

Update – Kolosori Tenement Reinstated

Pacific Nickel Mines Limited (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is now pleased to report that the Minister of Mines, Energy and Rural Electrification of the Solomon Island Government has provided written confirmation to Kolosori Nickel (SI) Limited (“**KNL**”) reinstating PL 05/19, which comprises the Kolosori Nickel Project located on Santa Isabel Island in the Solomon Islands.

The Company had previously requested the suspension of trading in the Company’s shares on 3 February 2021, whilst it obtained a complete understanding of why PL 05/19 was cancelled in the first place and how this would affect both the Company’s proposed acquisition of an 80% interest in KNL and the second tranche of the \$3.2 million capital raising.

KOLOSORI NICKEL PROJECT:

The Company has now been advised that the Minister of Mines, Energy and Rural Electrification of the Solomon Island Government has provided a Consent Order reinstating PL 05/19 on the terms and conditions of the prospecting licence as originally granted.

Pacific Nickel is pleased that this outcome has been achieved in a timely manner so that the proposed acquisition of KNL can proceed as originally contemplated.

It should be noted that the acquisition of an 80% interest in KNL remains subject to a number of conditions precedent including Pacific Nickel shareholder approval. This approval was being sought in a General Meeting of Shareholders scheduled for 10 February 2021 (February 2021 General Meeting); however as previously announced the Board had resolved to defer this meeting until 31 March 2021.

CAPITAL RAISING:

The Company announced on 17 December 2020 that it would proceed with a capital raising of 64 million fully paid ordinary shares at \$0.05 to raise \$3.2 million (Placement).

The Placement was to be undertaken in 2 tranches with the first Tranche of 11.2 million shares raising \$560k being completed in late December 2020 within the Company’s then existing ASX Listing Rule 7.1 placement capacity. The second Tranche of 52.8 million shares was to be completed subject to shareholder approval at the February 2021 General Meeting.

In light of the circumstances regarding the cancellation and reinstatement of the Kolosori PL, the Company is in the process of clarifying the second Tranche capital raising and the timing of the General Meeting.

It is now likely that a General Meeting will now be held in April 2021.

VOLUNTARY SUSPENSION:

Pacific Nickel proposes to seek a lifting of the Voluntary Suspension in the trading of its shares once the status of the proposed shareholder meeting and the proposed capital raising have been clarified.

The Board of Pacific Nickel has authorised the following statement:

“The Board of Pacific Nickel is extremely pleased that prospecting licence 05/19 has been reinstated.”

“Pacific Nickel remains committed to advancing both the Kolosori Nickel Project and the Jejevo Nickel Project as expeditiously as possible, with the support of the Solomon Islands Government.

“The Company will now proceed with drilling at Kolosori to complement the development of the project with the impetus to apply for a mining lease on the prospect as soon as practicable.”

Authorised by the Board.

For further information please contact:

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