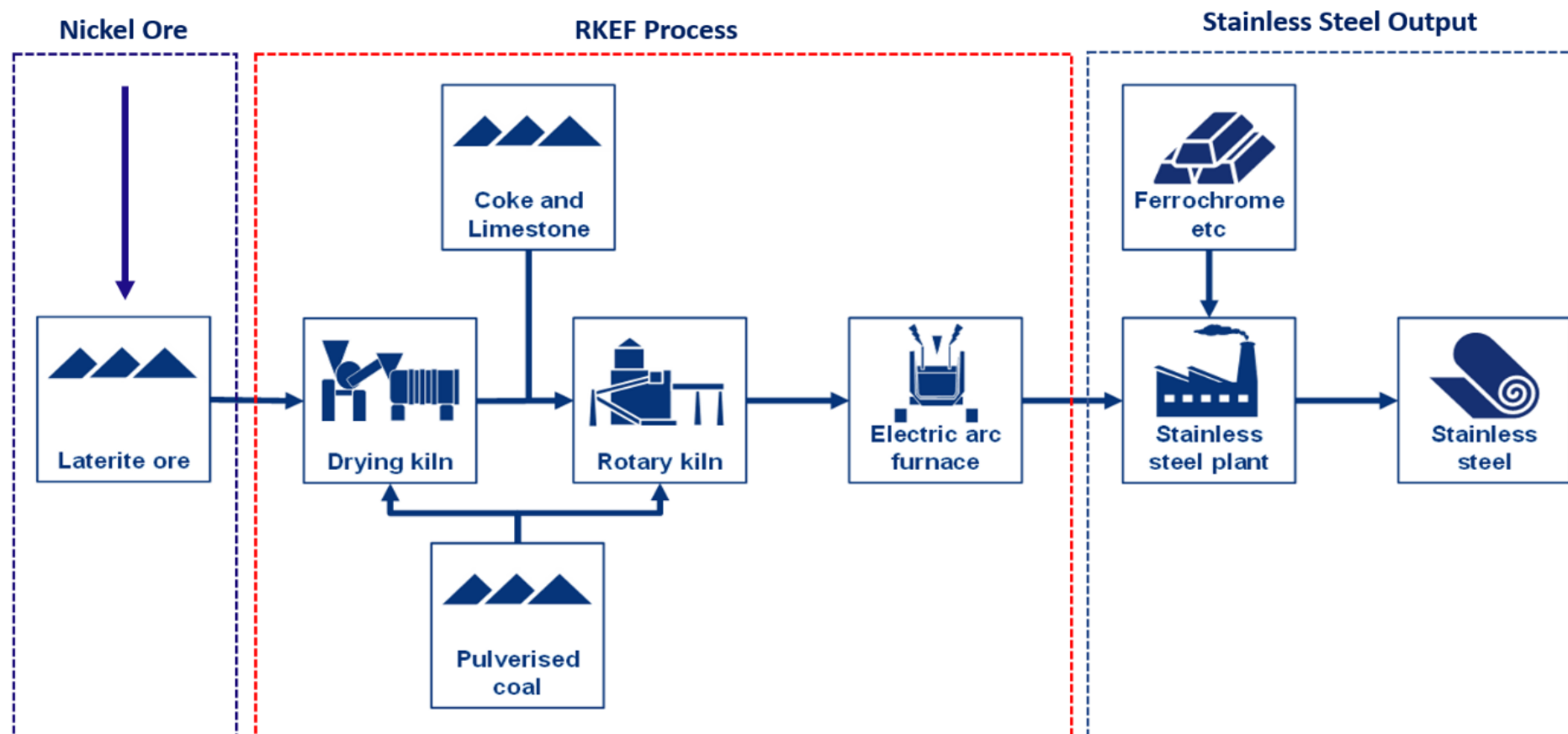
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APPENDICES



RKEF AND DOWNSTREAM NPI USAGE PROCESS FLOW DIAGRAM



Source: Wood Mackenzie – Hengjaya Nickel Project Asset Review and Global Nickel Market Outlook; Zhejiang Provincial Industry Design & Research Institute

NICKEL MINES' HISTORY

Nickel Mines Limited ('NML' or 'the Company') is an unlisted Australian public company that was incorporated in 2007. NML has a current 80% ownership interest in PT Hengjaya Mineralindo ('PTHM') which in turn holds a 100% interest in the world class Hengjaya Nickel Mine ('HM') located in Morowali Regency, Central Sulawesi, Indonesia. Since acquiring its interest in PTHM in 2009, NML has advanced HM through the various permitting, feasibility study and development stages which culminated in the commencement of production in October 2012 and a maiden shipment of ore in February 2013. When the Indonesian Government formally enacted a ban on the exportation of unprocessed minerals in January 2014 mining ceased and operations were placed on care and maintenance. The Company was forced to seek a domestic offtake partner for its ore shipments and/or explore in-country beneficiation options to upgrade its nickel ore to the minimum required grade of 4% as required under the new mining legislation. In response to the flagged legislative changes first announced by the Indonesian Government back in 2009, and well ahead of the ban's formal introduction, in mid-2013 Tsingshan Group ('Tsingshan'), then one of China's largest stainless steel producers, became one of the first international groups to commit to building in-country processing capacity to satisfy the new legislative framework for the treatment of Indonesia's natural resources. On 3 October 2013, China and Indonesia formalised the establishment of a China-Indonesia 'integrated cooperation industry zone' to be located in the Morowali Regency of the Central Sulawesi Province of Indonesia with China's President Xi and then-Indonesian President Yudhoyono witnessing the signing of the Cooperation and Financing Agreement for the development of the Indonesian Morowali Industrial Park ('IMIP'). The IMIP has quickly come to be recognised as the most modern stainless steel operation in the world with molten form Nickel Pig Iron ('NPI') produced from Rotary Kiln Electric Furnace ('RKEF') technology being seamlessly integrated into the stainless plant where finished products include Stainless Slab ('SS'), Hot Rolled Coil ('HRC') and Cold Rolled Coil ('CRC'). The rapid development of the IMIP and a growing requirement of nickel ore as feedstock for the IMIP's increasing RKEF lines saw HM recommence operations in October 2015. Since recommencing operations HM has supplied various Tsingshan Group companies with high grade Nickel ore (1.8%-2.1%), initially at a rate of 360kt pa, increasing to current levels around 600kt pa. The development of this relationship and Tsingshan's requirement for more NPI production to fuel its stainless steel expansion plans culminated in NML and Tsingshan discussing a strategic partnership that would contemplate the two parties building additional NPI processing capacity within the IMIP. In September 2017 NML executed a Collaboration and Subscription Agreement ('CSA') with Shanghai Decent ('SDI'), a Tsingshan Group company and a strategic cornerstone investor, Shanghai Wanlu ('Wanlu'). In January 2018 the Company completed a Pre-IPO Funding Round raising ~US\$27M including negotiating debt repayments and debt to equity conversions with several contractors and suppliers. This process satisfied a material Condition Precedent ('CP') within the CSA – that NML be "debt free" prior to the SDI and Wanlu investments. With all CP's met and a thorough due diligence process concluded, in April 2018 SDI and Wanlu completed their subscriptions of US\$26M and US\$24M respectively in NML shares with the combined US\$50M having now secured NML's initial 25% holding in the SPV that will own the RKEF Plant. Having completed its IPO on 20 August 2018 the Company now looks forward to embarking on the next phase of its history as a listed public company and emerging nickel producer.

STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by the staff and contractors of Nickel Mines Limited and its subsidiaries and approved by Mr Brett Gunter, a Member of the Australasian Institute of Mining and Metallurgy. Mr Gunter is an employee of PT GMT Indonesia and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Information in this report that relates to Exploration Results and Mineral Resources was first published in a Technical Assessment Report prepared by PT GMT Indonesia dated April 2018 which is available on the Company's website (www.nickelmines.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original publication.

Mr Gunter has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.