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The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

TERM SHEET SIGNED FOR ADDITIONAL 220 MWp SOLAR PROJECT

The Directors of Nickel Mines Limited ('the Company') are pleased to advise that the Company has signed a binding term sheet ('Term Sheet') with Quantum Power Asia Pte Ltd ('Quantum') for the implementation of a 220 MWp solar project to be located within the Company's 80% owned Hengjaya Mine area.

Quantum is a Singapore-based independent power producer focused on the development of solar PV and PV-Hybrid solutions for commercial and industrial clients as well as utilities across Asia. Developing Indonesia's first large scale solar farm that now powers the city of Gorontalo in Sulawesi Indonesia.

Quantum has deep experience and execution capabilities as a pioneer of Indonesia's solar PV industry since 2014. In a joint venture partnership with ib vogt, a German based global EPC and financing firm, Quantum is developing the world's largest solar PV-BESS system (3.5 GWp PV with a 12 GWh battery) to export clean electricity from Indonesia to Singapore via subsea cables. Quantum is committed to supporting Indonesia's transition to renewable energy and providing clean energy to Indonesia's growing nickel industry.

The Term Sheet provides for the parties to enter into definitive agreements which will include a PV Operational Lease Agreement ('OLA') for a period of 25 years at a fixed US cents per kw/h rate, with no inflation escalation, by 15 August 2022, subject to completion of detailed feasibility study by Quantum. The Company will not be required to contribute any capital funding. This is the first phase of a planned 1 GWp solar program to be developed and financed by Quantum for the Company.

The Term Sheet with Quantum further expands the binding Memorandum of Agreement ('MoA') signed with Sesna in January 2022 (ASX release 19 January 2022 "MoU Signed for 200 MWp Solar Project") for a 200 MWp solar project to be built within the Indonesia Morowali Industrial Park ('IMIP'), where the Company's existing Hengjaya Nickel and Ranger Nickel rotary kiln electric furnace ('RKEF') operations are located, as well as its new four line RKEF project Oracle Nickel is under construction.

Quantum's 220 MWp solar project and Sesna's 200 MWp solar project both complement the existing 396 kWp plus 250 kWh battery storage project which has successfully commissioned by Sesna at the Hengjaya Mine and is expected to reduce diesel consumption by approximately 31 million litres over the 25-year projected project life.

Update on Sesna's 200 MWp Solar Project

Sesna has completed its feasibility study for the implementation of a 200 MWp project within IMIP and presented its business case to the Company's executive management. The parties have agreed to progress towards executing a binding term sheet for a power purchase agreement ('PPA') for a 25-year period at a fixed US cent per kw/h cost with no inflation escalator.

Commenting on the signing of an additional 220 MWp solar project with Quantum, Managing Director Justin Werner said:

"Following on from the successful commissioning of our first solar project for the Hengjaya Mine and execution of a binding MoU for a 200 MWp solar project to be located with IMIP, we are very pleased to further expand our potential solar capacity with the signing of a term sheet with Quantum for an additional 220 MWp to be located within the Company's Hengjaya Mine area.

Excellent progress has been made in regard to the Company's initial 200 MWp project with Sesna, with completion and presentation of a compelling business case; we now look forward to working together to sign a definitive term sheet and binding PPA so that construction can commence.

With 420 MWp solar capacity now being advanced this will greatly contribute to the Company's commitment to reducing its greenhouse gas emissions and paves the way for further solar capacity to be added in the future."

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