

2 December 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(50 pages by email)

INDEPENDENT EXPERT'S VALUATION REPORT ACQUISITION OF ANGEL NICKEL

As announced by Nickel Mines Limited ('Nickel Mines' or 'the Company') on 24 November 2020, the Company has executed a binding Definitive Agreement ('Agreement') with its partner Shanghai Decent Investment (Group) Co., Ltd to acquire, for US\$490 million, a 70% equity interest in the Angel Nickel Project ('the Transaction'), a development project comprising four RKEF lines and a captive 380MW power station currently under construction within the Indonesia Weda Bay Industrial Park.

Completion of the Transaction is subject to approval by the Company's shareholders. A Notice of Meeting is currently being prepared, with the General Meeting expected to be held in January 2021.

The Company has now received the attached Independent Expert Valuation Report which will form part of the Notice of Meeting.

In summary, the Independent Expert Valuation Report opines:

1. The Transaction is fair and reasonable to the Company's shareholders.
2. The advantages of the Transaction significantly outweigh the disadvantages.
3. Based on the assumptions in the Independent Expert Valuation Report, the value of 100% of the Angel Nickel Project ranges from US\$1.4 billion to US\$1.5 billion with the corresponding value of Nickel Mines' 70% interest ranging from US\$1.0 billion to US\$1.1 billion.

Interested parties should read the Independent Expert Valuation Report in its entirety together with the Notice of Meeting, when despatched, to form a view on the merits of the proposed acquisition by the Company.

For further information please contact

Richard Edwards
Company Secretary
redwards@nickelmines.com.au
+61 2 9300 3311

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