

20 May 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(4 pages by email)

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Successful completion of Institutional Entitlement Offer

The Directors of Nickel Mines Limited (**'the Company'** or **'Nickel Mines'**) are pleased to announce the successful completion of the institutional component (**'Institutional Entitlement Offer'**) of its fully underwritten 1 for 3.6 accelerated pro-rata non-renounceable entitlement offer (**'Entitlement Offer'**) that was announced on Tuesday, 19 April 2020.

Proceeds from the Institutional Entitlement Offer will be put towards funding cash consideration payable for Nickel Mines to increase its current 60% ownership interests in both the Hengjaya Nickel RKEF Project (**'HNI'**) and the Ranger Nickel RKEF Project (**'RNI'**) to 80% (**'the Transactions'**). The cash consideration payable to Shanghai Decent in connection with the Transactions, of approximately US\$150 million, will be funded by the net proceeds of the Entitlement Offer, including the retail component of the Entitlement Offer which is scheduled for settlement on 15 June 2020, and the Company's existing cash reserves. Shareholder approval for the Transactions is being sought at the Company's Annual General Meeting to be held on 29 May 2020 in accordance with the ASX Listing Rules.

The Institutional Entitlement Offer raised approximately \$179 million at A\$0.50 per New Share (**'Offer Price'**). It was well supported by institutional shareholders with take-up of approximately 75% and strong demand from both existing Nickel Mines' shareholders and new institutional investors with the balance of the institutional component, comprising renounced entitlements and entitlements attributable to ineligible shareholders, being oversubscribed.

Nickel Mines' Managing Director, Justin Werner said:

"We are delighted with the success of the offer which is a clear endorsement of the Company's achievements to date and intention to increase its ownership interests in both HNI and RNI to 80%".

New shares issued under the Institutional Entitlement Offer will rank equally with existing shares. The new shares issued under the Institutional Entitlement Offer are expected to be allotted on Friday, 29 May 2020. Trading will commence on a normal settlement basis on the Australian Securities Exchange (ASX) on the same day.

Retail Entitlement Offer

The retail component of the Entitlement Offer, which is fully underwritten, will further raise approximately \$52 million (**'Retail Entitlement Offer'**). The Retail Entitlement Offer will open on Tuesday, 26 May 2020 and close at 5.00pm (Sydney time) on Tuesday, 9 June 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 21 May 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 26 May 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their Entitlement.

Offer timetable

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.

Event	Date (2020)
Trading halt and announcement of Entitlement Offer	Tuesday, 19 May 2020
Institutional Entitlement Offer opens	Tuesday, 19 May 2020
Institutional Entitlement Offer closes	Wednesday, 20 May 2020
Trading halt lifted and Shares recommence trading	Thursday, 21 May 2020
Record Date under Entitlement Offer	7pm, Thursday, 21 May 2020
Retail Entitlement Offer opens and Retail Offer Booklet and Application and Entitlement Forms dispatched to eligible retail shareholders	Tuesday, 26 May 2020
Settlement of New Shares issued under Institutional Entitlement Offer	Thursday, 28 May 2020
Issue and commencement of trading of New Shares under Institutional Entitlement Offer	Friday, 29 May 2020
Retail Entitlement Offer closes	5pm, Tuesday, 9 June 2020
Settlement of New Shares issued under Retail Entitlement Offer	Monday, 15 June 2020

Issue of New Shares under Retail Entitlement Offer	Tuesday, 16 June 2020
Commencement of trading of New Shares issued under Retail Entitlement Offer	Wednesday, 17 June 2020
Holding statements sent to retail shareholders	Thursday, 18 June 2020

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Important notices

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

This notice may not be released or distributed in the United States. This notice 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 Entitlement Offer 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, directly or indirectly, 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 Entitlement Offer 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 risk factors in the Appendix under "Risk Factors" of the investor presentation entitled "Intention to Exercise RKEF Ownership Options & Equity Raising Presentation" released to the ASX on 19 May 2020.

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 Entitlement Offer.