

ACQUISITION OF KOLOSORI NICKEL (SI) LIMITED – ASX WAIVER OF LISTING RULE 7.3.4

Pacific Nickel Mines Limited (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to announce that ASX Limited (ASX) has granted a waiver of ASX Listing Rule 7.3.4 as requested by the Company in respect of the proposed acquisition of an 80% interest in Kolosori Nickel (SI) Limited (“KNL”), a company incorporated in the Solomon Islands. KNL owns PL 05/19, which comprises the Kolosori Nickel Project located on Santa Isabel Island in the Solomon Islands.

THE KOLOSORI NICKEL PROJECT

The Kolosori Nickel Project is an advanced stage direct shipping ore nickel laterite project with excellent potential for development. The project has a number of positive aspects including its close proximity to the coast, no processing requirements, low capital route to direct shipping ore production and local landowner support. It is envisaged that mining of the project could potentially commence within 2 years.

KEY TERMS OF THE AGREEMENT TO ACQUIRE KNL

The key terms of the agreement to acquire KNL include:

- a) Payment of \$750,000 by the issue of 9,375,000 fully paid ordinary shares in Pacific Nickel at a deemed issue price of \$0.08 (Upfront Consideration Shares);
- b) Payment of \$1,250,000 (less any debts not disclosed to Pacific Nickel in the Agreement) by the issue of up to 15,625,000 fully paid ordinary shares in Pacific Nickel at a deemed issue price of \$0.08 upon the granting of a mining licence for PL 05-19 by the Mines Department and confirmation of a resource with a minimum of 6 million tonnes @ 1.6%Ni including 3.9 million tonnes @ 1.7% Ni to 2012 JORC (Deferred Consideration Shares);
- c) The Upfront Consideration Shares and the Deferred Consideration Shares are subject to certain clawback or reductions for adjustments; and
- d) All Pacific Nickel shares issued to the vendors to be subject to voluntary escrow arrangements as follows:
 - a. For the Upfront Consideration Shares, the earlier of 12 months from their date of issue or 10 business days after the granting of a mining licence for PL 05-19; and
 - b. For the Deferred Consideration Shares, 12 months from their date of issue.

The acquisition of KNL is subject to conditions precedent, including the shareholders of Pacific Nickel approving the transactions contemplated in a general meeting, including a resolution authorising the allotment and issue of the Upfront Consideration Shares and Deferred Consideration Shares to the KNL shareholders in accordance with the ASX Listing Rules and the Corporations Act. The shareholder meeting to consider this acquisition is to be held on **Friday 9 April 2021**.

ASX WAIVER OF LISTING RULE 7.3.4

ASX has granted Pacific Nickel a waiver from Listing Rule 7.3.4 to the extent necessary to permit the Company in its notice of meeting (‘Notice’) seeking shareholder approval for the acquisition of an 80% of interest in Kolosori Nickel (SI) Limited (‘KNL’) (the ‘Proposed Transaction’) and the issue of 15,625,000 deferred consideration shares (the ‘Deferred Consideration Shares’) to KNL, not to state that the Deferred Consideration Shares be issued within 3 months of the date of the shareholder meeting, on the following conditions:

- 1.1 The Deferred Consideration Shares will be issued upon the earlier of the granting of a mining Licence for PL 05-19 by the Mines Department and a confirmation of a resource within a minimum of 6 million tonnes @1.6%Ni including 3.9 million tonnes @1.7% Ni to 2021 JORC and 9 April 2024.
- 1.2 The maximum number of Deferred Consideration Shares to be issued is 15,625,000 at the deemed issue price of \$0.08;
- 1.3 Adequate details regarding the dilutionary effect on the Company's capital structure is included in the Notice;
- 1.4 The conditions which must be satisfied for the Deferred Consideration Shares to be issued are not varied;
- 1.5 For any annual reporting period during which any of the Deferred Consideration Shares have been issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued in that annual reporting period;
- 1.6 In any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period; and
- 1.7 The full terms and conditions of the Deferred Consideration Shares as well as the conditions of this waiver are released to the market immediately.

Authorised by the Board. For further information please contact:

Mr. Geoff Hiller
Executive Director & CEO

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Company Secretary
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