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The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

ANGEL NICKEL SECURES MATERIAL TAX CONCESSIONS

The Directors of Nickel Mines Limited ('Nickel Mines' or 'the Company') are pleased to advise that the Angel Nickel RKEF project's Indonesian operating entity, PT Angel Nickel Industry ('Angel Nickel' or 'ANI') has been granted material corporate tax relief for its RKEF project that is approaching maiden commissioning within the Indonesia Weda Bay Industrial Park ('IWIP').

Angel Nickel is an Indonesian domiciled PMA¹ company with an RKEF project that comprises 4 RKEF lines and a 380MW power plant, in which the Company holds an 80% interest via Angel Capital Private Limited, a Singaporean domiciled company.

Notice of the tax relief was communicated to the Company by official decree from the Minister of Finance of the Republic of Indonesia after the Ministry of Investment/Investment Coordination Committee conducted a study to assess whether Angel Nickel "*complies with the standards and requirements for tax relief set out in Article 3 of Minister of Finance Decree No. 130/PMK.010/2020 on Granting of Corporate Income Tax Relief Facilities.*"

Having satisfied these requirements, the following tax concessions have been granted:

- a Corporate Income Tax Reduction of **100%** for a period of **ten (10) tax years**, starting from the tax year in which commercial production is achieved; and
- a Corporate Income Tax Reduction of 50% of payable income tax for a period of **two (2) tax years**, starting from the end of the initial ten-year period; and
- 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 **ten (10) tax years**, also commencing from the tax year in which commercial production is achieved.

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

The Company's existing Hengjaya Nickel and Ranger Nickel RKEF projects (both 2-line RKEF projects) are currently benefitting from 7-year, 100% corporate tax relief. The increased tenor of the tax free period (10 years) applicable to Angel Nickel is attributed to its materially larger scale and "planned investment value". It should be noted that these concessions may be revoked, amended or adjusted, if any of six conditions are not met, the most important condition being the satisfaction of a minimum investment realisation of not less than Rp100 billion, which ANI's proposed investment comfortably exceeds.

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

"We are again delighted to have been granted these material tax concessions by the Indonesian Ministry of Finance, with these concessions being recognition of the significant level of investment Nickel Mines and Shanghai Decent continue to make into establishing world class, down-stream processing assets in Indonesia. These tax concessions also speak to the ongoing commitment from the Indonesian government to fostering and supporting the development of vertically-integrated downstream mineral processing facilities, which has already resulted in the value of Iron and Steel exports rising from less than US\$1.5 billion in 2013 to more than US\$12 billion as at the end of 2021.

The tax relief Angel Nickel will enjoy over the next decade will further enhance the already exceptionally strong cashflows and profitability of our assets, translating into tangible benefits for the Company's ongoing operations, future growth prospects and potential distributions to its shareholders. With these concessions now confirmed we look forward to the upcoming commissioning of Angel's RKEF lines, scheduled to commence later this quarter."

For further information please contact

Justin Werner
Managing Director
jwerner@nickelmines.com.au
+62 813 8191 2391

Cameron Peacock
Investor Relations and Business Development
cpeacock@nickelmines.com.au
+61 439 908 732

pjn11081