

## **Market Update Solomon Island Nickel Projects**

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**Pacific Nickel Mines Limited** (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to provide an update on its nickel laterite DSO (Direct Shipping Ore) projects in the Solomon Islands.

- Drilling to commence at Kolosori Nickel Project in the next few weeks.
- Drilling completed at Jejevo Nickel Project. Samples being readied for testing at ALS in Brisbane.
- Consultants, Resindo, have commenced engineering studies at the Kolosori Nickel Project. Possible port site has been identified.
- Mine planning studies being undertaken by consultants Mining One in advance of the submission of mining lease applications.
- Pacific Nickel well advanced in selecting a General Manager, Development for the projects based in the Solomon Islands.
- Further nickel laterite opportunities being sought on Isabel Island.
- Pacific Nickel CEO travelling to the Solomon Islands in the next month.

### **KOLOSORI NICKEL PROJECT UPDATE:**

The Company is pleased to advise that drilling will commence in the next 2 to 3 weeks following a positive outcome from awareness meetings recently conducted in the local villages.

The first stage of the drilling program will comprise 64 holes (including 11 metallurgical holes) which are expected to be completed in the next 3 months. As indicated in Figure 1 below, Mining One has designed an initial drill program of 224 holes for the Kolosori Nickel Project. These holes are part of the planned 2021 pre-development activities. Core samples taken from the program are expected to provide metallurgical information needed in marketing of the DSO product. Technical information such as moisture content will be estimated from core samples and used for designing the materials handling systems from mining to stockpiling to exporting the DSO via barges and ships.

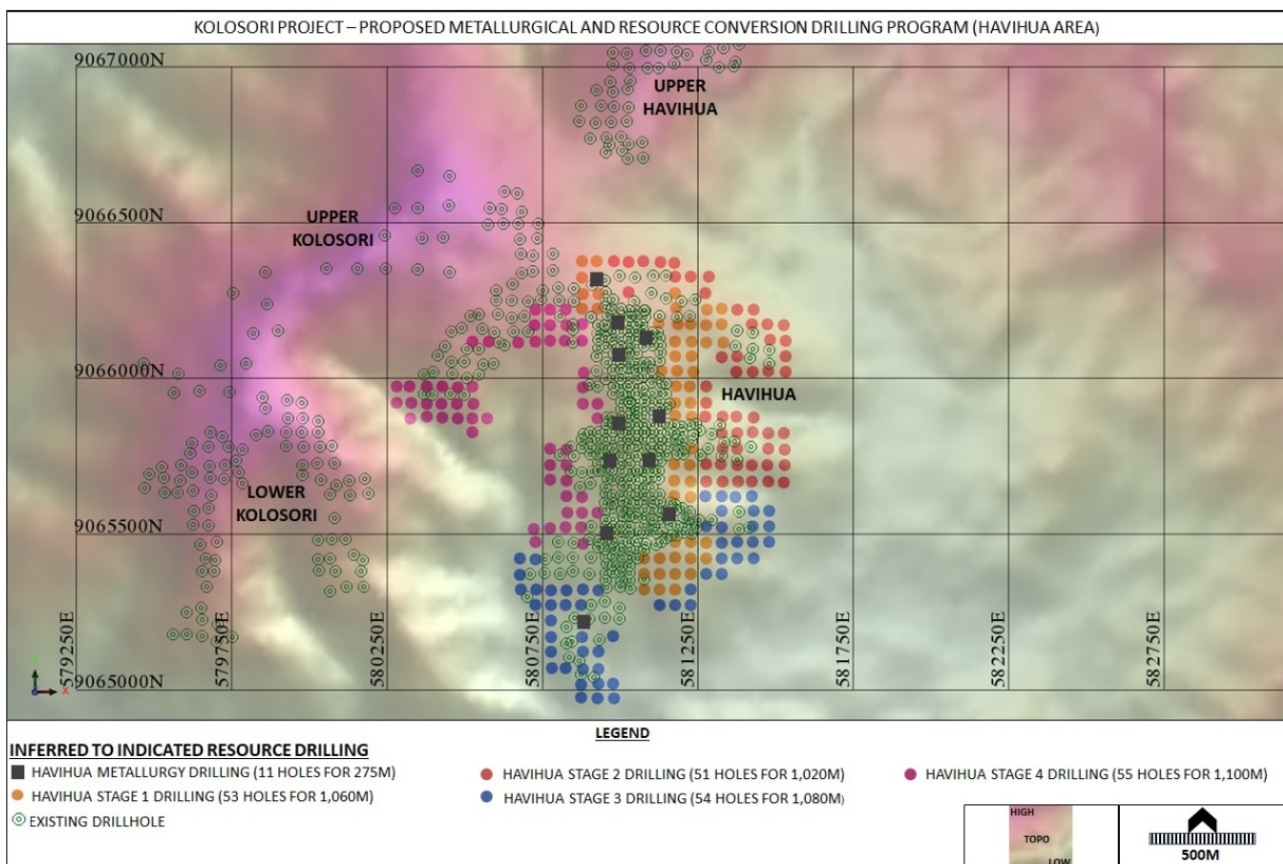
The infill drilling program was designed by Mining One with the objective of increasing confidence in the existing JORC resource and to test for potential extensions. The program is also designed to increase the existing measured and indicated resource estimates and as the basis for later conversion to mining reserves.

As announced on 19 March 2021, Resindo Resources and Energy Group (“Resindo”) has been appointed to lead the feasibility study work and has already commenced engineering studies on the Kolosori Nickel Project. Resindo will undertake an assessment of all project delivery components (except for mining works which will be carried out by Mining One), general infrastructure and project logistics. The scope of Resindo’s studies will also include DSO materials handling, construction requirements and project implementation.

Resindo is an international project engineering, project construction management and operations delivery company with extensive experience in the Asia Pacific region.

Resindo's experience includes working on the development of thirteen (13) Indonesian DSO Nickel projects, either as DSO projects for international export or as DSO operations shipping ore to in-country nickel laterite processing facilities. Resindo's Indonesian nickel laterite experience is readily transferable to the Company's Kolosori Nickel Project in the Solomon Islands. Importantly, Pacific Nickel's management team have previously worked with Resindo on the development and delivery of similar mining projects.

Resindo is currently in the process of confirming that an existing port site located near to the Kolosori Nickel Project will be suitable for DSO operations. This work will lead to preliminary assessments of DSO shipment operability during the dry season, basic port construction design and capital and operating costs for all port operations. Pacific Nickel and Resindo are also working with a local marine survey group to provide a detailed assessment of the proposed port location to allow the export of DSO product.



**Figure 1 - Drill program at Kolosori Nickel Project**

Pacific Nickel has also commenced work with Mining One on preliminary mine planning to establish the most suitable locations for mining at Kolosori.

The scope of the work currently being undertaken by Resindo and Mining One will form the basis of the overall project layout and will assist Pacific Nickel with key technical components needed to develop the Kolosori Nickel Project as expeditiously as possible.

The Company is aiming to lodge a Mining Lease Application for the Kolosori Nickel Project within the next three months based on the work carried out by Resindo and Mining One.

## JEJEVO NICKEL PROJECT UPDATE:

The Company is pleased to report that an initial drilling program of 27 holes has been completed at its Jejevo Nickel Project.

These holes were designed to:

- confirm historical drill and resource estimates;
- allow Mining One to prepare an independent resource assessment; and
- provide metallurgical samples for preliminary DSO marketing discussions.

The first batch of samples from the first six holes are currently at ALS in Brisbane, Australia. The samples from the remaining holes are now in Honiara awaiting transport to Brisbane.

The Company anticipates that a JORC resource estimate for the Jejevo Nickel Project may be available for release to the market in May 2021.

## STAFFING FOR DEVELOPMENT

The Company has started the process of identifying professional staff who have the experience to assist management to develop its two nickel projects in the Solomon Islands. The Company is well advanced in selecting a General Manager, Development who will be based in the Solomon Islands. The Company will also engage Resindo's engineers who will be available to mobilise to the Solomon Islands to assist with the set up and initial development of the project.

## OTHER TENEMENTS ON ISABEL ISLAND

The Company has been in discussions with landowners regarding other nickel tenement opportunities on Isabel Island. These discussions may lead to the Company applying for nickel tenements to complement the Kolosori and Jejevo nickel projects.

Executive Director & CEO Mr. Geoff Hiller stated:

*"With the support of the landowners and the Solomons Island Government, the Company is now focussed on applying for mining leases for both the Kolosori and the Jejevo projects as soon as practicable and may also pursue additional opportunities in the Solomon Islands.*

*I am travelling to the Solomons next month to brief the Government and landholders in respect of our plans prior to the lodgement of formal mining lease applications."*

Authorised by the Board.

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