

BUILDING A NICKEL EMPIRE

Unearthed Natural Resources Conference

February 2022

A clearly defined growth path to becoming a top-10 global nickel producer

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Nickel Mines – core investment thesis

1

Defined growth path to becoming an established top 10 global nickel producer

Proven commissioning and production expansion track record

2

Established, mutually beneficial collaboration with Tsingshan group

Recognised market leader in nickel and stainless steel markets

3

Low-cost, long-life operations delivering consistent levels of production

Downstream industrial processing assets with stable cost base and vertically integrated supply chain

4

Strong margins with high cash conversion supporting sustainable, robust profitability

Underpinned by cost profile, material tax concessions and minimal levels of sustaining capex

5

Proven management track record of creating value for shareholders

Established footprint in the epicentres of new nickel supply – unrivalled potential to provide class 1 & class 2 nickel exposure

Producing some of the most profitable nickel units in the global market in partnership with Tsingshan – the world’s largest, lowest cost stainless steel producer

RKEFs

Versus

Typical mining operations

- ✓ Consistent, long-life RKEF production and sales profile
- ✓ Transparent, globally competitive and stable cost structure
- ✓ Centrally managed industrial park RKEFs – scale benefits in procurement, infrastructure, labour and HR
- ✓ Consistent EBITDA margin per tonne with high cash conversion
- ✓ World-class partner in Tsingshan – thought leader and innovator with cutting edge production technology
- ✓ Industry leading capital intensity, with construction cost indemnity

- ✗ Variable production profile with limited mine life
- ✗ Volatile opex and capex structure for different parts of mine plan
- ✗ Limited economies of scale benefits
- ✗ Higher margin volatility
- ✗ Traditional mining methods, limited technological advantages
- ✗ Higher project capital intensity, subject to potential inflation

TRADING INFORMATION 7 FEBRUARY 2022

ASX Code	NIC
Shares on Issue	2.515B
Share Price	A\$1.465
Market Capitalisation	A\$3.68B
Indexes	ASX All Ords / ASX 200/ MSCI
Cash (as at 31 Dec 2021)	US\$137.9M
Debt	US\$325M (3Y/2NC - April 2024) Moody's - "B1 (Stable)" Fitch - "B+ (Stable)" J.P. Morgan Credit Asia Index (JACI) CEMBI Broad Diversified Index
Dividend (2021)	Interim - A\$0.02 cents per share Final - A\$0.02 cents per share
Board & Management	~8%



SUBSTANTIAL SHAREHOLDERS

Shanghai Decent (SDI)	18.7%
PT Karunia Bara Perkasa	15.1%
Blackrock	7.8%
Baillie Gifford	7.2%

IMIP HNI

80%

OPERATING

Hengjaya Nickel Project (HNI)

2 RKEF lines

- nameplate capacity - 15ktpa
- FY 2021 production - **20,020 t Ni**
33.5% above nameplate

80% interest acquired for
US\$180M

Material income tax concessions
7-year tax holiday (~4 years
remaining) plus 2 additional years
at @50% of corporate tax rate

Monthly repatriations of operating
profits

IMIP RNI

80%

OPERATING

Ranger Nickel Project (RNI)

2 RKEF lines

- nameplate capacity - 15ktpa
- FY 2021 production - **20,390 t Ni**
36.0% above nameplate

80% interest acquired for
US\$180M

Material income tax concessions
7-year tax holiday (~4 years
remaining) plus 2 additional years
at @50% of corporate tax rate

Monthly repatriations of operating
profits

IWIP ANI

80%

COMMISSIONING

Angel Nickel Project (ANI)

4 RKEF lines

- nameplate capacity - 36ktpa
- 380MW power station
- commissioning commenced
January 2022

80% interest acquired for
US\$560M (fully funded)

Material income tax concessions
10-year tax holiday plus 2
additional years at @50% of
corporate tax rate

IMIP ONI

70%

UNDER CONSTRUCTION

Oracle Nickel Project (ONI)

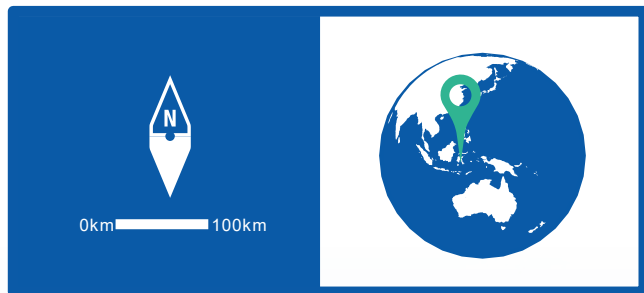
4 RKEF lines

- nameplate capacity - 36ktpa
- 380MW power station
- expected commissioning Q1 2023

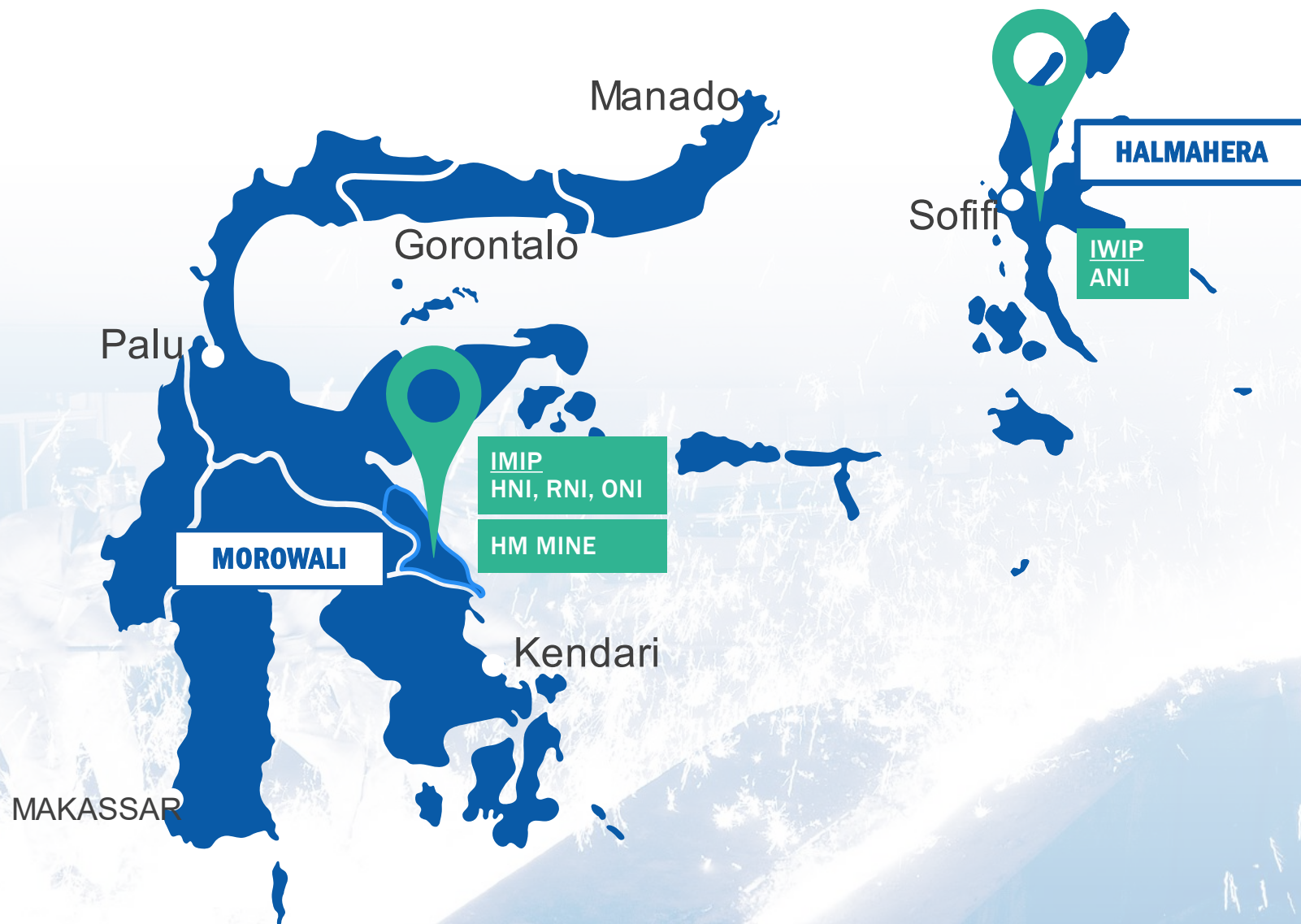
70% interest to be acquired for
US\$525M (to be funded from a
combination of cash flows, equity and debt)

Income tax concessions to be
applied for. Likely to mirror ANI
based on investment quantum

Indonesia – the undisputed epicentre of global nickel supply



Nickel Mines has established operating footprints in what are now two of the world's largest nickel production centres



IMIP



Steel production capacity	3Mt stainless-steel per annum
RKEF lines	44 operating RKEF lines
Power capacity	~3GW power for IMIP
NIC interest %	80% interest HNI/RNI – operating 70% interest ONI – under construction
HPAL	HNC – commissioning QMB – Q2 2022

IWIP



Steel production capacity	No stainless-steel capacity
RKEF lines	30 operating RKEF lines
Power capacity	Currently 500MW power
NIC interest %	80% interest ANI / 380MW power Commissioning
HPAL	???

Two world class nickel production centres

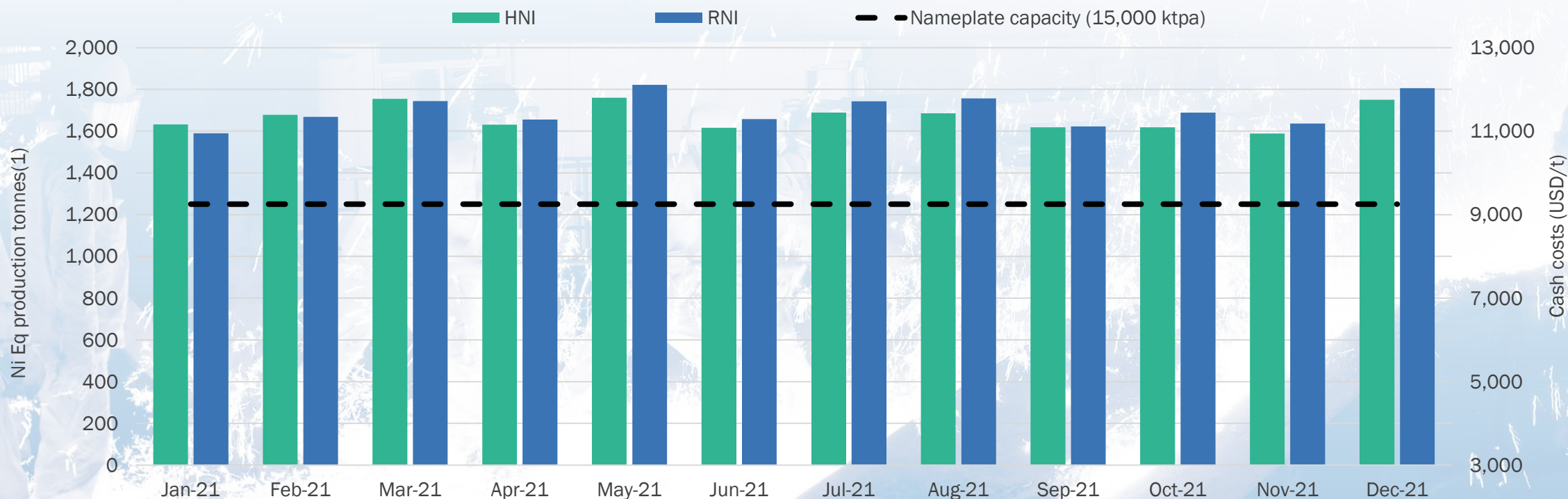


Current operations

Consistent, industrial style production and cost base with production set to triple over the next 12 months

RKEF production		March Qtr	June Qtr	September Qtr	December Qtr	FY 2021
NPI production	tonnes	71,939	74,487	73,154	78,772	298,353
NPI grade	%	14.0	13.6	13.8	12.8	13.5
Nickel metal production	tonnes	10,068	10,143	10,113	10,087	40,411

RKEF - monthly production performance



(1) Ni Eq is nickel metal equivalent contained in nickel pig iron ("NPI").

Strong, consistent EBITDA per tonne of Ni sold despite cost increases

Nickel Mines has maintained strong margins in all operating cost environments. Consistent production and stable margins highlight the “industrial nature” of the Company’s RKEF operations

RKEF EBITDA performance



X% : Energy related costs as a % of total cash costs

Strong operational performance at Hengjaya Mine

Production summary		March Qtr	June Qtr	September Qtr	December Qtr
Saprolite mined	wmt	456,487	574,791	579,156	847,260
Overburden mined	BCM	262,270	549,213	793,045	1,183,367
Limonite mined	BCM	402,557	349,373	257,448	152,222
Strip ratio ⁽¹⁾	BCM/wmt	1.5	1.56	1.81	1.81
Saprolite tonnes sold	wmt	424,410	542,384	568,692	634,486
Average grade	% Ni	1.77	1.78	1.74	1.75
Average price received	US\$/wmt	35.4	36.1	36.5	37.6
Average cost of production ⁽²⁾	US\$/wmt	22.8	23.5	24.6	25.0



A breakout year for Hengjaya Mine

- Record quarterly saprolite production of 847,260 wmt, a 46% increase on the previous record of 579,156 wmt in the September quarter
- Hengjaya Mine produced saprolite at a run rate of 3Mt/qa, ahead of 1Q22 schedule
- In November 2021, the first barges of limonite were delivered to the Huayue Nickel Cobalt project located within IMIP. Limonite will be processed by the HPAL plant for the EV battery market.

(1) Strip ratio includes limonite as overburden

(2) Monthly production costs are a six-month average of mining costs plus port/selling costs for the actual month.



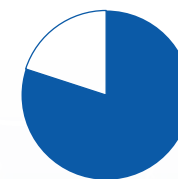
The next wave of growth

New capacity coming online over the next 12 months

Angel Nickel ("ANI")



4 next generation RKEF lines
and a 380MW power plant



80% interest for
US\$560m

Capital cost guarantee

- Not to exceed US\$700m⁽¹⁾
- No cost overrun risk

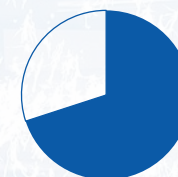
First production

- Commissioning commenced in January 2022⁽²⁾
(lines 31 to 34 within IWIP)

Oracle Nickel ("ONI")



4 next generation RKEF lines
and a 380MW power plant



70% interest for
US\$525m

Capital cost guarantee

- Not to exceed US\$750m⁽³⁾
- No cost overrun risk

First production

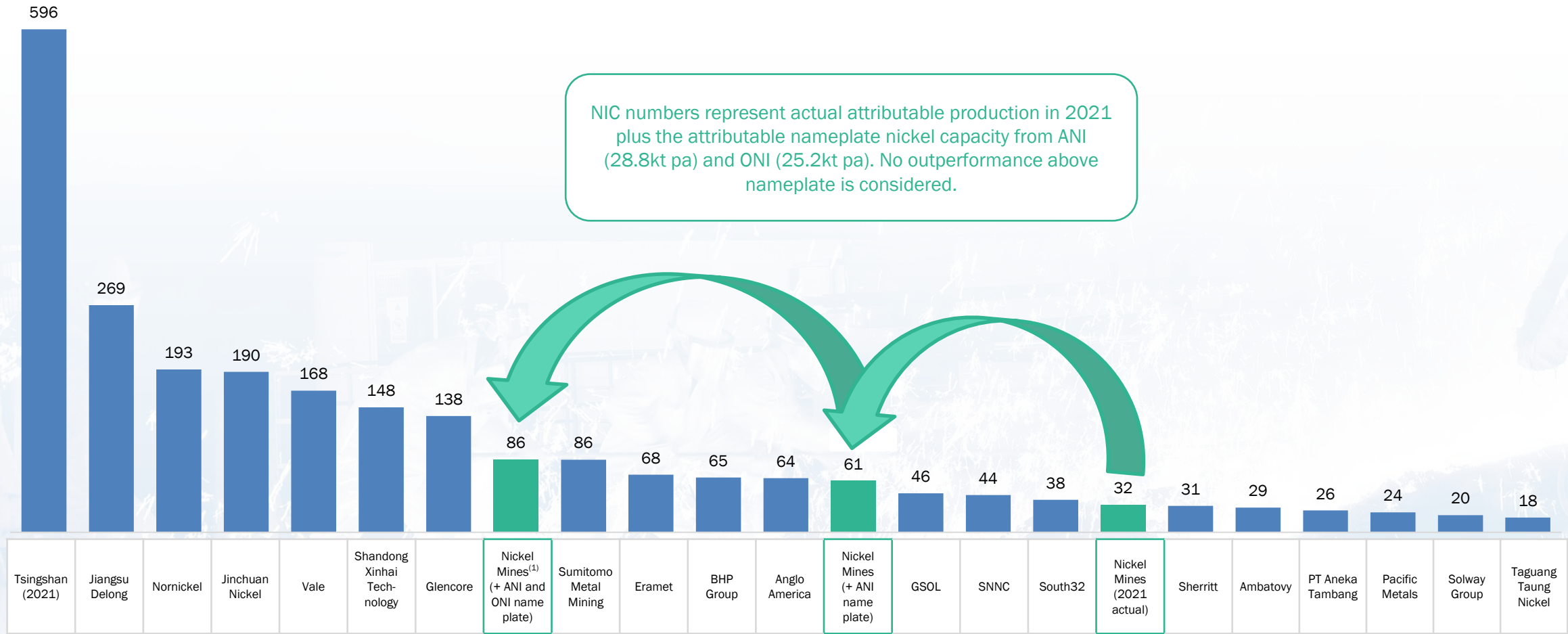
- Commissioning contracted to commence in February 2023
(lines 45 to 48 within IMIP)

(1) Shanghai Decent has agreed to indemnify PT ANI (proposed operating company for ANI) for any construction costs exceeding US\$700m.
(2) Contractual commissioning date originally scheduled for October 2022.
(3) Shanghai Decent has agreed to indemnify PT ONI (proposed operating company for ONI) for any construction costs exceeding US\$750m.

Transaction to establish Nickel Mines as a top 10 global nickel producer

ONI acquisition to add significant scale, while diversifying Nickel Mines' production footprint

2021 Processed Nickel Production (kt)

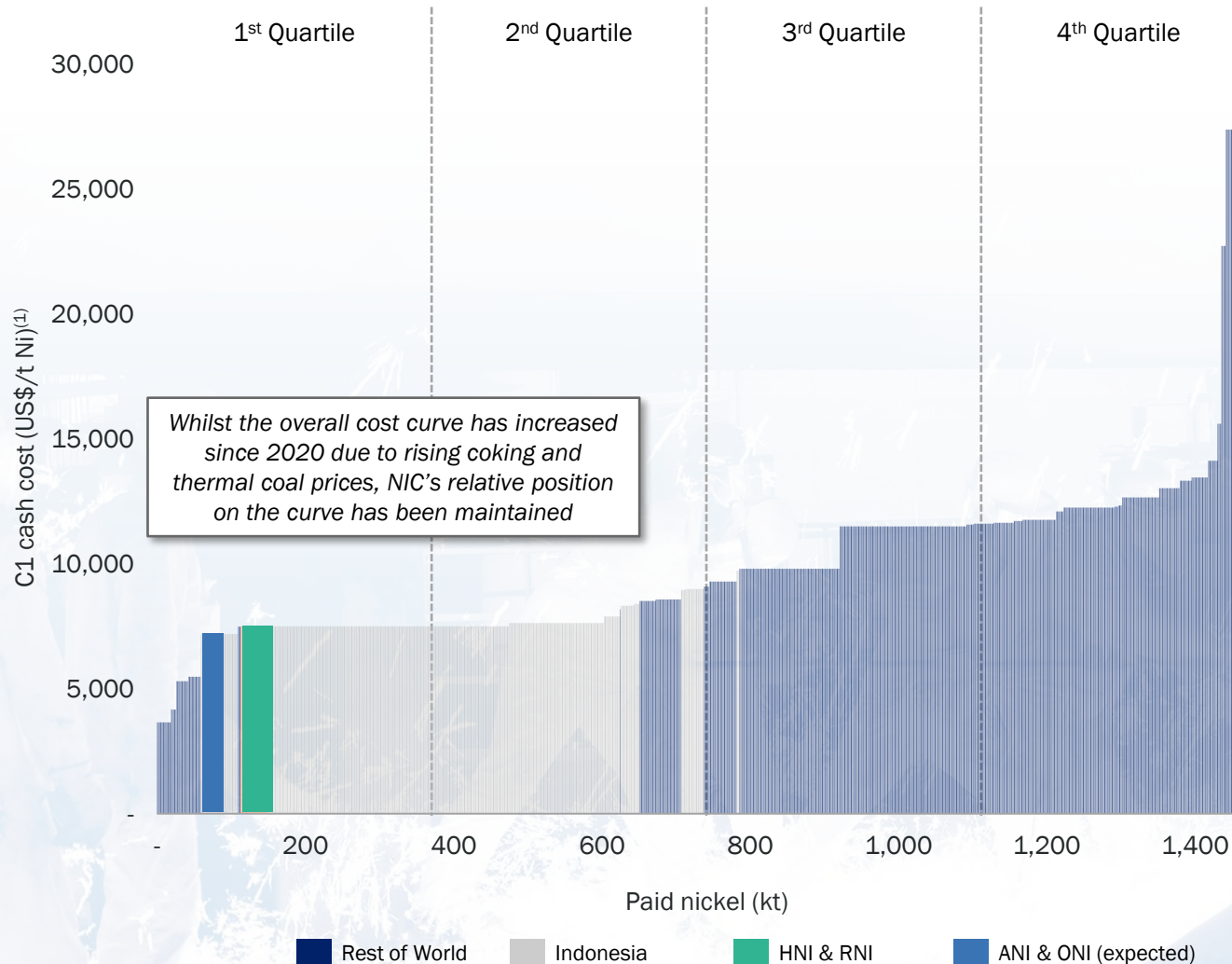


Source: Broker Research, Company data.

Note: Production data reflects 2021 figures unless stated otherwise.

(1) NIC numbers represent actual attributable production in 2021 plus the attributable nameplate nickel capacity from ANI (28.8kt pa) and ONI (25.2kt pa). No outperformance above nameplate is assumed for ANI and ONI.

Wood Mackenzie NPI/FeNi cost curve (2020)



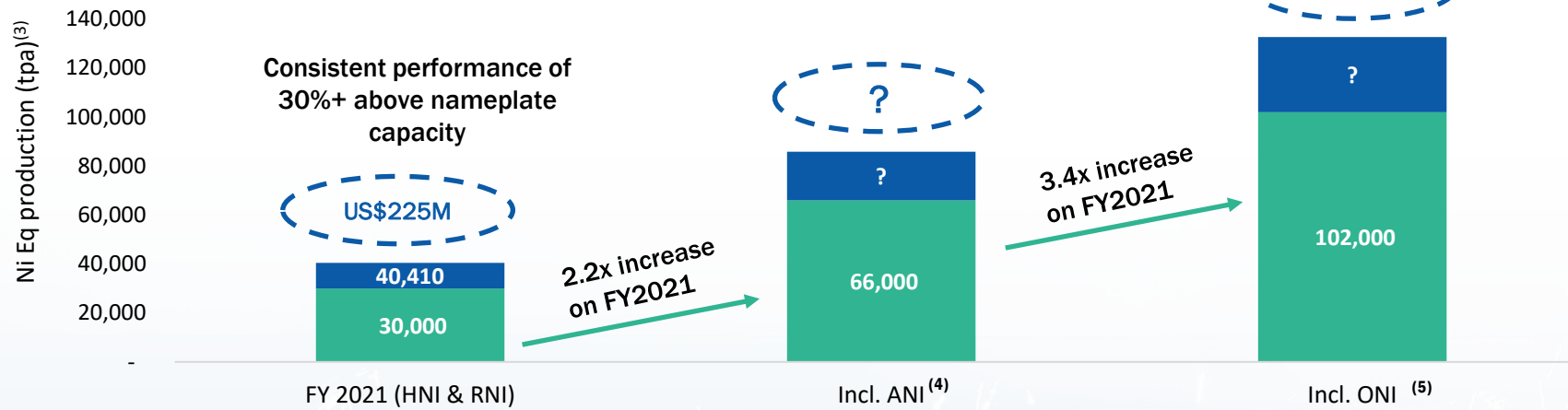
NIC is a low cost, bottom quartile producer of NPI

- Underpinning NIC's position on the cost curve is an "industrial style" cost base:
 - both the IMIP and IWIP operate under centralised procurement systems which provide economies of scale with regards to purchasing power
 - large stockpiles of key commodity inputs allow a smoothing of commodity price spikes
 - numerous logistical benefits from being part of a vertically integrated industrial supply chain
 - minimal "sustaining capex" (~US\$5M every 5 years for kiln re-lining and replacement of refractory bricks)

(1) C1 cash costs include direct costs incurred in mining and processing nickel (such as labor, power, reagents, materials) plus local general and administrative expenses.
 (2) NIC C1 costs as CY'20 average for HNI & RNI (extrapolated for ANI & ONI).

ANI and ONI will be transformative to NIC's production and financial profile

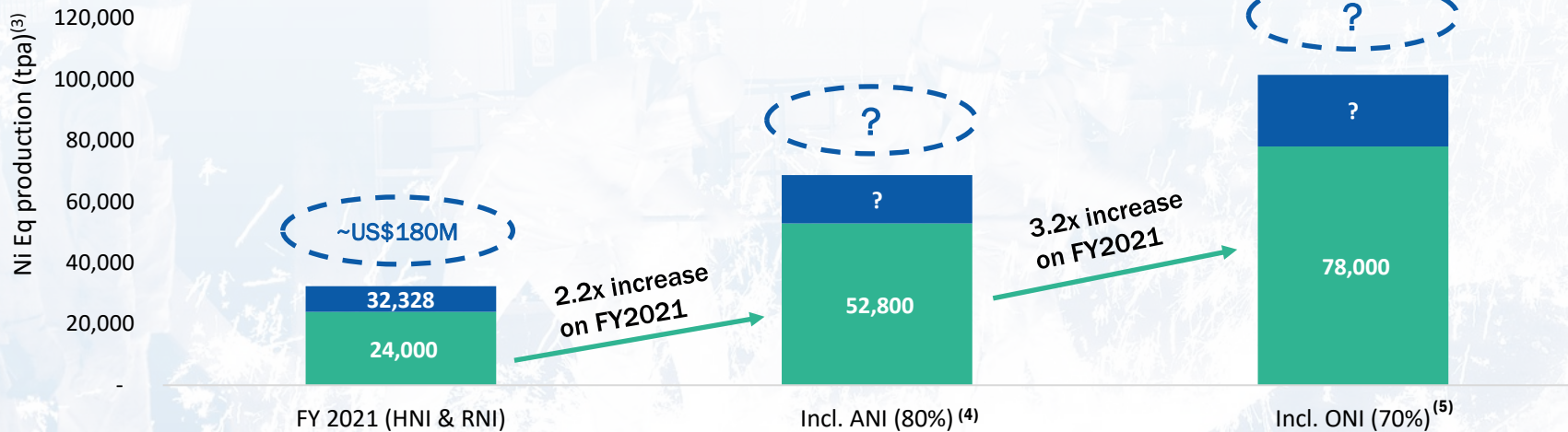
Consolidated production (100% basis)



ANI and ONI ...

- expand the Company's RKEF operations from 4 lines to 12 lines
- provide a clearly defined growth path towards 100kt pa of attributable Ni metal production
- are expected to deliver a similar level of outperformance above nameplate capacity as existing operations (+30%)

NIC attributable production



... in addition, ANI and ONI ...

- have a 20% larger nameplate capacity than the existing HNI and RNI operations
- are expected to deliver an ~20% saving on electricity costs by virtue of "owning" their own power

■ Nameplate⁽¹⁾
■ Attributable production above nameplate⁽²⁾
? RKEF EBITDA (unaudited, sum of the quarterly disclosed EBITDA figures)

Note: These figures are not indicative of future nickel production levels that may be achieved and are not financial guidance or forecasts.

(1) Nameplate production levels at its various ownership levels, based on nameplate nickel metal capacities of 15ktpa for HNI and RNI and 36ktpa for ANI and ONI (once fully commissioned).

(2) Actual production figures reflect annualised quarter production performance over time against nameplate capacity at various ownership levels at HNI and RNI.

(3) Ni Eq is nickel metal equivalent contained in nickel pig iron ("NPI"). (4) Assumes ANI operating at nameplate capacity for a full year. (5) Assumes both ANI and ONI are operating at nameplate capacity for a full year.

EBITDA profile set to triple over the next 12 months

Current profile	Margin per tonne		5,000	5,500	6,000
		Production (tonnes)	RKEF EBITDA (US\$)*		
	Nameplate	30,000	150	165	180
	NIC attributable (nameplate)	24,000	120	132	144
	Actual production (FY 2021)	40,410	202	222	243
NIC attributable (FY 2021 actual)	32,328	162	178	194	

Future profile (from 2023)	Margin per tonne		5,000	5,500	6,000
		Production (tonnes)	RKEF EBITDA (US\$)*		
	Nameplate	102,000	510	561	612
	NIC attributable (nameplate)	78,000	390	429	468
	Indicative production (FY 2023)	~132,600^	663	729	795
NIC attributable tonnes (actual)	~100,000^	500	550	600	

- FY 2021 RKEF EBITDA of **US\$225M**, delivered at a margin of **US\$5,607/t** of Ni sold.
 - 2H2021 margin was **US\$6,109/t** of Ni sold
- Angel Nickel and Oracle Nickel deliver a clear growth path to NIC tripling this current EBITDA profile.
- Continued strong EBITDA to FCF conversion underpinned by:
 - material corporate income tax concessions
 - minimal levels of sustaining capex

Indicative NIC EBITDA (consolidated basis)

Indicative NIC EBITDA (attributable basis)

*EBITDA number are not to be taken as forecasts. Indicative only based on assumed production levels at various margins.

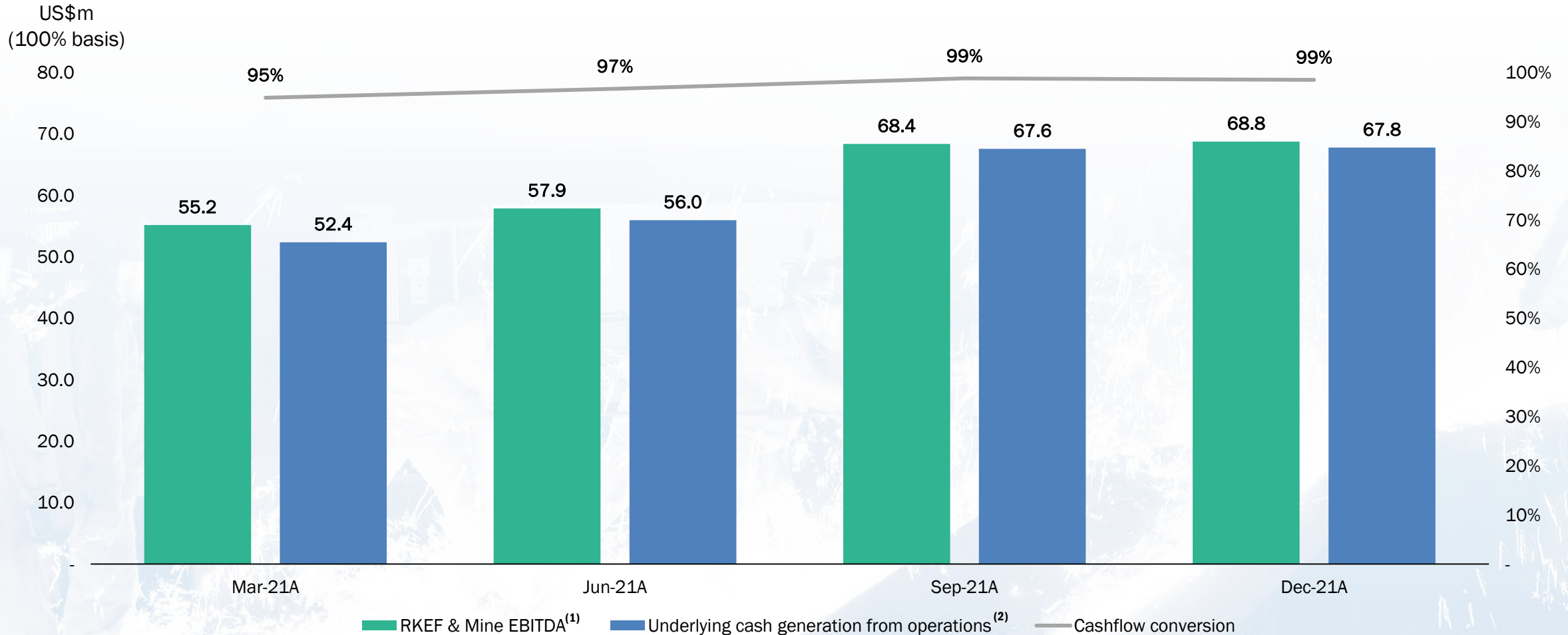
^ Indicative production levels for FY2023 and beyond are based on a 30% outperformance of nameplate capacity, in line with current levels of operational outperformance.

Material tax concessions – by Decree of the Indonesian Government

	Existing production		Future production	
	HNI	RNI	ANI	ONI
100% corporate income tax reduction (from the year of commercial production)	7 years (4 years remaining)	7 years (4 years remaining)	10 years (10 years remaining)	Potential to receive the same tax concessions as ANI, based on replica size and scale of project
50% payable income tax reduction (from the end of the initial seven/ten-year period)	+2 years	+2 years	+2 years	

High cash conversion supporting sustainable, robust profitability

Underpinned by cost profile, material tax concessions and minimal levels of sustaining capex



Note: Based on unaudited financials.

(1) Comprised of RKEF and Hengjaya Mine EBITDA as disclosed in the quarterly reports.

(2) Defined as EBITDA from operations less capex.



Sustainability and future-facing nickel opportunities



Community

>1,850 local employees⁽¹⁾ at current operations with an additional ~2,000 expected to be employed at ANI and ONI, benefiting local communities

Deeply involved in numerous community projects focused on educational, health and agriculture

Strong engagement with local and regional stakeholders including Tangofa, Bete Bete and Bahodopi village regions

Significant contributor to Indonesian economic growth, we are one of Australia's largest investors into Indonesia



Fresh water program at Bete Bete village

(1) > 1,500 locals employed across the HNI/RNI RKEF operations and > 350 locals employed at Hengjaya Mine.



Environment

Maiden Sustainability Report expected 2Q'22 to serve as baseline future reporting and decarbonisation projects

Significant progress on improving energy and emissions reporting, including the calculating of carbon footprint

“Future Energy” collaboration framework established with Shanghai Decent in 4Q'21 aiming for cleaner energy solutions

450kWp solar project at the Hengjaya Mine is nearing completion

Hengjaya Mine tailings free; receiving “Best Mine Site Rehabilitation Works” by Central Forestry in Sulawesi



Rehabilitation



Regional DAS reforestation program



Waste management sponsorship

Solar Power – our first “Future Energy” collaboration

Commitment to a more sustainable future for Indonesia’s nickel industry

- MoU signed in January 2022 with PT Sumber Energi Surya Nusantara (“**SESNA**”) to implement the first solar power generation facility in IMIP (200MWp capacity)
- SESNA has committed to deliver a project proposal within 3 months of the MoU

SESNA – “Project Initiator”

- Sole responsibility for design, funding, construction, ownership and operation

Nickel Mines

- No requirement for any capital investment
- Sole long term off-take partner (20+years)
- Electricity tariff (expressed as US cents per Kwh):
 - is relatively stable over the life of the contract, and
 - is confidential, but considered competitive with similar scale solar projects

Benefits

- Potential to supply up to 20% of HNI and RNI power requirements
- Material reductions in annual CO₂ emissions



Battery grade nickel – nickel matte and HPAL potential

Potential to **become a producer of battery grade nickel for sale into the electric vehicle (‘EV’) market.**

Battery grade nickel will be critical input into technologies for **electrification** as part of a global transition to a **greener economy**

Production of nickel matte from RKEFs

- Tsingshan has successfully:
 - (i) produced LG Ni matte (~25% Ni) from RKEFs
 - (ii) upgraded, via a converter to HG matte (>75% Ni)
 - (iii) signed supply contracts with Huayou Cobalt (60kt pa) and CNGR Advanced Materials (40kt pa)

Signed MoU with Shanghai Decent to supply nickel matte

- 2 RKEF lines to undergo the necessary modifications to produce **nickel matte product suitable for sale into the EV battery market**



Minimal modification cost for each RKEF line (~US\$1m per line)



Comparable cash opex per tonne between nickel in matte and NPI



Comparable units of production between RKEF lines producing nickel matte and those producing NPI



Shanghai Decent firm undertaking to purchase all nickel matte



Provides exposure to attractive EV battery market

Potential HPAL collaboration

- Agreement with Shanghai Decent to actively explore the feasibility of jointly developing HPAL to developing HPAL to broaden nickel product offerings⁽¹⁾

IMIP HPAL initiatives

- Two high pressure acid leach (“**HPAL**”) projects currently commissioning within IMIP
 - PT Huayue Nickel Cobalt, majority owned by Huayou Cobalt, with planned annual capacity of 60ktpa of nickel and 6-8ktpa of cobalt
 - PT QMB New Energy Materials, majority owned by GEM, with annual nickel capacity of 50ktpa
- Nickel Mines’ Hengjaya Mine will be a material supplier of limonite ore to both projects
 - successful commissioning, with stable and low costs production is likely to see Tsingshan move further into this field
 - Nickel Mines is well placed to be a material counterparty in future potential projects

Any investment in HPAL would be premised on significant de-risking initiatives and a requirement to meet Nickel Mines’ internal investment hurdles

(1) Refer to ASX Announcement, dated 22 November 2021.

Nickel Mines – why now?



Defined growth path to becoming an established top 10 global nickel producer



ANI and ONI will be transformative to NIC's production and financial profile



High cash conversion supporting sustainable, robust profitability

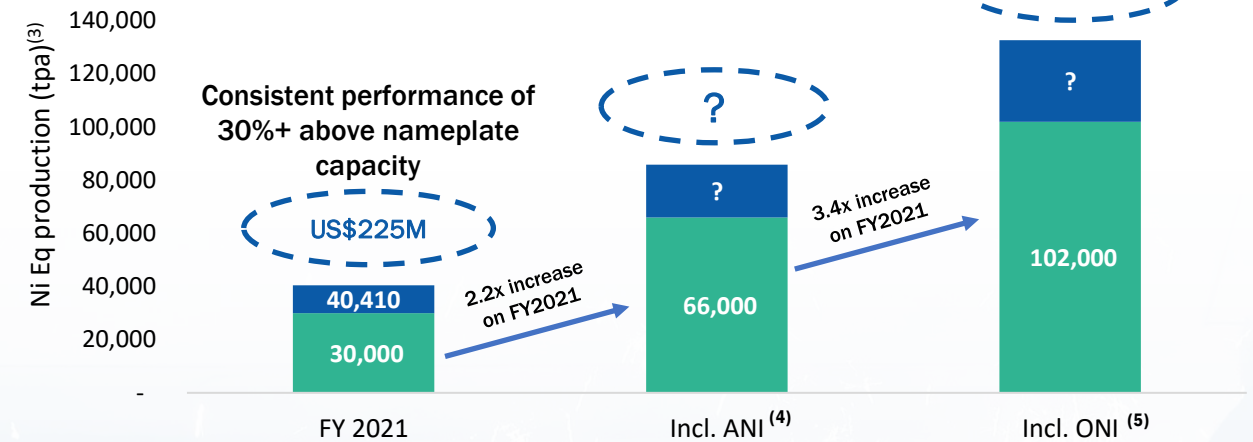


Unique exposure to attractive nickel thematic

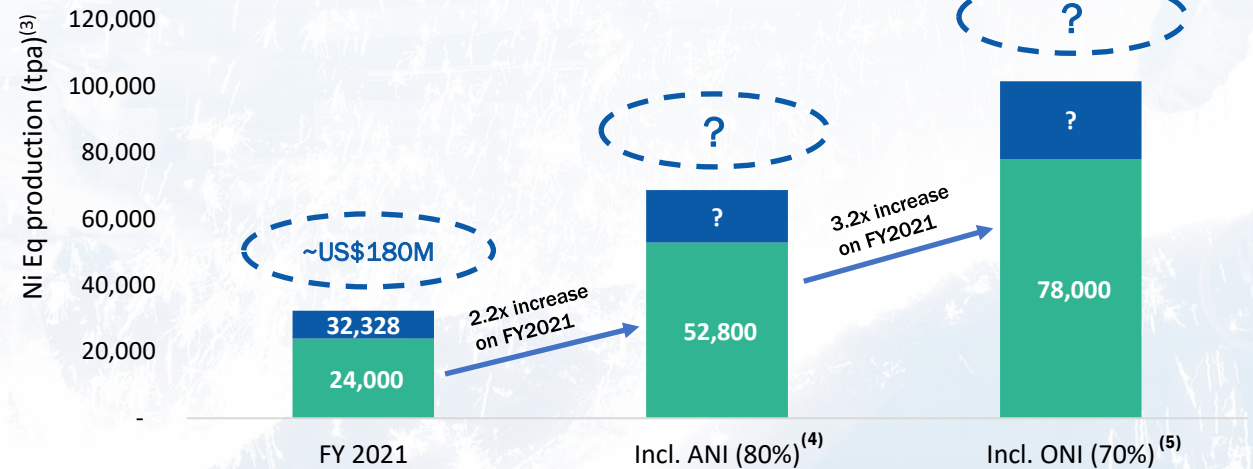


Strong management track record of creating value for shareholders

Consolidated production (100% basis)



NIC attributable production



■ Nameplate ⁽¹⁾
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Thank you