

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

---

**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.

- Mr. Michael James has been appointed as General Manager, Project Development and will be based in the Solomon Islands;
- Pacific Nickel Executive Director & CEO - Mr. Geoff Hiller will travel to the Solomon Islands this week to brief the Government and landholders in respect of the Company's development plans;
- The Isabel Provincial Office has granted a Business Licence for the Kolosori Nickel Project;
- A marine survey has commenced for Kolosori port facilities;
- First stage of Kolosori Nickel Project drilling comprised of 64 holes (including 11 metallurgical holes) expected to commence this week;
- Water sampling and Cultural Heritage surveys to commence this week at Kolosori Nickel Project.
- Resindo has advanced engineering, stockpile, roads and port selection studies at the Kolosori Nickel Project;
- Mining One commenced mine planning studies to support a Mining Lease Application which is expected to be lodged within the next two months; and
- The initial Stage 1 Drilling program at the Company's Jejevo Nickel Project has been completed. All samples have been delivered to ALS in Brisbane and the Company is now awaiting assays.

### **STAFFING FOR PROJECT DEVELOPMENT:**

The Company is pleased to advise that it has appointed Mr. Michael James as General Manager, Project Development. Michael will be based in the Solomon Islands, primarily focussing on the development of the Kolosori project.

Michael has over 40 years of industry based experience in mining and construction and has spent the majority of the last 15 years working throughout the Asia Pacific region. He has primarily been engaged in open pit gold and nickel operations, most recently in Indonesia, Philippines and the Solomon Islands.

Michael's extensive experience extends to establishing and operating mining processes, project and mine implementation, production, planning, mine management, technical services and local staff establishment and mentoring. He has extensive experience in successfully working with tropically located high-rainfall mining operations. His most recent contract role was at the Toka Tindung open cut gold operation (250,000 oz per annum) on Sulawesi Island, Indonesia.

Pacific Nickel Executive Director & CEO, Mr. Geoff Hiller will travel to the Solomon Islands this week to brief the Government and landholders in respect of the Company's development plans and applications for formal mining leases in respect of both the Kolosori and the Jejevo nickel projects.

**Pacific Nickel Mines Limited ABN 86 075 613 268**

Level 4, 283 George Street, Sydney NSW 2000, Australia

PO Box R1295, Royal Exchange NSW 1225, Australia

Email: [info@pacificnickel.com](mailto:info@pacificnickel.com) Tel: 0403 940 518 [www.pacificnickel.com](http://www.pacificnickel.com)

## BUSINESS LICENCE GRANTED FOR THE KOLOSORI NICKEL PROJECT:

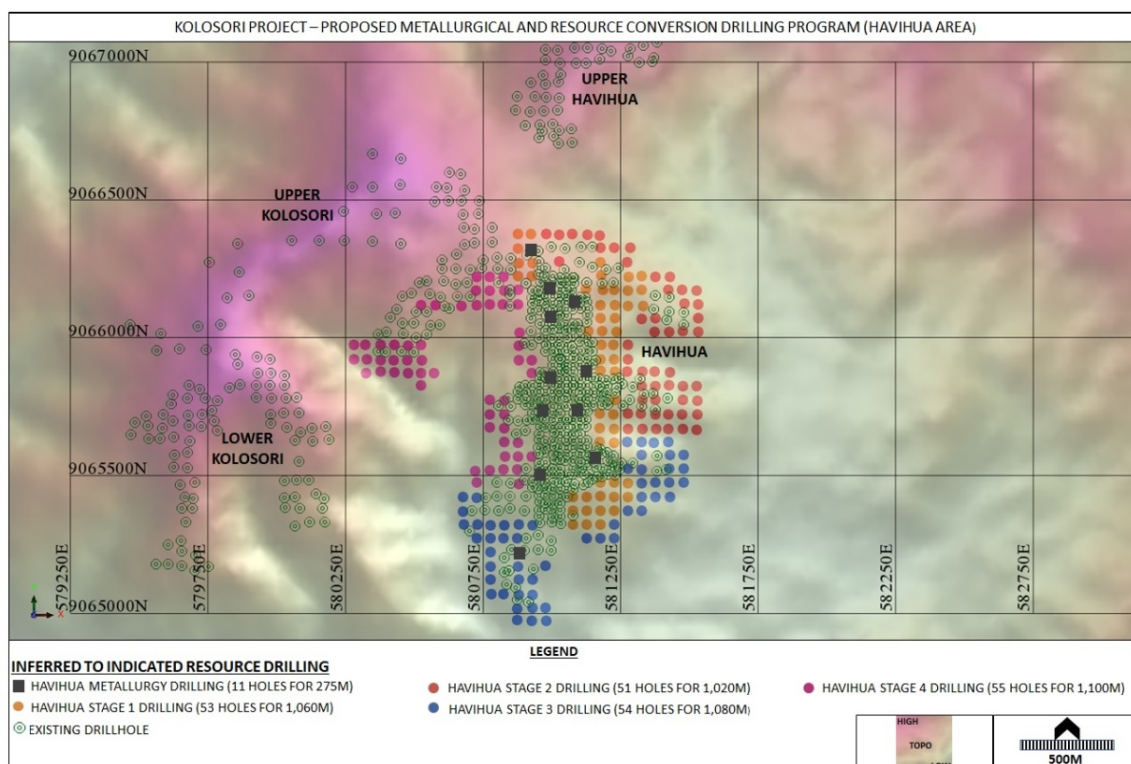
Pacific Nickel has acquired an 80% interest in Kolosori Nickel (SI) Limited (“KNL”), a company incorporated in the Solomon Islands. The remaining 20% of KNL is held by traditional landowners. KNL currently owns PL 05/19, which comprises the Kolosori Nickel Project located on Santa Isabel Island in the Solomon Islands.

The Isabel Provincial Office has granted KNL a Business Licence for PL 05/19 which is an important part of the approval process in the context of advancing towards commercial production.

## KOLOSORI NICKEL PROJECT UPDATE:

The Company is pleased to advise that drilling at the Kolosori Nickel Project is expected to commence this week following the granting of the Business Licence for PL 05/19. This follows a positive outcome from awareness meetings conducted in the local villages last month. The first stage of the drilling program will comprise 64 holes (including 11 metallurgical holes).

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.



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

Resindo Resources and Energy Group (“Resindo”) is leading the feasibility study work and has advanced engineering studies on the Kolosori Nickel Project. The main focus of Resindo’s work at present is the identification and design of a port site located near to the mine site suitable for Direct Ship operations (“DSO”). A port site has been identified and a marine survey has commenced by a local marine survey group to provide a detailed assessment of the location.

Pacific Nickel has also commenced work with Mining One on mine planning which will support a Mining Lease Application that is expected to be lodged within the next two months.

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 has already commenced the Environmental Impact Study and as part of that study has engaged a local environmental assessment group to carry out water monitoring and a cultural heritage survey for the project. This group is expected to commence these activities this week.

### **JEJEVO NICKEL PROJECT UPDATE:**

As previously advised, the Company has completed an initial drilling program of 27 holes 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.

Samples from this drilling program has been delivered to ALS in Brisbane, Australia and the Company is currently awaiting assays which will be reported to the market.

### **OTHER TENEMENTS ON ISABEL ISLAND**

The Company continues to have 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:

*“Pacific Nickel is advancing well with engineering studies at the Kolosori Nickel Project, and this is further complemented by the appointment of Mike James as Project Development Manager who will be based in-country. We remain on track to apply for a mining lease at Kolosori within the next two months.*

*We are pleased that we have been granted a provincial business licence for the Kolosori Project which further demonstrates the support of the local landowners and the Solomons Island Government to progress the project”.*

Authorised by the Board.

For further information please contact:

Mr. Geoff Hiller  
Executive Director & CEO  
[info@pacificnickel.com](mailto:info@pacificnickel.com)

Mr. Andrew J. Cooke  
Company Secretary  
[acooke@pacificnickel.com](mailto:acooke@pacificnickel.com)