

19 February 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(33 pages by email)

PRESENTATION TO BMO CONFERENCE

Nickel Mines Limited ('the Company') is pleased to release the following presentation that Managing Director Justin Werner will be presenting at investor meetings this week and at next week's BMO Global Metals and Mining Conference in Miami, Florida.

The Company notes this presentation includes previously unreleased January production and cost data for its 60%-owned Hengjaya Nickel and Ranger Nickel RKEF projects. Both operations recorded monthly nickel production in excess of 1,900 tonnes (on a 100% basis) and cash costs of less than US\$7,400/t, with Ranger Nickel achieving a record production month of 1,924.8 tonnes of nickel metal.

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The background image shows a dark industrial setting, likely a nickel smelting plant. In the foreground, a large, bright stream of molten metal flows from a furnace on the right towards the left. Several workers in white protective suits and hard hats are visible in the mid-ground, some appearing to be managing the flow of the molten metal. The scene is dimly lit, with the primary light source being the intense heat of the molten metal, which creates a strong contrast with the dark surroundings.

NICKEL
MINES LIMITED

A NEW FORCE IN GLOBAL NICKEL

BMO Global Metals & Mining Conference

February 2020

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Whilst we own a world class nickel laterite mine

THIS IS NOT A MINING STORY

It's a story about the production of the lowest capital intensive and most profitable nickel units in the global market in partnership with the world's largest stainless steel producer.

Executive Summary



- Nickel Mines Limited (NIC) is an Australian company publicly listed on the ASX.
- Strategic partnership with Tsingshan group.
- **A\$200M** IPO completed on 20 August 2018.
- **~A\$1B** market capitalisation.
- Unrivalled pure play nickel exposure.

- Hengjaya Nickel Project (HNI)
- **60%** interest acquired for **US\$120M**.
- Option to increase interest to **80%** for **US\$60M** extending until 30 November 2020.
- Current monthly production rate of ~1,800t Ni metal.

- Ranger Nickel Project (RNI)
- **60%** interest acquired for **US\$171.4M**.
- Option to increase interest to **80%** for **US\$60M** extending until 30 November 2020.
- Current monthly production rate of ~1,800t Ni metal.

- Hengjaya Mine (HM)
- **80%** interest in PT Hengjaya Mineralindo (PTHM) which holds 100% of the Hengjaya Nickel Mine IUP licence covering 6,249 hectares.
- HM is located in Morowali Regency, Central Sulawesi, Indonesia, adjacent to Tsingshan Holding Group's (Tsingshan) Indonesia Morowali Industrial Park (IMIP).

- NIC has established itself as a valued tenant of the IMIP and trusted strategic partner of Tsingshan.
- Numerous potential options exist to expand the current relationship including:
 - Participation in additional RKEF lines.
 - Participation in other IMIP assets.
 - Additional ore supply agreements – NIC has an existing MOU to supply limonite ore to IMIP's new HPAL plant.

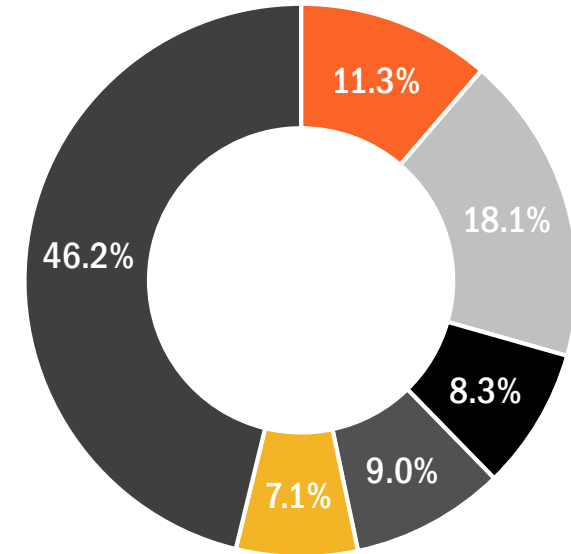
Corporate Snapshot

TRADING INFORMATION		18 FEBRUARY 2020
ASX Code		NIC
Shares on Issue		1,665,468,329
Share Price		A\$0.58
12-month range		A\$0.37 – A\$0.75
Market Capitalisation		A\$965.9M

Share Price Performance



- Directors and Management
- Shanghai Decent
- Blackrock
- Shanghai Wanlu
- Regal
- Other



Substantial Shareholders

Shanghai Decent (SDI)	18.1%
Shanghai Wanlu	9.0%
Blackrock	8.3%
Norm Seckold	7.4%
Regal FM	7.1%

Free Float

~1.385B shares or ~83.2% of issued capital

Analyst Coverage

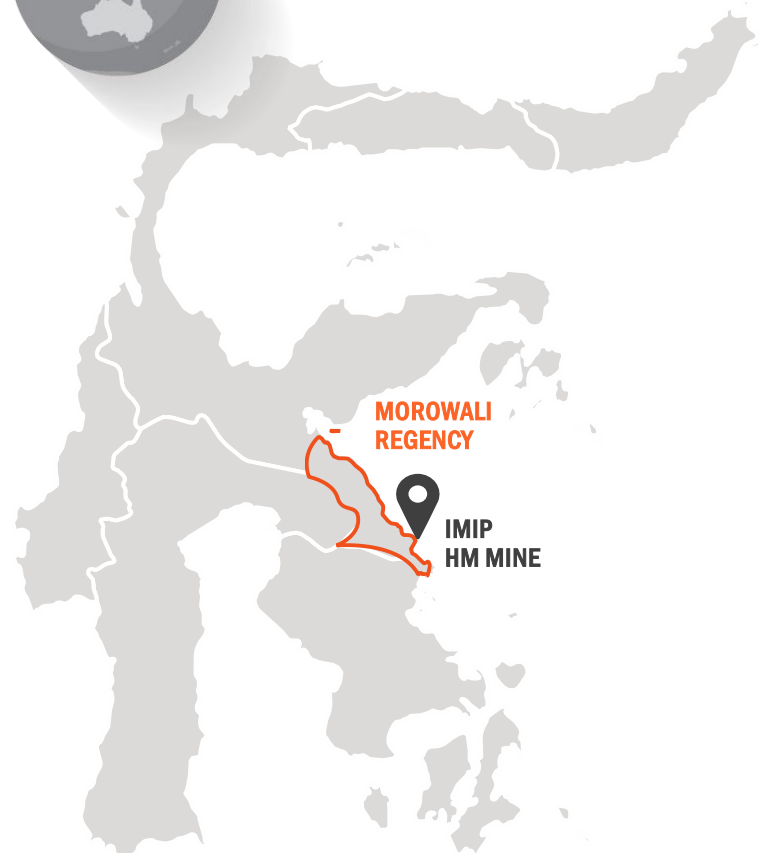
Bell Potter	Buy	Target Price	\$1.20
Canaccord	Buy	Target Price	\$1.20
Petra Capital	Buy	Target Price	\$1.50
BMO	Mkt	Target Price	\$1.10

Indexes

ASX All Ords / ASX 300

Hengjaya Mine

THE FOUNDATION ASSET



I N D O N E S I A



Location

- Morowali Regency, Central Sulawesi, Indonesia.
- A large tonnage, high grade, open-cut mine in close proximity to IMIP.



Licence

- IUP licence covering 6,249 hectares.
- 20 year mining operation/ production licence with a further 2 x 10 year extensions (issued May 2012).



Resource

- JORC compliant resource:
- 37.5M dmt at 1.81% nickel (1.5% COG) for ~680k tonnes contained nickel.¹
- 180M dmt at 1.30% nickel (1.0% COG) for ~2.3M tonnes contained nickel.²
- 1,402 holes over 30,296 metres.
- Resource not fully defined – approximately half of the mapped ultramafic nickel bearing area has been resource drilled.
- 30+ year resource life based on a 1.5M wmt pa mining operation.



Mining

- Geology de-risked by mining activity to date.
- Excellent mining reconciliations to date with higher than predicted nickel grade and tonnes and lower than expected Fe/Si/Mg.
- Currently supplying ~50K wmt per month to the IMIP.
- Plans underway to increase mining capacity to ~1.5M wmt pa.

Hengjaya Mine Location is Everything





- Currently the world's largest stainless steel producer with output of 10.65Mt in 2019.
- Established a clear early mover advantage in building in-country processing capacity within Indonesia.
- A recognised global leader in RKEF processing technology to produce NPI.
- Pioneers of 'hot-charging' molten forms of NPI directly into stainless steel operations.
- Vertical integration and logistics management underpin the Group's 'Lowest Cost Producer' philosophy.



- Shanghai Decent (SDI) is a Tsingshan group company.
- Manager of IMIP.
- Key architect in establishing Tsingshan's integrated stainless steel industry supply chain from mining, to NPI smelting to stainless steel output in the form of slab, hot rolled coil (HRC) and cold rolled coil (CRC).
- Responsible for Tsingshan's international project management, including project construction, equipment design and procurement, logistics and raw material importation/supply.
- A counterparty to the Collaboration and Subscription Agreement (CSA) for HNI and the Collaboration Agreement (CA) for RNI.
- Currently hold 40% equity interests in HNI and RNI.



- Committed to ahead of the Indonesian Government's 2014 DSO export ban.
- Fully permitted industrial zone jointly sanctioned by the Indonesian and Chinese Governments.
- Over US\$7.7B invested to date.
- Currently >30,000 employees.
- 3.0 Mt pa stainless steel capacity.
- 26 operating RKEF lines.
 - 1.95Mt nameplate NPI capacity pa
 - 195kt nameplate Ni capacity pa
- 0.5 Mt pa carbon steel capacity
- 0.6 Mt pa high carbon ferrochrome capacity.
- 2GW power plant (expanding to 2.9GW)
- Lime plant, coke plant, acid plant.
- Significant port facilities.
- Executive guest quarters and 5-star hotel.

“The PT SMI facility is world-class and arguably the lowest cost FeNi operation in the world.”
- Glencore Nickel Market Developments (September 2016)



**Indonesia Morowali
Industrial Park (IMIP)**

Fully Integrated NPI & Stainless Steel Plant



Rotary Kiln



RKEF Control Room



Electric Furnace



Molten NPI



NPI Ingot Casting



Stainless Steel Mix



Stainless Steel Slab



Hot Rolled Coil (HRC)

Supported by World Class Facilities & Infrastructure



Surrounded by Ni Laterite Deposits



Power Capacity (>2GW)



Stockpile Areas



Significant Port Facilities



Executive Quarters and Helipad



5-Star Hotel

A Collaboration Philosophy

Tsingshan have a track record of successfully collaborating with numerous partners within the IMIP



TECHNICAL/ SUPPORT SERVICES

SDI +
others

PT SMI
4 RKEF Lines
1Mt Stainless
Power

SDI +
others

PT GCNS
8 RKEF Lines
1Mt Stainless
Power

SDI +
others

PT ITSS
8 RKEF Lines
1Mt Stainless
Power

NIC 60%
SDI 40%

HNI
2 RKEF Lines

NIC 60%
SDI 40%

RNI
2 RKEF Lines

Indicative only and not representative of all the operating entities within the IMIP. For further details of the shareholding structure of the various operating entities within the IMIP refer 2017 IMIP Annual Report on NIC's website (www.nickelmines.com.au).

**WHAT BENEFITS DOES NICKEL MINES GET
FROM PARTNERING WITH TSINGSHAN?**

Global Industry Lows in Capital Intensity

Tsingshan have established a new paradigm for delivering nickel units to market

Not all nickel units are created equal

PROJECT	YEAR	PLANT	Ni CAPACITY (Kt pa)	CAPITAL COST (US\$M)	CAPEX/t NiEq (US\$)
Murrin Murrin	1999	HPAL	40	1,700	42,500
Ravensthorpe	2007	HPAL	40	3,000	75,000
VNC (Goro)	2010	HPAL	60	6,000	100,000
Ambatovy	2012	HPAL	60	5,500	91,667
Koniambo	2013	FeNi	30	6,300	105,000
Onca Puma	2011	FeNi	52	3,200	61,538
Barro Alto	2011	FeNi	40	1,900	47,500
Ramu	2012	HPAL	34	1,490	43,823
Hengjaya Nickel	2018	NPI	16.5	200	12,121*
Ranger Nickel	2019	NPI	16.5	286	17,313**

Source : Macquarie, CLSA

* NIC's initial 60% stake in HNI was acquired at a cost of US\$12,121/t NiEq. Subsequent ownership interests in HNI will be acquired at US\$18,181/t NiEq.

**NIC's initial 60% stake in RNI was acquired at a cost of US\$17,313/t NiEq. Subsequent ownership interests in RNI will be acquired at US\$18,181/t NiEq.

New benchmarks for project development have now been established

METRIC	NIC	WSA	CLQ	RNZ
Project	HNI/RNI	Odysseus	Sunrise	Dumont
Capex	US\$411.4M*	A\$381.0M	US\$1,490.0M	US\$1,000.0M
NPV#	US\$1,466.6 ^{12%}	A\$418.0 ^{7%}	US\$1,390.0 ^{6%}	US\$920.0 ^{8%}
Capex/NPV	0.28x	0.91x	1.07x	1.09x
Nickel Eq tonnes pa	26,400	13,600	26,434 [^]	35,250 [^]
Capex / t Ni Eq production pa	US\$15,583 ^{\$}	A\$28,014	US\$56,366	US\$28,368
Constructed	✓	✗	✗	✗
Operating	✓	✗	✗	✗

Source: Company announcements

* US\$291.4M paid for initial 60% of HNI and RNI plus US\$120M required to move to 80% of both projects.

NIC NPV represents average broker valuation of RKEF assets at 80% ownership. Percentages represent discount rates applied to Project cash flows.

\$ Reduces to US\$11,903/t based on current ~ 1,800 tonnes per month production run rate from HNI and RNI.

[^] PFS/DFS cobalt tonnes priced at US\$33,000/t and converted to nickel equivalent tonnes at US\$13,200/t Ni.

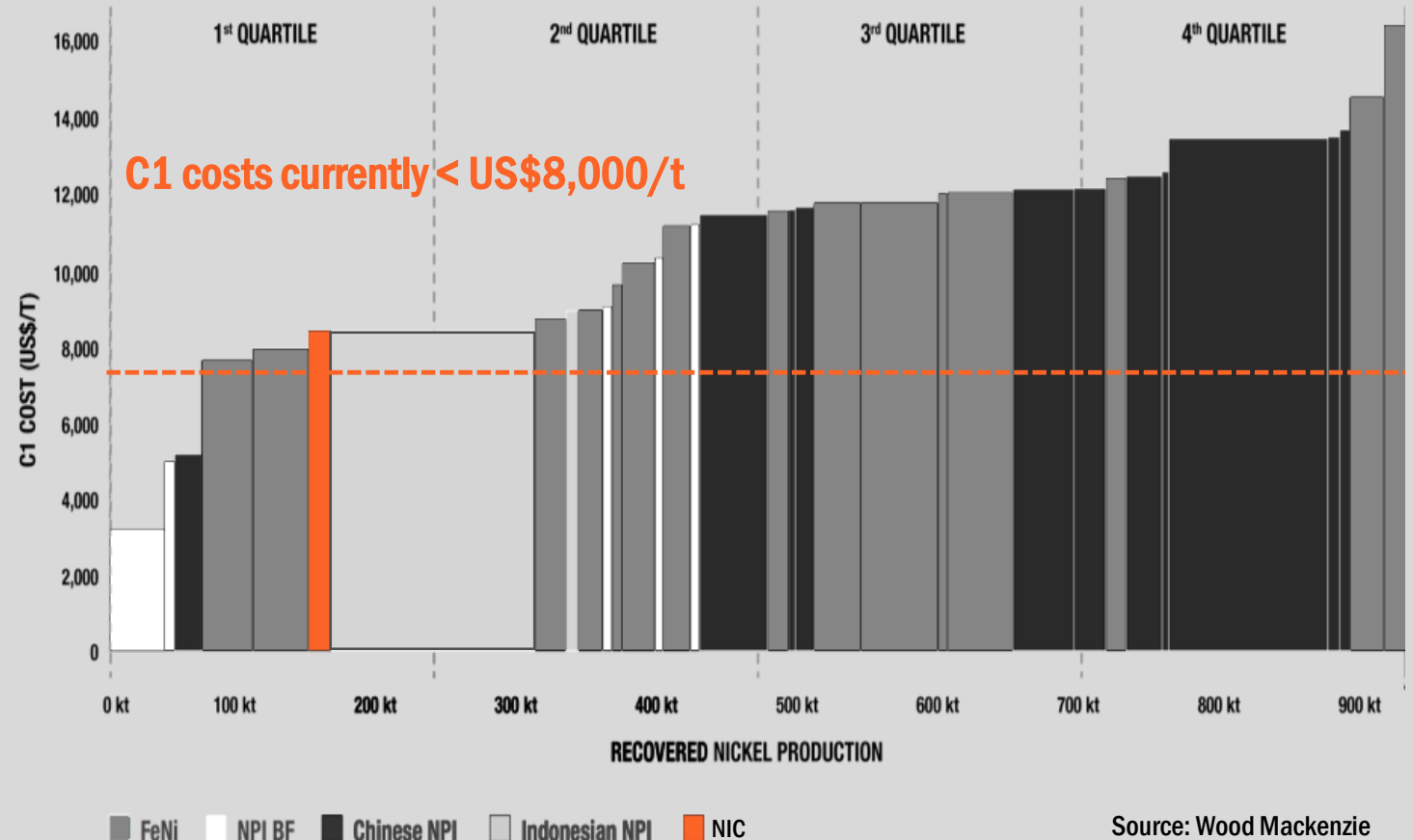
Tsingshan's track record for project delivery:

- Guaranteed CAPEX – no cost overruns.
- 26 RKEF lines now built and operating within the IMIP.
- ~1 year from breaking ground to commissioning.

Bottom Quartile Operating costs

Cost Advantages for the IMIP

- The IMIP’s fully integrated production chain delivers significant cost and logistics savings.
 - Kiln heat recycled to assist ore drying.
 - Hot charging of NPI directly into stainless operations yields enormous energy savings (Benefit to Stainless Steel operations).
- Indonesia’s export ban has resulted in significant advantages for the IMIP in terms of cost and grade of ore supply:
 - IMIP - Approximately US\$32/t for 1.9% Ni ore (CIF)
 - Chinese NPI producers - >US\$40/t for 1.5% Ni ore (CIF), limited 1.8% Ni ore ex- Philippines US\$71/t (CIF)
- Abundant supplies of locally sourced thermal coal (Kalimantan) and 2GW+ of captive power yield reliable low-cost power
 - Currently less than 6c/Kwh



Superior NPI Payabilities

Superior Payabilities Underpin a Compelling Economic Advantage for NPI Producers

110%
100%
90%
80%
70%
60%
50%

NPI payabilities typically range from ~90% to a small premium to LME nickel

Concentrate payabilities typically range from 65% to 75% of LME nickel

■ NPI Payables

■ Concentrate Payables

- While concentrate producers can often report lower cash costs than NPI producers because of by-product credits, these lower costs are dwarfed by the superior payabilities of NPI producers.
- **Why the superior payabilities?**
- Stainless steel producers buying NPI will pay a near “market price” for the contained nickel in NPI as they essentially get their iron units for free.

Taxation Concessions

By official decree of the Minister of Finance of the Republic of Indonesia
Material tax concessions have been granted to both HNI and RNI



- **100%** Corporate Income Tax Reduction for **7 years** commencing from the year of commercial production.



- **Plus** an additional **2 Years** Corporate Income Tax Reduction at **50%** of payable income tax, 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 **7 years**.

Tax concessions further strengthen HNI's/RNI's impressive EBITDA and FCF profile and enhance future growth/dividend optionality

Review of Operations

December Quarter - Highlights

Record quarterly production **10,968.3** tonnes of nickel metal (100% basis) **+9.5%** from 10,019.6 tonnes in September

NIC attributable production **6,580.9** tonnes of nickel metal **+27.5%** from 5,161.0 tonnes in September

RKEF December sales **US\$141.1M** (100% basis) **+20.4%** from US\$117.2M in September

RKEF December EBITDA **US\$56.6M** (100% basis) **+12.7%** from US\$50.2M in September

Cash/Receivables/Inventory* **US\$190.6M** (100% basis) **+23.2%** from US\$154.7M in September

* Additionally, Group liabilities were reduced by US\$21.1M during the December quarter

RKEF Operations

An Outstanding December Quarter

HENGJAYA NICKEL		October	November	December	Qtr Total	Sept Qtr
NPI Production	tonnes	14,937.5	12,978.0	12,995.2	40,910.7	39,570.4
NPI Grade	%	13.0	13.7	14.3	13.6	13.6
Nickel Metal Production	tonnes	1,943.1	1,780.4	1,854.4	5,577.9	5,379.3
Cash Costs ²	USD/t	7,768	7,789	7,779	7,778	7,523

RANGER NICKEL		October	November	December	Qtr Total	Sept Qtr
NPI Production	tonnes	13,595.3	13,433.4	12,076.0	39,104.7	32,822.6
NPI Grade	%	14.0	13.5	13.8	13.8	14.1
Nickel Metal Production	tonnes	1,904.2	1,819.5	1,666.7	5,390.4	4,640.3
Cash Costs ²	USD/t	7,669	7,774	8,256	7,886	7,552

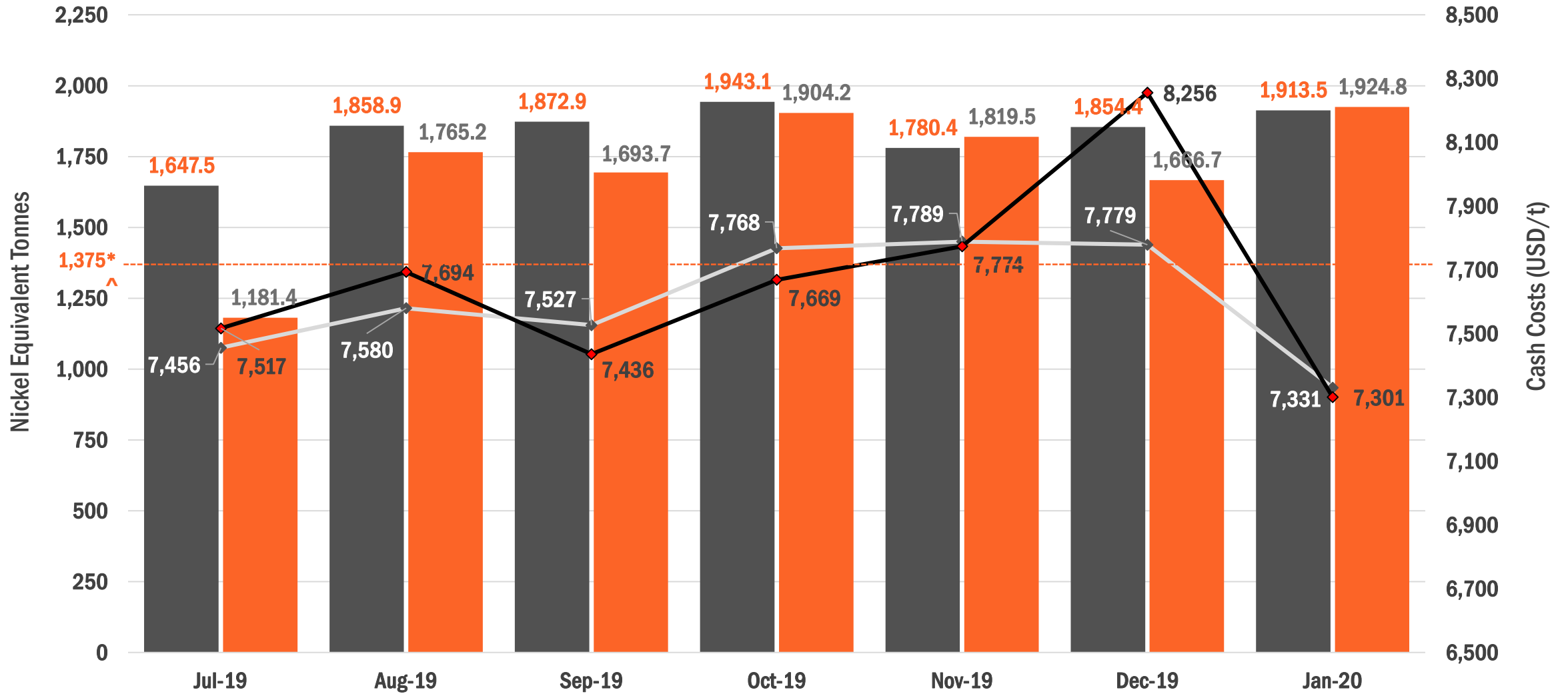
COMBINED OPERATIONS		October	November	December	Qtr Total	Sept Qtr
NPI Production	tonnes	28,532.8	26,411.4	25,071.2	80,015.4	72,393.0
NPI Grade	%	13.5	13.6	14.0	13.7	13.8
Nickel Metal Production	tonnes	3,847.3	3,600.0	3,521.1	10,968.3	10,019.6

RKEF Monthly Production Performance

* 16.5kt pa

^ 15kt pa (design capacity)

■ HNI ■ RNI ◆ HNI Cash Costs ◆ RNI Cash Costs



Hengjaya Mine Operations -December Quarter

Production summary		October	November	December	Qtr Total	Sept Qtr
Tonnes mined	Wmt	69,734	56,086	68,339	194,159	199,056
Overburden mined	BCM	168,960	163,290	95,791	428,041	432,042
Strip ratio	BCM/wmt	2.4	2.9	1.4	2.2	2.2
Tonnes sold	wmt	70,549	59,311	67,035	196,895	231,487
Average grade	%	2.01	1.97	1.98	1.99	1.90
Average price received	USD/t	38.83	36.35	37.38	37.59	27.72
Average cost of production	USD/t	26.48	27.55	25.01	26.27	24.85



Hengjaya Mine Expansion Initiatives

Numerous expansion initiatives are underway aimed at unlocking the full strategic value of HM Mine

- Objectives of HM mine expansion:
 - Ramp up production of saprolite ore to ~1.5Mt pa (currently ~600kt pa).
 - Prepare HM Mine to deliver 2Mt-3Mt of limonite ore for use by the IMIP's two HPAL plants currently under construction.
- Current status of expansion initiatives
 - Mining of the Central Pit:
First ore scheduled for April 2020
 - Expansion of HM Jetty:
Nearing completion - will facilitate increased barge capacity and shipment frequency
 - Haul road from new Central pit to Jetty:
Will reduce hauling distances to Jetty from 13km to 6km and allow for larger trucks to be utilised
 - Construction of direct haul road from HM Mine to IMIP:
4.5km of 14km pilot road cleared
 - Mine camp upgrade and expansion:
Ongoing

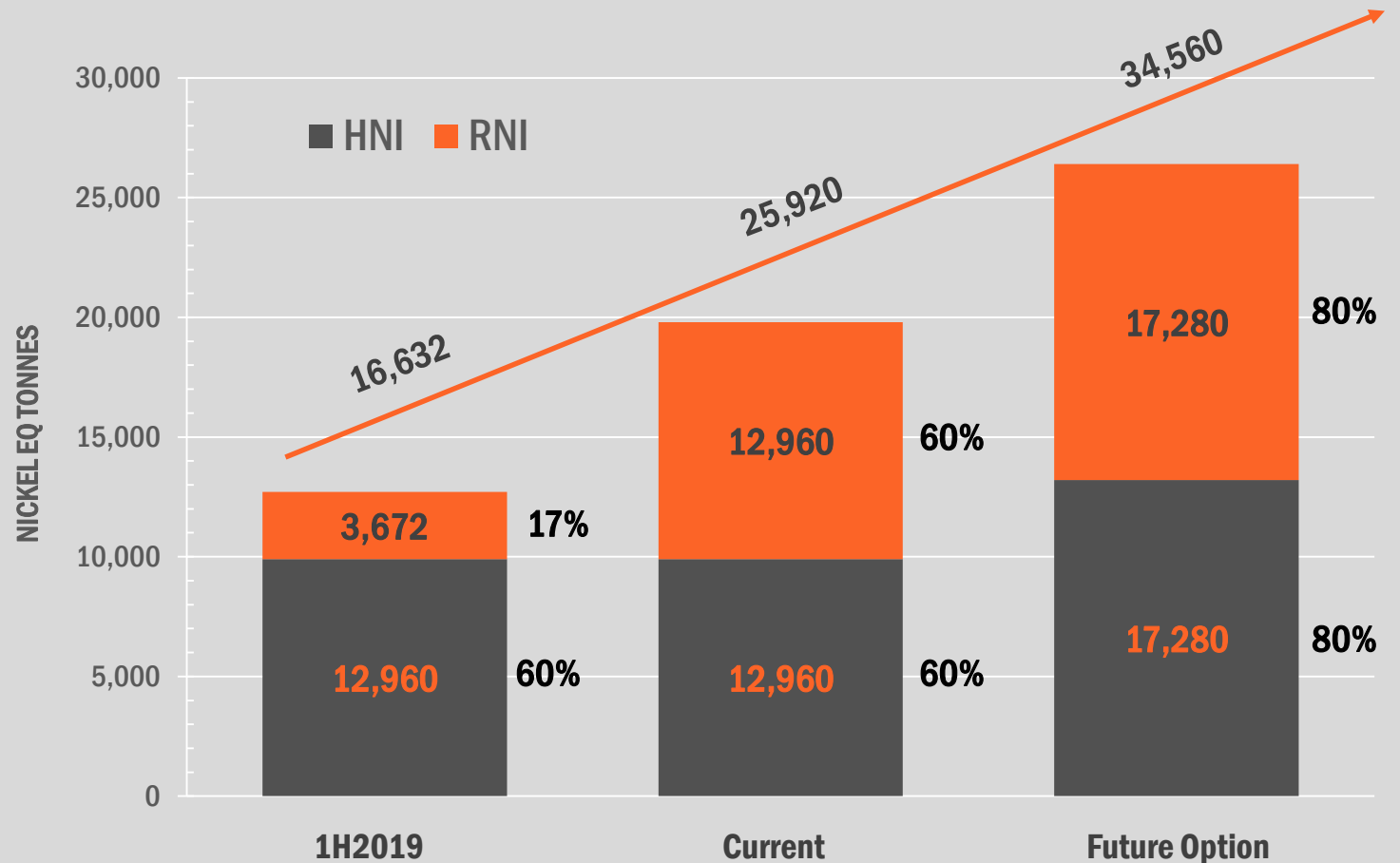


WHY INVEST?

Unique Growth Optionality

- NIC distinguishes itself from its peer group with its unique growth optionality.
 - No mine life limitations.
 - No project development risks.
- NIC possesses contractual options to increase its ownership interests in both the HNI and RNI RKEF lines to 80% by 30 November 2020.
 - Options are at fixed valuations so serve as a call option on the nickel price.
 - Option value significantly enhanced in a rising nickel price environment.
- These contractual options allow NIC to acquire immediate additional attributable nickel units and operating cash flows on a substantially risk-free basis.
- Opportunities to potentially participate in other IMIP projects.
- Limonite ore supply agreement has potential to add material profitability to mining operations by monetising saprolite pre-strip.

A CLEAR LINE OF SIGHT ON ADDITIONAL NICKEL UNITS



Based on current HNI and RNI production run rate of ~1,800 NiEq tonnes per month or 21,600 NiEq tonnes per annum. Production tonnes are indicative only and not to be construed as guidance.

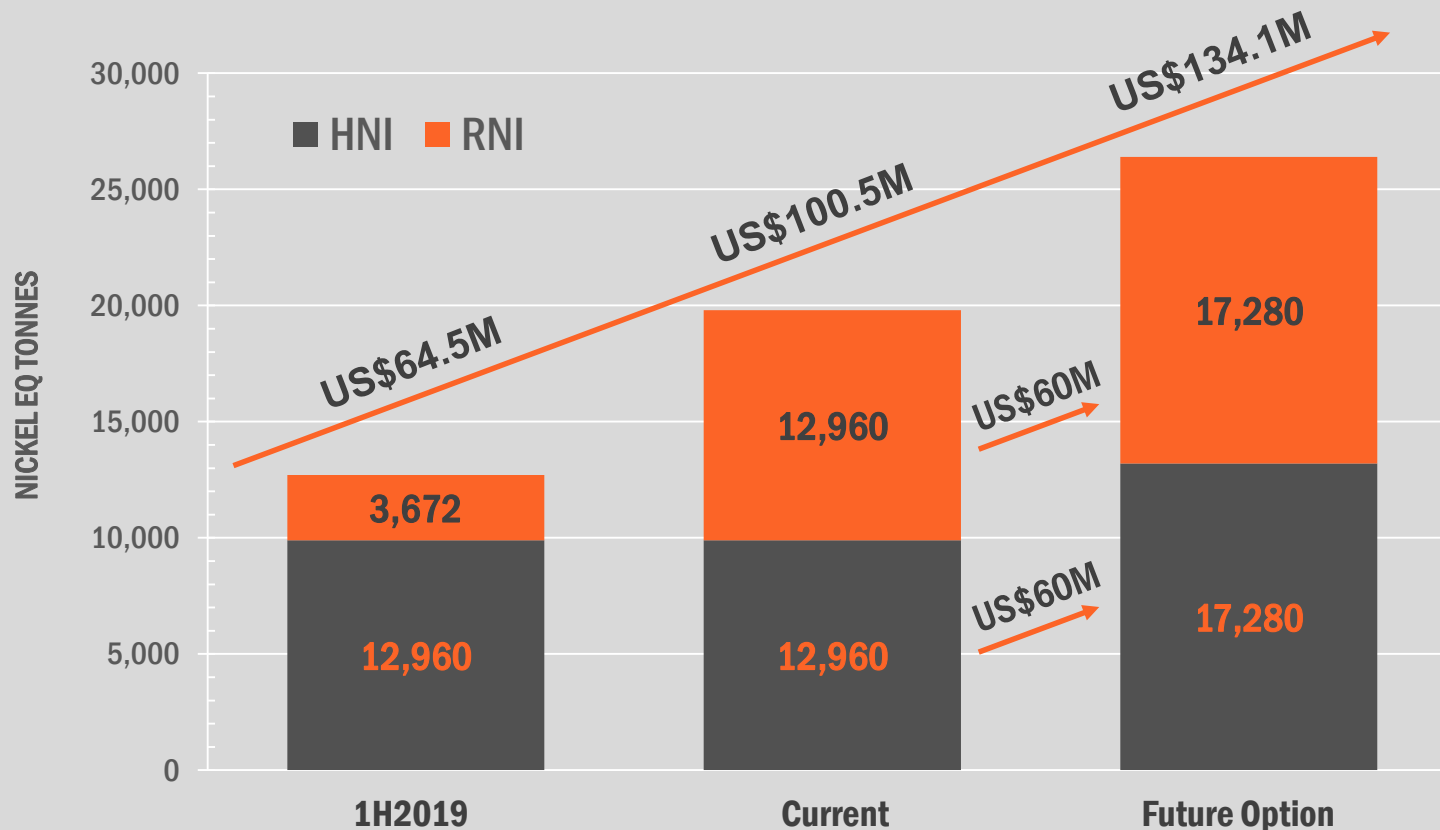
Unique Growth Optionality

NIC's strong financial profile is underpinned by:

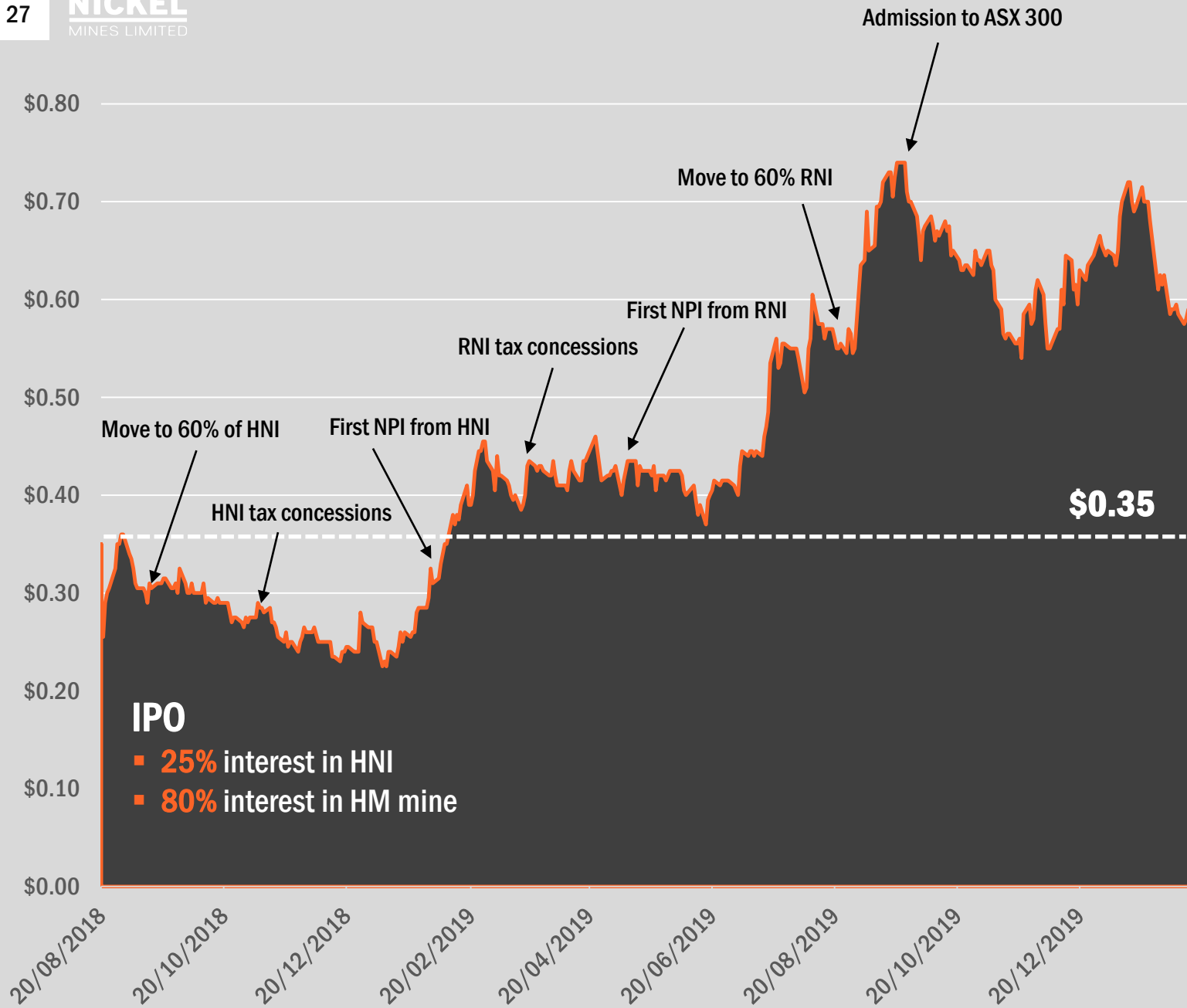
- Industry low levels of capital intensity for delivering nickel units to market.
- Industry leading payabilities for contained nickel in NPI.
- Bottom quartile cost profile underpinned by:
 - Ability to utilise low-cost, high grade nickel laterite ore.
 - Access to low-cost thermal coal for power generation (power costs < 6c/Kwh).
 - Vertically integrated nature of critical production processes.
- Minimal sustaining capex
 - All construction capex sunk upfront.
 - Daily maintenance capex captured in operating costs.
- Material corporate income tax concessions to further enhance FCF generation.

The value of the HNI and RNI options?
 At current spot prices NIC would be buying additional nickel units on an EBITDA multiple of ~3.6x

A CLEAR LINE OF SIGHT ON STRONG EBITDA AND FCF GROWTH



EBITDA numbers based on spot Ni price of US\$13,200/t, cash costs of US\$8,000/t and 90% payability of LME nickel. EBITDA numbers are indicative only and not to be construed as financial guidance. Based on current HNI and RNI production run rate of ~1,800 NiEq tonnes per month or 21,600 NiEq tonnes per annum.



18 Months of Achievement Now Delivering Value

18 MONTHS ON FROM NIC'S IPO:

- **60%** interest in HNI and RNI.
- Both projects in production within 12 months of breaking ground.
- HNI and RNI production run rate well in excess of nameplate capacity.
 - Nearly 11,000 tonnes of combined nickel production (100% basis) in December quarter.
- Material income tax concessions for HNI and RNI.
- MOU to supply limonite ore to IMIP's HPAL plant.
- **80%** interest in HM mine.
- Admission to ASX All Ords / ASX 300 indices.
- ~\$1B market capitalisation.

Investment Highlights

Why You Need to Own Nickel Mines



Strategic Partnership with Tsingshan

- Multi-faceted Collaboration Agreements to build and own nickel processing capacity within the IMIP.
- Potential to be a material supplier of limonite ore to IMIP's HPAL plants.
- NIC offers the only publicly available investment exposure to Tsingshan and its world class NPI operations.



Established tenant within the IMIP

- Indonesia/IMIP are the epicentre of global nickel supply growth with NIC having established itself as an important strategic partner to the IMIP.
- The IMIP is the world's largest vertically integrated NPI/Stainless Steel operation, supported by world class infrastructure and logistics.



RKEF Processing Technology

- Tsingshan have pioneered RKEF technology to produce NPI from lateritic ores.
- IMIP's RKEF operations are currently delivering the lowest capital intensive and among the most profitable nickel units in the global market.
- Built and commissioned <12 months.



Strengthening Nickel Market Fundamentals

- LME stockpiles continue to fall with supply deficit looming for the foreseeable future.
- Re-implementation of export ban to consolidate Indonesian NPI producers competitive advantages over global peers.
- Will high-grade NPI attract premium pricing moving forward?



Nickel price leverage

- Significant leverage to the nickel price without the normal mining-associated risks due to decoupling of processing assets from mining operations.
- Flat industrial-style cost base key to bottom quartile cost profile.



Unique Growth Optionality

- Fixed price options to acquire additional nickel units in HNI and RNI.
- Limonite ore supply has potential to add material profitability to mining operations.
- Opportunities to potentially participate in other IMIP projects.



Compelling Economics

- Industry leading payabilities, bottom quartile operating costs, minimal sustaining capex and material tax concessions to ensure industry leading levels of profitability and free cash flow generation per tonne of nickel production.



World Class Nickel Resource

- High grade, large tonnage resource with significant expansion potential.
- Ability to supply limonite (HPAL) and saprolite (RKEF).
- Strategically valuable to the IMIP due to scale and proximity.

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Community

- > 30,000 locals employed at the IMIP, > 350 locals employed at HM Mine.
- NIC deeply involved in numerous community projects focused on educational, health and agriculture.
- Strong engagement with both local and regional stakeholders, including the Tangofa, Bete Bete and Bahodopi village regions.
- Over the last 12 months the HM and IMIP workforces have assisted local and regional communities in rebuilding efforts following natural disaster events including earthquakes and flooding.



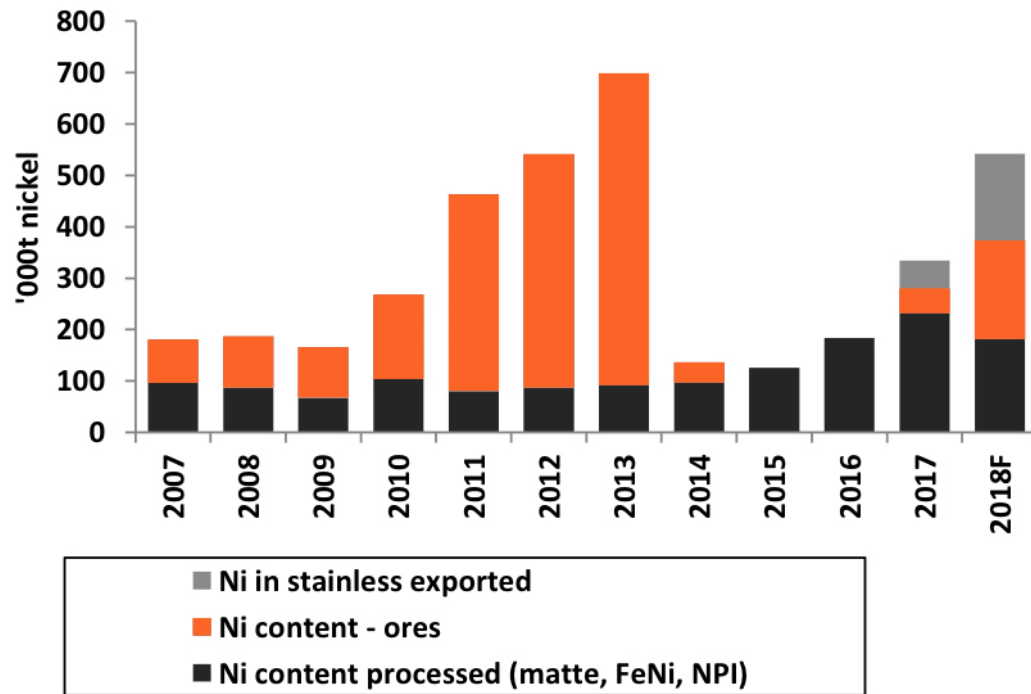
Environment

- Hengjaya Mine - open cut, at surface truck and shovel operation - no tailings.
- **HM recently voted Best Mine Site Rehabilitation Works by Central forestry in Sulawesi.**
- IMIP processing plants have a nil discharge tailings process.
- Silica slag and fly-ash are recycled for use as industrial brick and concrete slab works and dedicated landfill.
- Minimal liquid waste managed via settlement ponds and waste water treatment plants.
- Gaseous waste managed through continuous emission monitoring systems for air quality and adherence to air quality standards.
- IMIP runs a waste utilisation program to re-use organic waste.
- Non-organic waste is minimised and treated by either incineration or approved waste management methods and landfill.

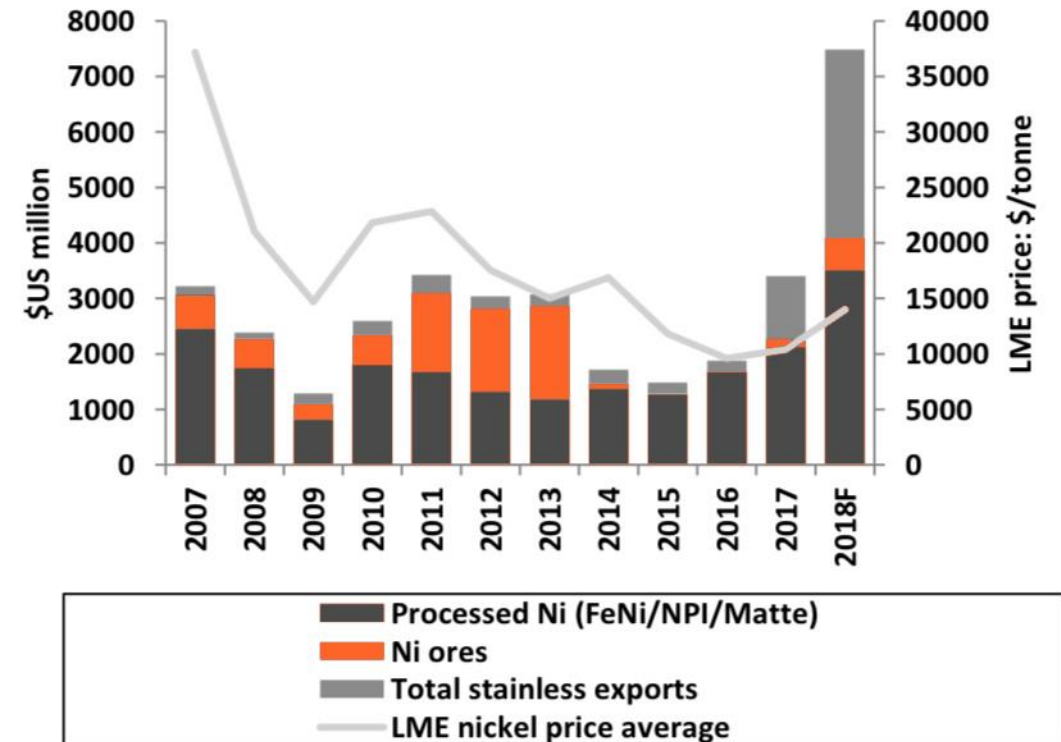
Indonesia's Export Ban is Achieving its Objective

The value of Indonesian exports has grown significantly since the introduction of the export ban despite a lower average Ni price than in 2013.

Indonesian nickel exports (Volume)



Indonesian nickel exports (Value)



Source: Badan Pusat Statistik, Macquarie Strategy, September 2018

Statement of Compliance

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by the staff and contractors of Nickel Mines Limited and its subsidiaries and approved by Mr Brett Gunter, a Member of the Australasian Institute of Mining and Metallurgy. Mr Gunter is an employee of PT GMT Indonesia and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Information in this report that relates to Exploration Results and Mineral Resources were published in a Technical Assessment Report and a Resource Estimate Report prepared by PT GMT Indonesia dated April 2018 and December 2018 respectively which are available on the Company's website (www.nickelmines.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original publication.

Mr Gunter has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Category	1.5% Cut-Off Grade		1.0% Cut-Off Grade	
	Dry Tonnes (million)	Ni (%)	Dry Tonnes (million)	Ni (%)
Measured	0.7	1.8	6.9	1.2
Indicated	15	1.9	50	1.4
Inferred	22	1.8	120	1.3
Total	38	1.8	180	1.3