

Market Update PNM to Resume Trading Friday 19 March 2021

Pacific Nickel Mines Limited (ASX Code: PNM) ("**Pacific Nickel**" or "**Company**") is pleased to advise that trading in its shares on the ASX will resume upon the commencement of trading on Friday 19 March 2021.

The Company had previously requested the suspension of trading in the Company's shares on 3 February 2021, whilst it obtained an understanding of the cancellation of PL 05/19 and how this would affect both the Company's proposed acquisition of an 80% interest in Kolosori Nickel (SI) Limited ("KNL") and the second tranche of the \$3.2 million capital raising previously announced on 17 December 2021.

As announced on 10 March 2021 the Minister of Mines, Energy and Rural Electrification of the Solomon Island Government has provided a Consent Order reinstating PL 05/19 on the terms and conditions of the prospecting licence as originally granted.

Pacific Nickel is pleased that this outcome has been achieved in a timely manner.

The Solomon Islands Government Office of Prime Minister & Cabinet has authorised the release of the following statement:

"It is a critical element of our recovery strategy to support fully compliant resource projects and international capital to maximise economic benefits and sustained national development in the Solomon Islands".

The company has now resolved the matter to its satisfaction and provides the following details on the second tranche of the capital raising, the proposed acquisition of KNL, and the timing of the General Meeting of Shareholders.

CAPITAL RAISING

The Company announced on 17 December 2020 that it would proceed with a capital raising of 64 million fully paid ordinary shares at \$0.05 to raise \$3.2 million (Placement).

The Placement was to be undertaken in 2 tranches with the first Tranche of 11.2 million shares raising \$560k being completed in late December 2020 within the Company's then existing ASX Listing Rule 7.1 placement capacity. The second Tranche of 52.8 million shares at \$0.05 raising gross proceeds of \$2,640,000 was to be completed subject to shareholder approval at a General Meeting to be held on 10 February 2021. This meeting was postponed until the issue with the cancellation of PL 05/19 was resolved.

The Company is pleased to announce that the Lead Manager to the Placement, Bridge Street Capital Partners, has provided confirmation to the Company that the participants to this Placement remain committed to completing the second tranche on the original terms.

Pacific Nickel wishes to acknowledge the efforts of Bridge Street Capital Partners and the commitment of the Placement participants whose continued support for the Company and its projects in the Solomon Islands has been exemplary.

GENERAL MEETING OF SHAREHOLDERS

The Company despatched a Notice of Meeting to shareholders on 8 January 2021 in respect of a General Meeting to be held on 10 February 2021.

The primary purpose of this shareholder meeting was to consider resolutions relation to:

- a) the acquisition of 80% of KNL and its interest in the Kolosori Nickel Project;
- b) the Placement referred to above; and
- c) the conversion of Directors' fees and consulting fees owing to some Directors of the Company into fully paid ordinary shares.

In light of the circumstances relating to the Kolosori Nickel Project the Board originally resolved to defer this shareholder meeting until Wednesday 31 March 2021 in anticipation that suitable clarity might have been achieved by that date.

The Board has now resolved to convene this shareholder meeting at **2.00pm on Friday 9 April 2021**.

The resolutions to be considered by shareholders at this meeting are unchanged from those originally set out in the Notice of Meeting despatched to shareholders in January 2021.

Notice of the meeting materials, including an unchanged Notice of Meeting (except for the date of the meeting) and Proxy Form will be despatched to all current shareholders at the earliest opportunity and in any event not later than Thursday 25 March 2021.

VOLUNTARY SUSPENSION:

Pacific Nickel has presented its submission to the ASX for the lifting of the Voluntary Suspension in the trading of its shares. The ASX has confirmed that trading in the Company's shares will resume upon the commencement of trading on Friday 19 March 2021.

The Board of Pacific Nickel has authorised the following statement:

"The Board of Pacific Nickel is extremely pleased that prospecting licence 05/19 has been re-instated and that shares in the Company will resume trading on Friday 19 March 2021.

Pacific Nickel acknowledges the commitment of the Solomon Islands Government to accord the institutional support necessary to ensure sustainable progress is made towards the commencement of proposed mining operations in partnership with the private sector.

Pacific Nickel remains committed to advancing both the Kolosori Nickel Project and the Jejevo Nickel Project as expeditiously as possible.

The Company looks forward to working constructively together and with the support of the Government, the landholders and other key stakeholders in the Solomon Islands."

KOLOSORI NICKEL PROJECT UPDATE:

As announced on 15 March 2021 preparations have begun to commence drilling at the Kolosori nickel DSO (Direct Shipping Ore) project. The Company has placed 5 man-portable drilling rigs as well as drilling consumables and supplies in the local centre of Havihua nearby to the Kolosori prospect and will commence drilling at Kolosori as soon as practicable.

The first stage of the drilling program will be comprised of 64 holes (including 11 metallurgical holes) which are expected to be drilled in the next 3 months.

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.

JEJEVO NICKEL PROJECT UPDATE:

As announced on 11 March 2021 the Company has commenced drilling the Jejovo nickel DSO (Direct Shipping Ore) project. To date a total of 16 holes have been completed with the first batch of samples from the first six holes now with DHL en route to the ALS laboratory in Brisbane, Australia.

The initial stage of this drilling program consists of 25 holes designed to:

- confirm historical drill and resource calculations;
- allow Mining One to prepare an independent Jejovo resource assessment under JORC 2012; and
- provide metallurgical samples for preliminary DSO marketing discussions.

Executive Director & CEO Mr. Geoff Hiller stated:

“With the support of the landowners and the Solomons Island Government, the Company is now focussed on drilling at both Kolosori and Jejovo with the objective of applying for mining leases for both projects as soon as practicable.”

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