

Kolosori Nickel Project – Planned Drilling and 2021 Pre-development Activities Update

Pacific Nickel Mines Limited (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to announce that following the recent reinstatement of the Kolosori Prospecting License that the Company is preparing to commence drilling at the Kolosori nickel DSO (Direct Shipping Ore) project and progressing the key development approvals including the Environmental License and Mining License applications needed for exporting DSO.

The Company has placed 5 man-portable drilling rigs (identical to the 2 drill rigs currently drilling at Jejevo) as well as drilling consumables and supplies in the local centre of Havihua nearby to the Kolosori prospect. Separate geologists and drillers have been identified to commence drilling at Kolosori as soon as practicable.

The drilling programme has been developed with Mining One of Melbourne, Australia who are the Company’s independent resource consultants. As noted below in Figure 1 below, Mining One has prepared an initial drill program of 213 holes for the Kolosori project. We expect that the first 64 holes (Stage 1 including 11 metallurgical holes) will be drilled in the next 3 months.

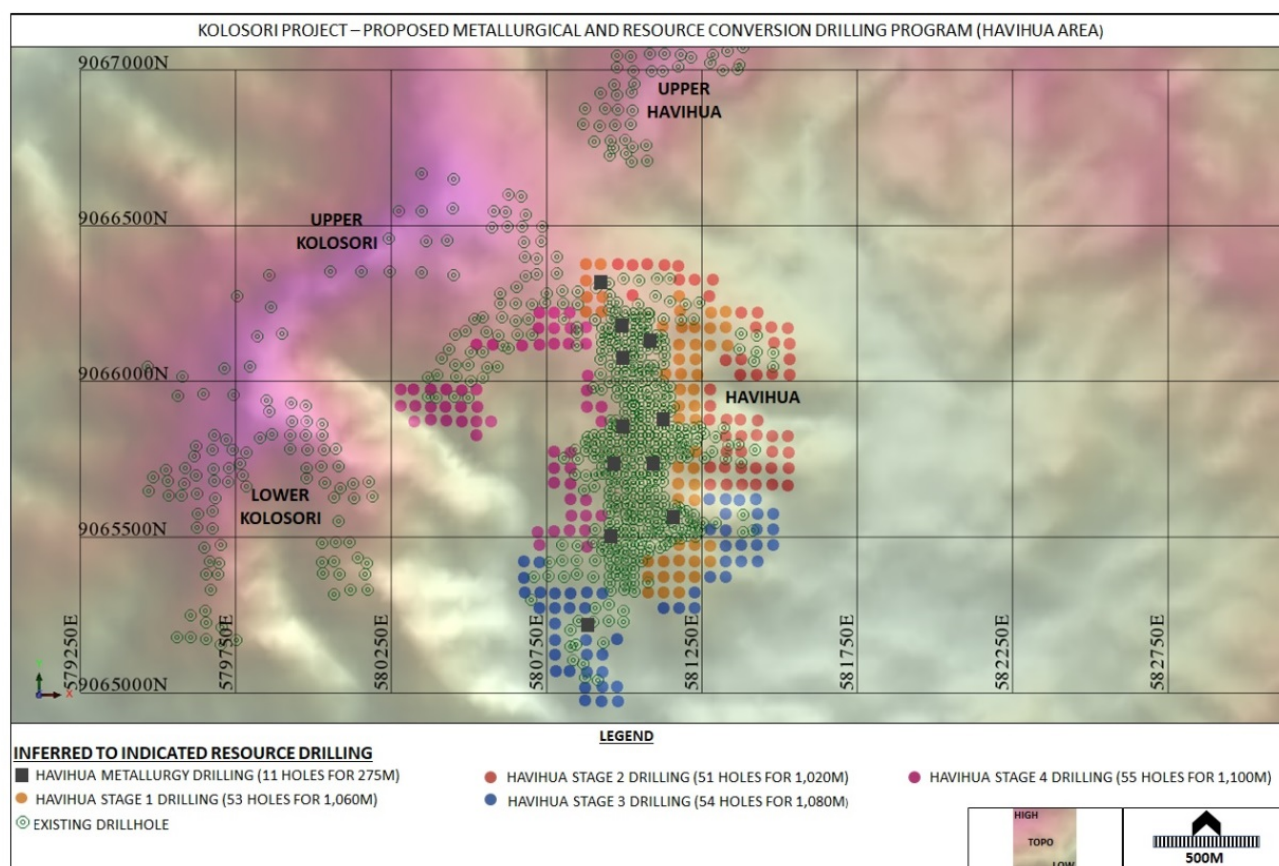


Figure 1 Proposed Drill program at Kolosori

The infill drilling program by Mining One has been prepared to increase the JORC resource confidence level and test for extensions of the resource estimate. The program uses a number of infill holes at a closer spacing to increase the measured and indicated resource estimates in these categories as the basis of later conversion to mining reserves.

The drill work program is also an early part of the planned 2021 pre-development Kolosori activities and core samples taken from the program will provide metallurgical information needed in marketing of the DSO product. Technical information such as the moisture content of the samples will be estimated and used for designing the materials handling systems from mining to stockpiling to exporting the DSO via barges and ships.

This work is orientated towards the Mining Lease application and follows Environmental Impact Assessment information already completed with the Government for review and as prelude to formalising an Environmental Impact Statement (EIS) within the same time as the application for a Mining Lease.

The Company expects to lodge a Mining Lease application for the Kolosori project in the next three months.

KOLOSORI JORC 2012 MINERAL RESOURCE ESTIMATE

As previously reported on 19 November 2020, Mining One completed an initial JORC (2012) mineral resource estimate for Prospecting Licence PL 05/19 (Kolosori tenement) on Isabel Island, Solomon Islands. The results are provided in Table 1. The Mineral Resource estimate is classified in accordance with the 2012 JORC guidelines.

KOLOSORI JORC MINERAL RESOURCES > 1.0 % Ni				
LITHOLOGY	RESOURCE CATEGORY	Kt ('000)	Ni %	Co %
TRANSITIONAL	MEASURED	107	1.77	0.08
	INDICATED	631	1.57	0.05
	INFERRED	1,504	1.49	0.06
	SUB TOTAL	2,242	1.53	0.06
SAPROLITE	MEASURED	575	1.69	0.03
	INDICATED	1,399	1.46	0.02
	INFERRED	3,061	1.37	0.02
	SUB TOTAL	5,035	1.43	0.02
TOTAL (M+I+I)		7,277	1.46	0.03

KOLOSORI JORC MINERAL RESOURCES > 1.2 % Ni				
LITHOLOGY	RESOURCE CATEGORY	Kt ('000)	Ni %	Co %
TRANSITIONAL	MEASURED	104	1.79	0.08
	INDICATED	559	1.63	0.05
	INFERRED	1,178	1.60	0.05
	SUB TOTAL	1,842	1.62	0.05
SAPROLITE	MEASURED	549	1.72	0.03
	INDICATED	1,136	1.54	0.02
	INFERRED	2,359	1.46	0.02
	SUB TOTAL	4,045	1.52	0.02
TOTAL (M+I+I)		5,887	1.55	0.03

TABLE 1 – KOLOSORI JORC (2012) RESOURCE ESTIMATE

The transitional and saprolite ores are saleable products for the direct ship ore (DSO) market, which will be the basis of the feasibility study.

The Board of Pacific Nickel has authorised the following statement:

“We are excited by the opportunity to develop Kolosori as a nickel DSO mining project and look forward to working with the local Kolosori communities, the Provincial Government of Isobel Island and the National Government. This drilling programme has an initial predevelopment focus and the Company is committed to a timely development of Kolosori including the necessary Mining and Environmental applications over the next 3 months.”

Authorised by the Board.

For further information please contact:

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Company Secretary
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Compliance Statement

Information regarding the Kolosori Mineral Resource Estimate was first published in an announcement to the ASX with the title Initial JORC Resource Estimate at Kolosori dated 19 November 2020. This announcement can be view on the Company’s website at:

<https://pacificnickel.com/investors/asx-announcements/>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 from the original market announcement.