

28 January 2021

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

FINAL DIVIDEND DECLARATION

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Company will pay a final 2020 dividend of A\$0.02 per share taking full year dividend payments to A\$0.03 per share.

Shareholders who hold shares on the Record Date of 4 February 2021 will be entitled to the final dividend payment.

The final dividend declaration reflects the robust EBITDA and free cash flows generated by the Company's operations over the last 6 months, balanced with the Company's growth opportunities, including, the Angel Nickel acquisition as approved by shareholders on 19 January 2021 and further updated on 20 January 2021.

Enunciation of a formal dividend policy is not considered to be appropriate at this time. Future dividend payments will remain a function of the continued financial performance of the Company's operations, future capital requirements for growth and expansion opportunities that may arise and prevailing macroeconomic conditions.

A formal dividend policy will be determined and announced at an appropriate time in the future.

Commenting on the Company's declaration of a final dividend, Managing Director Justin Werner said:

"We are delighted to be able to follow up our maiden 1 cent interim dividend with an increased final dividend of 2 cents per share. With the Company now holding an 80% equity interest in all operating assets, the financial performance of the Company's operations over the last 6 months, an almost debt free balance sheet and a positive outlook in the nickel market, the Directors' decision to pay a final dividend of 2 cents per share is a reflection of our confidence in the outlook for our operations and the nickel market as we move into 2021.

It has been pleasing to see that Nickel Mines has recently enjoyed a material share price re-rating based on delivering its stated operational and growth objectives and it is now equally pleasing to be able to share with our shareholders, in the form this dividend payment, some of the success of the Company's operations."

Important information

In order to avoid tax being deducted from your dividend payment and to streamline the payment of your dividend, shareholders who have not previously done so are encouraged to register their Australian Tax File Number (TFN) and banking details through Computershare's Online Investor Centre at:

www-au.computershare.com/Investor/

This announcement has been approved for release by the Company's Managing Director.

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