



Update Summary

Entity name

NICKEL MINES LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Friday May 22, 2020

Reason for update to a previous announcement

In response to Q3D.4 What will be done with fractional entitlements the Company answered Not applicable. Fractions will be rounded up to the nearest whole number.

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

NICKEL MINES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

44127510589

1.3 ASX issuer code

NIC

1.4 The announcement is

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

In response to Q3D.4 What will be done with fractional entitlements the Company answered Not applicable. Fractions will be rounded up to the nearest whole number.

1.4b Date of previous announcement(s) to this update

Tuesday May 19, 2020

1.5 Date of this announcement

Friday May 22, 2020

1.6 The Proposed issue is:

An accelerated offer

1.6b The proposed accelerated offer is

Accelerated non-renounceable entitlement offer (commonly known as a JUMBO or ANREO)



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

NIC : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

NIC : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

5

For a given quantity of +securities held

18



What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum Number of +securities proposed to be issued

462,630,091

Reason for the update of 'Maximum Number of +securities proposed to be issued'

Purpose of the issue

To enable the Company to increase its ownership interests in both the Hengjaya Nickel Project and the Ranger Nickel Project to 80%.

Offer price details for retail security holders

Issue Currency

AUD - Australian Dollar

Offer Price per +security

AUD 0.50000

Estimated or Actual?

Actual

Offer price details for institutional security holders

Could offer price per +security be determined by bookbuild?

No

Oversubscription & Scale back details

Are +security holders allowed to oversubscribe?

Yes

Provide the oversubscription details

Yes. Eligible retail shareholders may apply for new Nickel Mines shares (New Shares) in excess of their entitlement up to a maximum of 50% of their entitlement (Additional New Shares).

May a scale back be applied to this event?

Yes

Provide the scale back details

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.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Part 3D - Timetable

3D.1a First day of trading halt

Tuesday May 19, 2020



3D.1b Announcement date of accelerated offer

Tuesday May 19, 2020

3D.2 Trading resumes on an ex-entitlement basis (ex date)

Thursday May 21, 2020

3D.5 Date offer will be made to eligible institutional +security holders

Tuesday May 19, 2020

3D.6 Application closing date for institutional +security holders

Wednesday May 20, 2020

3D.8 Announcement of results of institutional offer

Wednesday May 20, 2020

3D.9 +Record date

Thursday May 21, 2020

3D.10 +Issue date for institutional +security holders

Friday May 29, 2020

3D.11 Date on which offer documents will be sent to retail +security holders entitled to participate in the +pro rata issue

Tuesday May 26, 2020

3D.12 Offer closing date for retail +security holders

Tuesday June 9, 2020

3D.13 Last day to extend retail offer close date

Wednesday June 3, 2020

3D.16 Entity announces results of retail offer, including the number and percentage of +securities taken up by existing retail +security holders.

Friday June 12, 2020

3D.19 Issue date for retail +security holders

Tuesday June 16, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

Yes



3E.1a Who is the lead manager/broker?

Bell Potter Securities Limited and Credit Suisse (Australia) Limited (each an "Underwriter" and together the "Underwriters")

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Each Underwriter will receive its respective proportion of the following:

- 1) under the institutional component of the entitlement offer (Institutional Entitlement Offer) a management and arranging fee of 0.6% of the Institutional Entitlement Offer proceeds; and
- 2) under the retail component of the entitlement offer (Retail Entitlement Offer) a management and arranging fee of 0.6% of the Retail Entitlement Offer proceeds.

The Company may also pay, in its sole and absolute discretion, an incentive fee of up to 0.5% of the Entitlement Offer proceeds to the Underwriters.

3E.2 Is the proposed offer to be underwritten?

Yes

3E.2a Who are the underwriter(s)?

Bell Potter Securities Limited and Credit Suisse (Australia) Limited

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

Fully underwritten

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

Each Underwriter will receive its respective proportion of the following:

- 1) under the institutional component of the entitlement offer (Institutional Entitlement Offer) an underwriting fee of 2.4% of the Institutional Entitlement Offer proceeds; and
- 2) under the retail component of the entitlement offer (Retail Entitlement Offer) an underwriting fee of 2.4% of the Retail Entitlement Offer proceeds.

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

The events are set out in the Appendix in the Investor Presentation announced on ASX on 19 May 2020

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

Yes

3E.2e (i) What is the name of that party?

Shanghai Decent Investment (Group) Co Ltd.

3E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?

Nickel Mines understands that Shanghai Decent Investment (Group) Co., Ltd, may be invited to sub-underwrite the retail component of the Entitlement Offer up to a maximum number of shortfall shares as would result in its voting power reaching 19.9% at completion of the retail tranche of the Entitlement Offer.

3E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?

Nil.

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No



3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Standard share registry, external advisers and ASX administrative fees

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

The funds raised will enable Nickel Mines to increase its ownership interests in both the Hengjaya Nickel Project and the Ranger Nickel Project to 80%.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No

3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

Institutional Entitlement Offer - all jurisdictions other than Bermuda, Cayman Islands, Canada (British Columbia, Ontario and Quebec provinces), China, European Union, Hong Kong, Indonesia, New Zealand, Singapore, Switzerland, United Kingdom, United States and Australia.

Retail Entitlement Offer - all jurisdictions other than Australia and New Zealand

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing securities

Yes

3F.5a Please provide further details

The Retail Entitlement Offer will be made available to nominees with a registered address in Australia or New Zealand who were registered as a holder of Nickel Mines Shares at 7.00pm (Sydney time) on Thursday 21 May 2020 and who held those Shares on behalf of underlying beneficial holders (wherever they reside), except to the extent that those underlying beneficial holders are not an eligible retail shareholder.

The Retail Entitlement Offer is not available to shareholders that at in the United States or who are, or are acting for the account or benefit or, persons in the United States

3F.6 URL on the entity's website where investors can download information about the proposed issue

www.nickelmines.com.au/asx-announcements

3F.7 Any other information the entity wishes to provide about the proposed issue

No