

Pacific Nickel confirms Placement of \$3.2m to Proceed for Exploration & Development at Solomon Islands Nickel Projects

Pacific Nickel Mines Limited (ASX Code: PNM) (**Pacific Nickel** or **Company**) advises that its placement announced on 9 December 2020 will proceed with 64 million fully paid ordinary shares (Shares) to be issued at \$0.05 to raise \$3.2 million (Placement). The Lead Manager to the Placement is Bridge Street Capital Partners.

The Company originally contemplated that 76 million shares would be allotted to raise \$3.8 million. Despite the fact that investors had committed to participate in the placement for \$3.8 million the Company and Bridge Street Capital resolved to offer investors the opportunity to reconsider their participation in light of a ruling by the High Court of the Solomon Islands in respect of the Jejevo Nickel Project. This case primarily relates to judicial review of decisions made by government authorities in the Solomon Islands some 10 years ago not to grant a prospecting licence tenement to a third party. The Company has received legal advice from its Solomon Islands based lawyers that the claims made in the case lack merit.

The Board of Pacific Nickel has maintained their commitment to subscribe a total of \$575,000 to the Placement.

As previously advised, the Placement will be undertaken with a first Tranche of 11.2 million Shares to be completed under the Company's existing ASX Listing Rule 7.1 capacity, while the second Tranche of 52.8 million shares will be completed subject to shareholder approval.

The \$3.2 million to be raised will be sufficient for:

- a) ongoing exploration and development work in relation to the Company's Nickel Projects in the Solomon Islands;
- b) advancing definitive feasibility studies in relation to each of these projects; and
- c) for working capital and general corporate purposes.

Pacific Nickel CEO Geoff Hiller commented:

"The Company is delighted with the continuing support from investors to the capital raising for the Company's nickel projects. The Company is excited to be in a position to proceed with feasibility studies for both the Kolosori and Jejevo projects with the aim of submitting mining lease applications in 2021."

"The Company has already announced an initial JORC Resource Estimate and numerous resource extensional targets at Kolosori. The Company proposes to bring forward plans to conduct further drilling at Kolosori to advance the development of Kolosori as a priority."

COMPANY OVERVIEW

- Pacific Nickel Mines Limited is an ASX-listed nickel explorer and developer with two near term development assets, the Jejevo and Kolosori Nickel Projects located on Isabel Island in the Solomon Islands.
- Both projects are advanced stage direct shipping ore nickel laterite projects with excellent potential for rapid development at relatively modest capital expenditure.

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 www.pacificnickel.com

- To reflect its focus on these projects, the Company's shareholders approved a change of name to Pacific Nickel Mines Limited (previously, Malachite Resources Limited) at the AGM that took place on 30th November 2020¹.
- Further information on Pacific Nickel, including the latest corporate presentation, is available at www.pacificnickel.com

SOLOMON ISLANDS NICKEL PROJECTS

- In October 2020, the Company completed the acquisition of Sunshine Minerals Limited (**Sunshine**), a private company incorporated in the Solomon Islands².
- Sunshine owns 80% of Sunshine Nickel which holds PL 01/18 located on the south coast of Santa Isabel Island. The remaining 20% of Sunshine Nickel is owned by local landowners.
- The Jejevo Nickel Project is located within the PL 01/18 project area and has a number of positive aspects including close proximity to the coast, no processing requirements, low capital route to direct shipping and local landowner support.
- The project was previously drilled in 2013 and the initial objective is to do sufficient work to confirm a 2012 JORC Resource at the earliest opportunity.
- On 24 November 2020, the Company announced a near term Exploration Target in the range of **4.9Mt to 6.6Mt at 1.4% Ni to 1.6% Ni** at Jejevo³. This Target range reflects a potential quantity and grade for Jejevo and is conceptual in nature only as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.
- In October 2020, the Company executed a Share Purchase Agreement to acquire an 80% interest in Kolosori Nickel (SI) Limited, a Solomon Islands company that holds the Kolosori Nickel Project (Kolosori), with the remaining 20% owned by local landowners⁴.
- On 19th November 2020, the Company released an initial JORC resource estimate for Kolosori of **5.89 million tonnes at 1.55% Ni** at a 1.2% Ni cut off

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

The Competent Person for each of the relevant announcements referred to herein was Mr Stuart Hutchin, a Member of the Australian Institute of Geoscientists and a full-time employee of Mining One Consultants. Malachite confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement. In addition, Malachite confirms that all material assumptions and technical parameters underpinning the estimate of the Mineral Resource at Kolosori in the announcement "Initial JORC Resource Estimate at Kolosori" continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Please visit the company's website at www.pacificnickel.com

¹ ASX Announcement 30 Nov 2020 - Results of Annual General Meeting

² ASX Announcement 12 Oct 2020 - Drilling to Commence at Solomon Islands Nickel Project

³ ASX Announcement 24 Nov 2020 - Jejevo Exploration Target and Drilling Update

⁴ ASX Announcement 26 Oct 2020 - Malachite Secures 80% Interest In The Kolosori Nickel Project