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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 2 for 11 accelerated pro-rata non-renounceable entitlement offer (**'Entitlement Offer'**) that was announced on Wednesday, 2 December 2020.

As announced previously, Nickel Mines has executed a binding Definitive Agreement (**'Agreement'**) with its partner Shanghai Decent Investment (Group) Co., Ltd (**'Shanghai Decent'**) and Decent Resource Limited (**'Decent Resource'**) (an affiliate of Shanghai Decent) to acquire a 70% interest in the Angel Nickel Project (**'ANI'**) within the Indonesia Weda Bay Industrial Park (**'IWIP'**) (the **'Transaction'**).

Total consideration payable by Nickel Mines in connection with the Transaction is US\$490 million, which is to be undertaken in two tranches as follows:

- (i) An initial acquisition (**'First Acquisition'**) whereby Nickel Mines will acquire an initial interest of 30% of the shares in Angel Capital Private Limited (**'Angel Capital'**)<sup>1</sup> and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and / or its subsidiaries) at a cost of US\$210 million<sup>2</sup>, which is to occur by no later than 31 March 2021<sup>3</sup>; and
- (ii) A second acquisition (**'Second Acquisition'**) whereby Nickel Mines will acquire an additional 40% of the shares in Angel Capital and an equivalent proportion of all shareholder loans due or owing by Angel Capital (and / or its subsidiaries) at a cost of US\$280 million, which is to occur by no later than 31 December 2021<sup>3</sup>.

The majority of the proceeds from the Institutional Entitlement Offer will be put towards funding the First Acquisition payment. Excess funds will go towards strengthening the balance sheet and will provide additional working capital. The Company is in discussions with Shanghai Decent about the early repayment of the remaining balance of the Ranger Debt Facility.

<sup>1</sup> Angel Capital is a Singaporean incorporated holding company which is currently 100% owned by Decent Resource, an affiliate of Shanghai Decent. Angel Capital will wholly own (directly and indirectly) a PMA operating company, PT Angel Nickel Industry, which is to be incorporated in Indonesia and will own the ANI assets.

<sup>2</sup> First Acquisition payment of US\$210m is due by 31 March 2021. Nickel Mines has paid US\$30m in deposits to Shanghai Decent for the First Acquisition as follows: (i) a US\$10m 'good faith deposit' paid on execution of the non-binding memorandum of understanding for the Transaction on 16 October 2020 and (ii) a further US\$20m deposit on execution of the Definitive Agreement for the Transaction. The remaining funding requirement to complete the first acquisition is US\$180m.

<sup>3</sup> Based on a valuation of US\$700 million on a 100% basis.

The Institutional Entitlement Offer raised approximately A\$275 million at A\$0.94 per New Share (**‘Offer Price’**). It was well supported by institutional shareholders with take-up of approximately 73%. There was also strong demand from both existing Nickel Mines’ shareholders and new institutional investors for the balance of the institutional component, comprising renounced entitlements and entitlements attributable to ineligible shareholders.

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 the Agreement to acquire a 70% interest in the Angel Nickel Project. This Transaction is transformative for the Company and is expected to approximately double the Company’s nickel production capacity. It will provide us with operational footprints within what are estimated to become the world’s two largest nickel production centres and further cements and extends our excellent relationship with Shanghai Decent”.*

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 Tuesday, 15 December 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 \$89 million (**‘Retail Entitlement Offer’**). The Retail Entitlement Offer will open on Wednesday, 9 December 2020 and close at 5.00pm (Sydney time) on Friday, 18 December 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), Friday, 4 December 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 9 December 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 up to a maximum of 50% of their Entitlement. Any additional New Shares will be limited to the extent that there are sufficient New Shares from eligible retail shareholders who do not take up their full entitlements. The allocation of any additional New Shares under the Retail Entitlement Offer will be subject to the terms set out in the Retail Offer Booklet.

### **Sub-underwriting commitment**

The Company’s partner and largest shareholder, Shanghai Decent, has provided a sub-underwriting commitment as part of the Retail Entitlement Offer. The size of the commitment is such that their ownership in the Company will not exceed 19.9% at the completion of Offer.

The sub-underwriting commitment has been made on the same terms as other sub-underwriters and will not have a material consequence on the control of Nickel Mines. The Underwriters have notified the Company that the obligations of each of the sub-underwriters, including Shanghai Decent, under the sub-underwriting agreements will terminate if the Underwriters’ obligations under the underwriting cease or are terminated pursuant to any express termination rights. No sub-underwriting fee will be payable to Shanghai Decent by the Underwriters.

### 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
Trading halt and announcement of Entitlement Offer	Wednesday, 2 December 2020
Institutional Entitlement Offer opens	Wednesday, 2 December 2020
Institutional Entitlement Offer closes	Thursday, 3 December 2020
Trading halt lifted and Shares recommence trading	Friday, 4 December 2020
Record Date under Entitlement Offer	7:00pm, Friday, 4 December 2020
Retail Entitlement Offer opens and Retail Offer Booklet and Application and Entitlement Forms dispatched to eligible retail shareholders	Wednesday, 9 December 2020
Settlement of New Shares issued under Institutional Entitlement Offer	Monday, 14 December 2020
Issue and commencement of trading of New Shares under Institutional Entitlement Offer	Tuesday, 15 December 2020
Retail Entitlement Offer closes	5:00pm, Friday, 18 December 2020
Settlement of New Shares issued under Retail Entitlement Offer	Thursday, 24 December 2020
Issue of New Shares under Retail Entitlement Offer	Tuesday, 29 December 2020
Commencement of trading of New Shares issued under Retail Entitlement Offer	Wednesday, 30 December 2020
Holding statements sent to retail shareholders	Thursday, 31 December 2020

#### For further information please contact

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## Important notices

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

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement 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 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 "Equity Raising Presentation" released to the ASX on 2 December 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.

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