

1 February 2021

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(2 pages by email)

**ACQUISITION OF INITIAL 30% INTEREST IN ANGEL NICKEL  
and  
RANGER DEBT FACILITY REPAID**

The Directors of Nickel Mines Limited ('Nickel Mines') are pleased to advise that the Company has completed the first stage of its investment in the Angel Nickel Project ('Angel Nickel' or 'the Project').

Having received shareholder approval at an Extraordinary General Meeting ('EGM') on 19 January 2021 in support of it acquiring a 70% equity interest in Angel Nickel, the Company has now completed the First Stage Acquisition payment of US\$180M<sup>1</sup>, acquiring a 30% interest in Angel Nickel.

Subsequent to the abovementioned EGM, the Company announced that it had reached agreement with its collaboration partner, Shanghai Decent, to increase its equity interest in Angel Nickel from 70% to 80%, with the quantum of the Second Acquisition Consideration increasing from US\$280M to US\$350M. This Second Stage Acquisition payment is due by no later than 31 December 2021 however if the Company elects to make the payment on or before 30 June 2021, the required payment will reduce to US\$344M.

If required, the Company will seek shareholder approval to acquire the additional 10% interest in Angel Nickel at its Annual General Meeting to be held in May 2021.

In addition to making the US\$180M payment detailed above, the Company also advises it has repaid to Shanghai Decent the remaining US\$22.5M owing under the Ranger Debt Facility and is now debt free.

With the Company committed to debt-funding a portion of the second tranche of the Angel Nickel acquisition, the full retirement of the Ranger Debt Facility is seen as providing the optimal platform from which to commence future debt negotiations.

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<sup>1</sup> The Company's 'good faith' payment of US\$10M upon signing the Angel Nickel MOU and US\$20M down payment upon converting the MOU into a Definitive Agreement were offset against the First Acquisition Consideration of US\$210M.

Commenting on the initial 30% acquisition of Angel Nickel and the full repayment of the Ranger Debt Facility, Managing Director Justin Werner said:

*“Having seen such overwhelming shareholder support for the Angel Nickel transaction through the Company’s recent capital raising and subsequent EGM, we are delighted to be able to complete the first stage acquisition of Angel Nickel well ahead of the 31 March 2021 deadline. Early payment has the potential to facilitate procurement of long lead items and plant construction timing. With the completion of the initial 30% acquisition of Angel Nickel and with the Ranger Debt Facility now fully repaid, the Company finds itself exceptionally well positioned to explore various debt funding options available to it for completing the Second Acquisition Consideration.”*

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

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