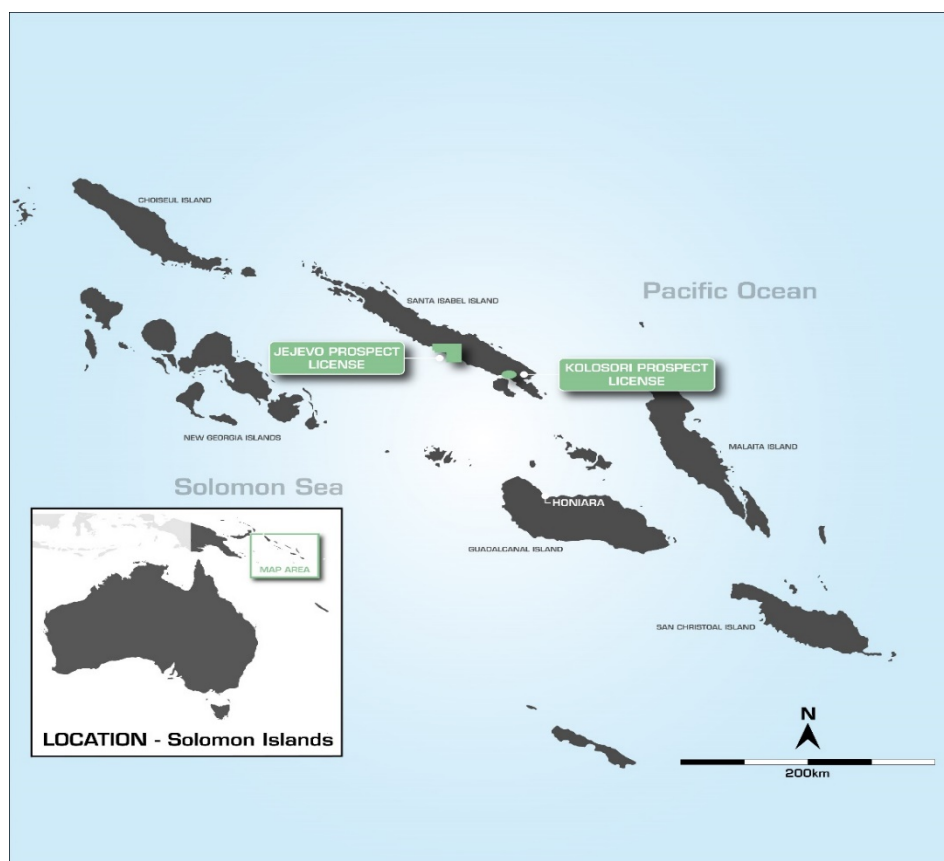


## Acquisition of 80% interest in Kolosori Nickel Project Completed

**Pacific Nickel Mines Limited** (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to advise that it has completed the acquisition of an 80% interest in Kolosori Nickel (SI) Limited (“**KNL**”), a company incorporated in the Solomon Islands, by issuing 8,375,000 shares in accordance with the terms of the Share Purchase Agreement. KNL currently owns PL 05/19, which comprises the Kolosori Nickel Project.

The acquisition of KNL was approved by shareholders of the Company at the General Meeting held on 9 April 2020.

Pacific Nickel now holds an 80% interest in the Kolosori Nickel Project (PL05/19) and an 80% interest in the Jejevo Nickel Project (PL 01/18), both of which are located on Santa Isabel Island in the Solomon Islands.



*Figure 1 - Jejevo and Kolosori Project Location Map*

### 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.

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In November 2020 Pacific Nickel announced that Mining One had completed an initial JORC (2012) mineral resource estimate for the Kolosori Nickel Project. The Total mineral resource estimate at Kolosori calculated by Mining One was 5.89 million tonnes at 1.55 % Ni at a 1.2% Ni cut off.

As recently advised, drilling at the Kolosori Nickel Project is expected to commence this week following the granting of the Business Licence for PL 05/19. This follows a positive outcome from awareness meetings conducted in the local villages last month. The first stage of the drilling program will comprise 64 holes (including 11 metallurgical holes).

Resindo Resources and Energy Group ("Resindo") is leading the feasibility study work and has advanced engineering studies on the Kolosori Nickel Project. The main focus of Resindo's work at present is the identification and design of a port site located near to the mine site suitable for Direct Ship Operations. A port site has been identified and a local marine survey group has commenced work to provide a detailed survey of this location.

The Company has also recently advised that Mining One has commenced work on mine planning which will support a Mining Lease Application that is expected to be lodged within the next two months.

*The above details of the Kolosori mineral resource estimate were originally reported in an announcement to the ASX on 19 November 2020 entitled "Initial JORC Resource Estimate At Kolosori". This announcement can be found 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 abovementioned announcement. In addition the Company confirms that all material assumptions and technical parameters underpinning the estimates in the abovementioned announcement continue to apply and have not materially changed.*

*The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

## **Key Terms of the Share Purchase Agreement to acquire Kolosori Nickel**

The key terms of the Share Purchase Agreement include:

- a) Payment of \$670,000 by the issue of 8,375,000 fully paid ordinary shares in Pacific Nickel at a deemed issue price of \$0.08 (Upfront Consideration Shares – adjusted from 9,375,000 in accordance with the terms of the Share Purchase Agreement);
- 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:
  - i. 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
  - ii. For the Deferred Consideration Shares, 12 months from their date of issue.

Authorised by the Executive Director & CEO.

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