

26 March 2019

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(3 pages by email)

## **RANGER NICKEL RKEF PROJECT CORPORATE INCOME TAX RELIEF**

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Ranger Nickel RKEF project's Indonesian operating entity, PT Ranger Nickel Industry ('Ranger Nickel') has been granted material corporate income tax relief for its RKEF project currently under construction within the Indonesia Morowali Industrial Park ('IMIP') in Central Sulawesi, Indonesia.

Ranger Nickel is an Indonesian domiciled PMA<sup>1</sup> company that owns the 2-Line RKEF project, in which the Company currently holds a 17% interest via Ranger Holdings Private Limited, a Singaporean domiciled company. As announced on 9 November 2018, Nickel Mines has the right to acquire up to an 80% equity interest in Ranger Nickel.

The tax concessions mirror those previously granted to the Company's 60% owned Hengjaya Nickel project.

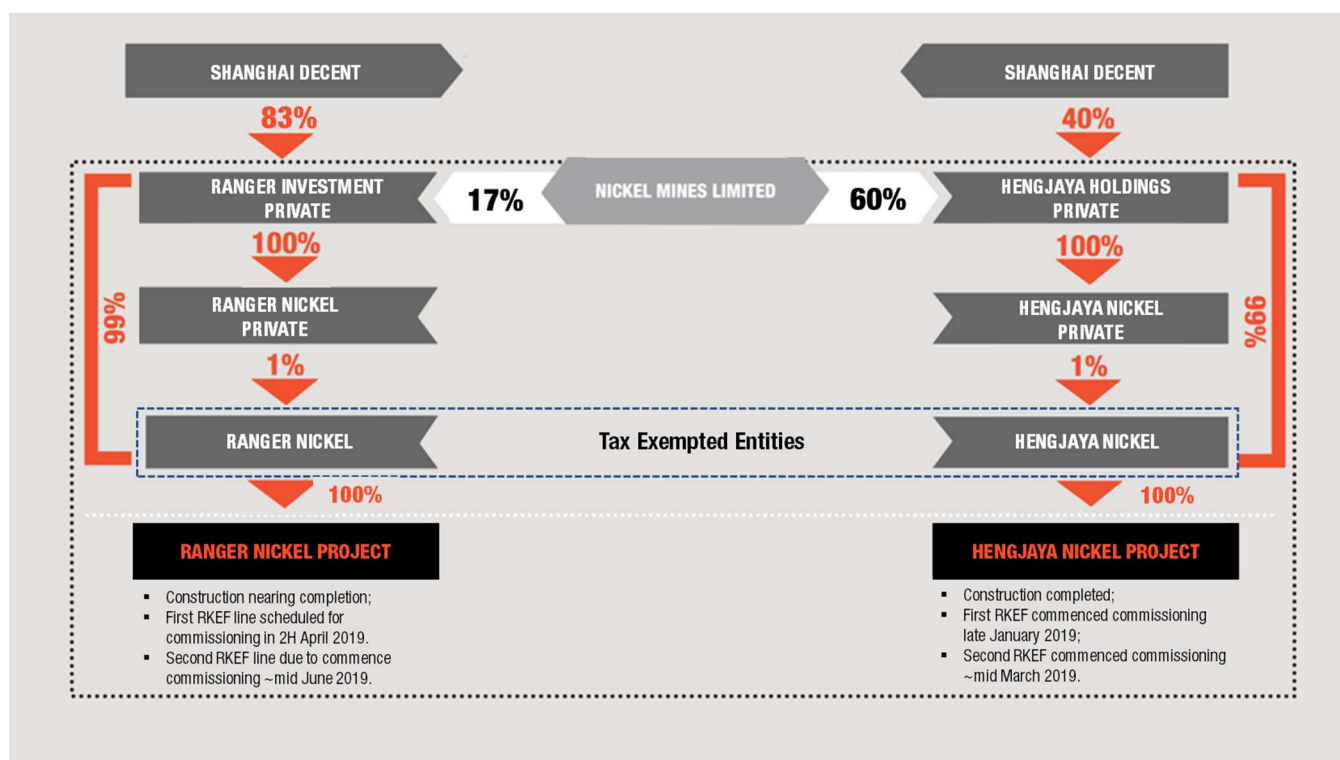
Notice of the tax relief was communicated to the Company by official decree from the Minister of Finance of the Republic of Indonesia on the basis that Ranger Nickel had "*met the criteria and requirements for the reduction of corporate income tax as regulated in Article 3 of the Regulation of the Minister of Finance Number 35/PMK.101/2018 concerning Provision of Corporate Income Tax Reduction Facilities*".

The corporate income tax reduction will be applied as follows:

- a Corporate Income Tax Reduction of 100% for a period of seven tax years, starting from the tax year in which commercial production is achieved;
- a Corporate Income Tax Reduction of 50% of payable income tax for a period of two tax years, starting from the end of the initial seven year period;
- exemption from withholding and tax collection by third parties on sales proceeds that would normally be remitted to the Indonesian Revenue Department for a period of seven years, also commencing from the tax year in which commercial production is achieved.

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<sup>1</sup> PMA Company means a '*Penanaman Modal Asing*', an Indonesian foreign investment company in which foreign share ownership of up to 100% is allowed.



### Corporate Structure

Once again, it should be noted that these concessions may be revoked and are maximum periods that may be amended or adjusted, if certain conditions are not met, the most important condition being the satisfaction of a minimum investment realisation which the Company's RKEF Project comfortably exceeds.

Commenting on the granting of this corporate income tax relief for the Ranger Nickel Project, Managing Director Justin Werner said:

*"We are extremely pleased that the Ranger Nickel project will benefit from the same material corporate income tax concessions as those awarded to the Hengjaya Nickel project in November 2018. This news is another welcome development following the recently announced fast-tracked commissioning of the first Ranger RKEF line, now scheduled for April 2019, well ahead of the previously advised September commissioning timetable.*

*This taxation relief will have a positive impact on the project's profitability and further underpin our objective of becoming a globally significant nickel producer and a tier-1 nickel investment exposure among our global peer group."*

### For further information please contact

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## **About Nickel Mines Limited**

Nickel Mines Limited (ASX: NIC) is an ASX listed company on the cusp of becoming a significant player in the global nickel industry having established a financial, operational and strategic partnership with China's Tsingshan group ('Tsingshan'), the world largest stainless steel producer.

Under the terms of two separate a Collaboration Agreements with Shanghai Decent, a Tsingshan group company, Nickel Mines will own and operate RKEF processing facilities within the Indonesia Morowali Industrial Park, the world's largest vertically integrated stainless steel facility with a current stainless steel production capacity of 3.0 million tonnes per annum.

Nickel Mines also holds an 80% interest in the long life, high grade Hengjaya nickel mine located in Morowali Regency, Central Sulawesi, Indonesia just 12 kilometres from the IMIP.



*Aerial photo of the IMIP*

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