

5 May 2017

ASX waivers granted

Eagle Nickel Limited (“Company”) refers to its proposed acquisition of Pure Manganese Pty Ltd and the associated capital raising as announced to ASX on 30 March 2017 and as set out in the Company’s Prospectus dated 4 May 2017.

To facilitate the acquisition and the capital raising, the Company applied to ASX for waivers from ASX Listing Rules 2.1 condition 2 and 14.7. The Company confirms that ASX has granted waivers from ASX Listing Rules 2.1 condition 2 and 14.7.

Details of ASX’s formal decision are attached.

Justyn Stedwell
Company Secretary





4 May 2017

Justyn Stedwell
Eagle Nickel Limited
Suite 3, 35 Toorak Road
SOUTH YARRA VIC 3141

By email

Dear Justyn

EAGLE NICKEL LIMITED ("COMPANY") – REQUEST FOR LISTING RULE WAIVER

I refer to your letter dated 17 March 2017 applying for a waiver of ASX listing rules 2.1 condition 2 and 7.3.2.

I am pleased to advise that ASX Limited ("ASX") has considered the application and decided to grant the requested waivers.

ASX's formal decision reads as follows.

"DECISION

1. Based solely on the information provided, in connection with the proposed acquisition by Eagle Nickel Limited ("Company") of all of the issued capital of Pure Manganese Pty Ltd ("PML") ("Acquisition"), and the proposed issue of 225,000,000 fully paid ordinary shares in the issued capital of the Company ("Share") under a public offer to raise \$4,500,000 ("Capital Raising"), ASX Limited ("ASX") does the following.
 - 1.1. Grants a waiver from listing rule 2.1 condition 2 to the extent necessary to permit the issue price of 225,000,000 Shares proposed to be issued pursuant to the Capital Raising ("Capital Raising Shares") not to be at least \$0.20 per Share, subject to the following conditions.
 - 1.1.1. The issue price of the Capital Raising Shares is at least \$0.02 per Share.
 - 1.1.2. The Company's shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under listing rule 11.1.2 in respect of the Acquisition.
 - 1.1.3. The Company completes a consolidation of its capital structure in conjunction with the Acquisition and Capital Raising such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the announcement of the Acquisition, to achieve a market value for its securities of not less than \$0.02 each.
 - 1.1.4. The Company immediately releases the terms of this waiver to the market.
 - 1.2. Grants a waiver of listing rule 14.7 to the extent necessary to permit the issue of:
 - 1.2.1. 10,000,000 Shares, subject to satisfaction of JORC resource estimate and share price VWAP milestones ("Milestone 1 Shares"); and



- 1.2.2. 25,000,000 Shares, subject to completion of a positive feasibility study milestone ("Milestone 2 Shares"),

to the vendors of PML ("Deferred Consideration Shares"), proposed to be approved by the Company's shareholders at a general meeting to be held on 5 May 2017 ("Meeting"), later than 3 months after the date of the Meeting, on the following conditions.

- 1.2.3. The Milestone 1 Shares must be issued no later than 18 months after the date of Meeting.
- 1.2.4. The Milestone 2 Shares must be issued no later than 60 months after the date of Meeting.
- 1.2.5. The Deferred Consideration Shares are issued pursuant to the relevant terms and conditions set out in the notice issued for the Meeting, and the Acquisition is approved by shareholders at the Meeting.
- 1.2.6. The milestones which must be satisfied for the Deferred Consideration Shares to be issued are not varied.
- 1.2.7. For any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued in that annual reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued.
- 1.2.8. In any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued.
- 1.2.9. The Company immediately releases the terms of this waiver to the market.

2. ASX has considered listing rules 2.1 condition 2 and 14.7 only and makes no statement as to the Company's compliance with other listing rules.

BASIS FOR DECISION

Listing rule 2.1 condition 2

Underlying Policy

3. Listing rule 2.1 condition 2 requires that the issue or sale price of all securities that an entity, at the time of its application for admission to the official list, seeks to have quoted must be at least 20 cents. The requirement demonstrates that the entity can raise funds at a price, or that its securities have a minimum value, suitable for a listed entity.

Facts and Reasoning for Granting Waiver

4. This is a standard waiver in accordance with ASX policy.



Listing rule 14.7

Underlying Policy

5. If a notice of meeting states that an entity will do something that the listing rules require it to do, the entity must do that thing. This supports the integrity of listing rule requirements that forbid a listed entity from taking a particular action unless it has obtained the prior approval of ordinary security holders, and require the giving to security holders of specific information about the proposed action in order for such approval to be validly obtained.

Facts and Reasoning for Granting Waiver

6. The Company proposes to acquire the entire issued capital of PML. The issue of the Deferred Consideration Shares is contingent upon the Company satisfying milestones. The Deferred Consideration Shares are to be issued to the PML vendors in two tranches. The maximum number of securities to be issued is fixed and the degree of dilution is known. Where a listed entity has entered into a transaction which calls for the issue of securities as deferred consideration in tranches at future times that necessarily will fall longer than 3 months after the date of a shareholders' meeting, ASX's policy is to permit entities to seek shareholder approval for the issue of all the securities that may be issued under that transaction over the various phases, provided that the milestones to be achieved which trigger the obligation to issue the securities are appropriate to the entity and the transaction in all the circumstances, and adequate information can be given to shareholders about the future issue of securities. This allows the counterparty to the agreement to have commercial certainty about the ability of the entity to issue each tranche of securities as the counterparty performs its obligations, while maintaining the principle that shareholders must give their informed consent to future issues of securities. The waiver is granted to permit the Company to issue the Deferred Consideration Shares, subject to the Company's security holders approving the Acquisition and the relevant milestones being satisfied (without modification) by the Company."

As you will see, the waivers are subject to certain conditions. Under listing rule 18.1.1, these conditions must be complied with for the waivers to be effective

ASX's power to vary or revoke in-principle advice

It should be noted that under ASX listing rule 18.3, ASX may vary or revoke these waivers at any time.

Further enquiries

Please contact me should you have any further enquiries in relation to this matter.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance