

Mining Lease Awarded for the Kolosori Nickel Project

HIGHLIGHTS

- Pacific Nickel Mines has been awarded a Mining Lease for the Kolosori Nickel Project from the Minister of the Ministry of Mines, Energy and Rural Electrification.
- The Mining Lease has been awarded after Pacific Nickel successfully entered into a Surface Access Rights Agreement with the landowners and completed remaining regulatory approvals.
- Pacific Nickel has also entered into a Mining Agreement with the Government of the Solomon Islands which sets out the mining, environmental and fiscal terms for the Kolosori Nickel Project.
- Operations are now focussed on finalisation of the Definitive Feasibility Study (DFS).
- Pacific Nickel will now look to expedite the wharf and haul road construction, together with the establishment of a construction camp, as soon as practicable. This should allow the project to ramp up to full production (around 1.3 million wet metric tonnes per annum of direct shipping nickel ore) during 2023.

Pacific Nickel Mines Limited (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to advise that it has been awarded a Mining Lease for the Kolosori Nickel Project on Isabel Island in the Solomon Islands. This follows the receipt of a Letter of Intent from the Minister of the Ministry of Mines, Energy and Rural Electrification¹, as announced on 11 July 2022, The Company has also successfully entered into a Surface Access Rights Agreement with landowners and a Mining Agreement with the Government of the Solomon Islands. The Mining Agreement with the Government of the Solomon Islands sets out the mining, environmental and fiscal terms for the Kolosori Nickel Project.

Pacific Nickel CEO Geoff Hiller commented:

“Pacific Nickel Mines has worked closely with various departments of the Government to obtain a Mining Lease for the Kolosori Nickel Project. This is a major achievement for the Company, and we welcome the support of the national, Isabel provincial governments and landowners to develop the Kolosori Nickel Project.”

“Now that we have been awarded a Mining Lease, it allows the Company to begin progressing development operations for Kolosori. The next step is to finalise a DFS for the project. The timing of the DFS relies on a LiDAR survey and the construction of a second trial stockpile to assess moisture content. We are pleased to report that the initial LiDAR survey has been completed and that the second trial stockpile is under construction.”

“I look forward to updating shareholders in the coming weeks, as we begin to fast-track the Kolosori Nickel Project into development.”

¹ ASX Announcement 11 July 2022 – Mining Lease Letter of Intent for Kolosori Nickel Project

Future Work

Definitive Feasibility Study

With the opening of the Solomon Islands, with no COVID related restrictions, the Company now intends to focus on the completion of the DFS, with Australian Mine Design and Development (AMDAD) currently preparing a Reserve Estimate.

To that end, Chief Executive Officer, Geoff Hiller, has been in the Solomon Islands recently to oversee the advancement of the DFS operations and to expedite this process.

The Company is constructing a second trial stockpile (up to 1,500 tonnes) at the Kolosori Project site for a detailed assessment of the drying characteristic of the Direct Shipping Ore (DSO). Moisture content is an important component of a DSO operation as it directly affects pricing and shipment handling.



Photo: Stockpile Pad being prepared

An initial LiDAR survey has been completed over the development area and the initial mining areas. Based on the success of the initial LIDAR survey the remainder of the mining area will be flown as soon as practicable. The LiDAR survey provides a detailed topographical plan which is critical to the Reserve Estimate and the long-term mining plan.

The DFS will be finalised once the results of the LiDAR survey and moisture content assessment have been completed.



Photo: LiDAR Drone Survey over the Kolosori Project

Following completion of the DFS, offtake financiers, Glencore, will undertake a site visit, complete due diligence and prepare final documentation for the facility.

Development Works

The Company is now seeking to expedite the wharf and haul road construction, together with the establishment of a construction camp, as soon as practicable. This should allow the project to ramp up to full production (around 1.3 million wet metric tonnes per annum of direct shipping nickel ore) during 2023. The Company is in discussions with a local contractor to commence this construction.

Authorised by the Board

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