

## Major Milestone Achieved with Glencore International AG Executing Kolosori Nickel Project Financing Agreements

---

**Pacific Nickel Mines Limited** (ASX Code: PNM) (**Pacific Nickel** or **Company**) is pleased to confirm that formal loan documentation and an amended sales agreement have now been signed with Glencore International AG (Glencore) in respect of a loan facility of up to US\$22m for the Kolosori Nickel Project (the **Project**).

The funds raised through these arrangements with Glencore are expected to be sufficient to meet the pre-production funding requirements of the Project. The Company welcomes Glencore's anticipated participation in the Project.

An initial drawdown of US\$3.0 million under the Loan Agreement is subject to conditions precedent that either have already been effectively satisfied or largely procedural in nature such as signing of the loan, offtake and security documents and filing of the share mortgage document. The subsequent drawdowns under the facility are subject to additional conditions precedent standard for a facility structure of this nature.

### **Pacific Nickel CEO Geoff Hiller commented:**

*"Pacific Nickel Mines has now signed formal documentation with Glencore for a senior secured debt facility of up to US\$22m for the Kolosori Nickel Project.*

*"The Company has established a strong working relationship with Glencore who, by executing these documents, have confirmed their commitment to the development of the Kolosori Nickel Project.*

*"The Company anticipates that it will be in a position to effect an initial drawdown of US\$3m once the initial conditions precedent have been satisfied. This drawdown is expected to be imminent and will enable the Company to materially advance the current development works.*

*"The balance of the facility is expected to be drawn down in due course to fund the ongoing development of the Kolosori Nickel Project.*

*"The Company believes that capital payback will be achieved in under 12 months."*

Key terms associated with the debt and sale facilities include:

### **Loan Agreement**

- Project loan facility of up to US\$22.0 million.
- 3-year repayment term commencing after the first shipment and with no scheduled repayments due during the wet season months.
- Competitive margin above the US Secured Overnight Financing Rate.
- Repayments effected pursuant to a cash sweep mechanism and early repayments permitted without penalty.
- No mandatory hedging.
- Events of Default standard for a facility of this nature
- Security provided via a charge over the shares of Pacific Nickel Mines Kolosori Ltd, a charge over the assets of Pacific Nickel Mines Kolosori Ltd and a corporate guarantee.

## Offtake Agreement

- 6-year Term.
- Take or pay contract.
- Price received linked to agreed 1.5% DSO Nickel benchmarks and adjusted for nickel and moisture bonus/penalty payments.
- Quantity to be 100% of mine production during the Term.
- FOB Kolosori delivery basis with 85% payment upon provisional invoicing

PNM's debt advisor for this transaction is Blackbird Commodity Partners and legal advisor is MinterEllison.

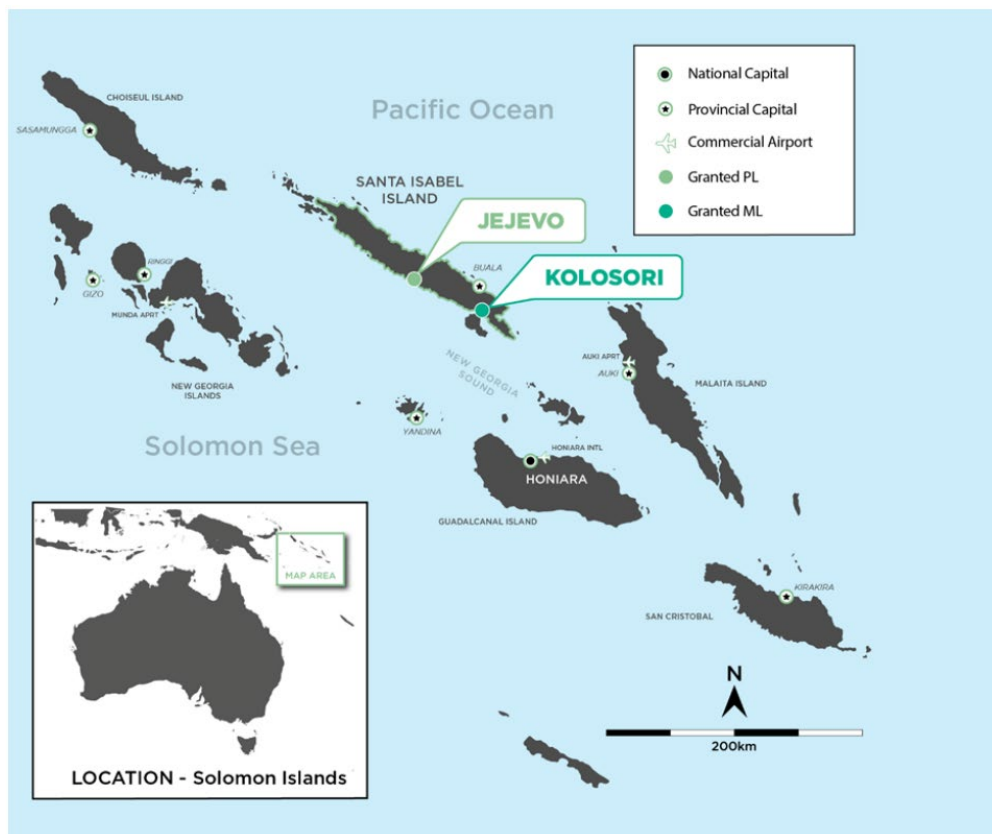


Figure 1 – Location of the Kolosori Nickel Project and the Company's Jejevo Nickel Project on Santa Isabel Island, Solomon Islands

## Webinar Reminder

Pacific Nickel Mines, Chief Executive Officer, Geoff Hiller will be conducting a 30-minute Investor Webinar, providing a Company and Kolosori Nickel Project update.

Shareholders, investors, analysts, media and other interested parties can access the webinar via the link below.

## Webinar Details

**Date & Time:** Wednesday 19th April 2023 at 11:00am AEST

**Register via:** <https://attendee.gotowebinar.com/register/8631006179858059605>

**Replay:** Will be available at <https://pacificnickel.com/> after the event

Further information on Pacific Nickel is available at [www.pacificnickel.com](http://www.pacificnickel.com).

Authorised by the Board.

For further information please contact:

Mr. Geoff Hiller  
Executive Director & CEO

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