

## **Prospectus – Rights Issue of Options**

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**Pacific Nickel Mines Limited** (ASX Code: PNM) (**Pacific Nickel** or **Company**) releases the attached Prospectus in respect of a fully underwritten rights issue of options to raise \$859,580 (before costs).

Authorised by the Board.

For further information please contact:

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Company Secretary  
Email: [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com)

Please visit the company's website at [www.pacificnickel.com](http://www.pacificnickel.com)



## PACIFIC NICKEL MINES LIMITED

(ACN 075 613 268)

### PROSPECTUS

For the offer to Eligible Participants to subscribe for up to 71,631,679 new options (**New Options**) (being one (1) New Option for every three (3) Shares held by those Eligible Participants) at an issue price of \$0.012 (1.2 cents) per New Option, each with an expiry date of 17 June 2024 and an exercise price of \$0.09 (**Options Offer**), to raise up to \$859,580 (before costs).

The Options Offer opens on 27 May 2021 and will close at 5.00pm (AEST) on 7 June 2021 (which date may change without further notice).

The Options Offer is fully underwritten by Bridge Street Capital Partners Pty Ltd (ACN 164 702 005) (**Underwriter**).



BRIDGE STREET  
CAPITAL PARTNERS

#### Important Notice

This document is important and should be read in its entirety. The Prospectus is a "transaction specific prospectus" issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investors may consult. If, after reading this Prospectus, you have any questions about the securities being offered or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The securities offered under this Prospectus should be considered highly speculative.

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## 1. OVERVIEW

### 1.1 SUMMARY OF THE OPTIONS OFFER AND INDICATIVE TIMETABLE

#### Summary

As announced on 19 May 2021, the Company proposes to make a non-renounceable entitlement issue of one (1) New Option for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.012 per New Option (**Issue Price**), each exercisable at \$0.09 (**Exercise Price**) and with an expiry date of 17 June 2024 (**Expiry Date**). Fractional entitlements will be rounded up to the nearest whole number.

The Company will raise approximately \$859,580, before costs, through the issue of the New Options. As the Options Offer is fully underwritten, New Options not subscribed for under the Options Offer will be subscribed for by the Underwriter. If all of the New Options issued under the Options Offer are exercised, the Company will receive approximately a further \$6,446,851.

The rights attaching to the New Options are described in Section 7 of this Prospectus.

#### Indicative Timetable\*

EVENT	DATE
Options Offer announced	Wednesday 19 May 2021
Prospectus lodged with ASIC	Wednesday 19 May 2021
Ex Date	Friday 21 May 2021
Record Date	5:00pm (AEST) on Monday 24 May 2021
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Participants Opening Date of Options Offer	Thursday 27 May 2021
Closing Date of Options Offer	5:00pm (AEST) on Monday 7 June 2021
Issue date for New Options	Tuesday 15 June 2021
Dispatch of holding statements for the New Options	Wednesday 16 June 2021

*\* This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and the Corporations Act.*

## **1.2 IMPORTANT INFORMATION**

### **Understanding this Prospectus**

This Prospectus is dated 19 May 2021 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Options Offer earlier than the timetable (set out above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the Closing Date of the Option Offer. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will not apply to ASX for the New Options to be granted Official Quotation.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Options Offer which the Company has identified are summarised below and set out in further detail in Section 6 of this Prospectus.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 11.

### **Important Notice to United Kingdom Investors**

Neither this Prospectus nor any other document relating to the Options Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Options. The New Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

### **Note to New Zealand residents – mutual recognition warning statements**

This Options Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New

Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the Financial Market Conduct Regulations 2014.

This Options Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Options Offer must be made.

There are differences in how financial products are regulated under Australian law.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Options Offer. If you need to make a complaint about this Options offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are unsure about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Options Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to change in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## **Disclaimer**

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

## **Obtaining a copy of this Prospectus**

A copy of the Prospectus can be downloaded from the website of the Company at [www.pacificnickel.com](http://www.pacificnickel.com), or the website of ASX at [www.asx.com.au](http://www.asx.com.au). Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Participants wishing to subscribe for New Options should complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

## **Forward-looking statements**

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 2.14 for treatment of ineligible participants. Applications for New Options offered pursuant to this Prospectus can only be submitted on an Entitlement and Acceptance Form.

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## **Overview of the Company**

The Company is an ASX-listed nickel explorer and developer with two near-term nickel laterite assets located on Isabel Island in the Solomon Islands.

Further details on investment highlights and current activities can be found in Section 1.4 of this Prospectus.

Funds raised through the Option Offer will be primarily applied to the Company's ongoing working capital requirements. The Company will also continue to evaluate potential acquisitions of prospective exploration and mining assets which are in line with the Company's direction and present value to the Company.

## Key Investment Risks

Shareholders and prospective investors should be aware that subscribing for New Options involves a number of risks.

The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Company's securities, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

Risk Area	Further Details
<b>COVID-19 Risk</b>  At the time of issue of this Prospectus, the COVID-19 global pandemic is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.	Section 6.2(a)
<b>Tenure and Title Risk</b>  Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all.	Section 6.2(b)
<b>Access and Infrastructure Risk</b>  Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.	Section 6.2(c)
<b>Foreign Jurisdiction Risks</b>  Conducting operations in foreign jurisdictions carries with it exposure to risks relating to domestic labour practices, weather conditions, foreign political and economic environments (including the risk of changes in the political attitude towards the current projects), civil disturbances, foreign ownership considerations, tax regulations and changes in the relevant legal and regulatory regime, all of which may affect the future viability of the current and future projects.	Section 6.2(d)
<b>Operational Risk</b>  Exploration for and mining of minerals is highly speculative and no assurance can be given that production will be obtained from the areas in which the Company has or may acquire an interest, or that production and marketing of any materials discovered by the Company will prove to be economic. Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond the Company's control, for example, the economics of mining operations. While the Directors will endeavour to reduce the abovementioned risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed. Until the Company is able to realise value from the Company's projects, the Company is likely to incur ongoing operating losses.	Section 6.2(e)



Risk Area	Further Details
<p><b>Litigation Risk</b></p> <p>Legal proceedings have been brought by a third party in the Solomon Islands seeking a judicial review of historical decisions made by certain government authorities in the Solomon Islands in relation areas now covered by the Jejevo Nickel Project. There is a risk that the litigation may affect the title to the prospecting licence tenement comprising the Jejevo Nickel Project.</p>	Section 6.2(f)
<p><b>Foreign Approvals Risk</b></p> <p>Foreign investment in the Solomon Islands is subject to government approval. As such, the Company is in the process of seeking governmental approval in the Solomon Islands to formally process its investment into the Solomon Islands entities holding the Nickel Projects, and there is a risk that such approvals may not be granted (either in a timely manner or altogether).</p>	Section 6.2(g)
<p><b>Traditional Landowner Rights Risk</b></p> <p>It is possible that in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate traditional landowner rights of Solomon Islanders exist. If traditional landowner rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.</p>	Section 6.2(g)
<p><b>Resource Estimates</b></p> <p>Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.</p>	Section 6.2(i)
<p><b>Commodity and Currency Price Volatility</b></p> <p>Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations which may materially impact the value of the Company's assets.</p>	Section 6.2(j)
<p><b>Development Risk/Profitability</b></p> <p>The Company's commercial viability will be dependent upon the successful exploration, identification of resources upon its project tenements and the future development and operation of the Company's projects and any other activity that the Company may undertake. Early stage exploration for mineral resources is uncertain.</p>	Section 6.2(k)
<p><b>Environment Risks</b></p> <p>The operations and proposed activities of the Company are subject to laws and regulation concerning the environment. As with most exploration projects and</p>	Section 6.2(l)

<b>Risk Area</b>	<b>Further Details</b>
mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company also does not have any present insurances protecting against environmental risks in respect of its Solomon Island operations.	
<b>Production and Cost Estimates</b> By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties.	Section 6.2(m)
<b>Government and Regulatory Approvals</b> There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.	Section 6.2(n)
<b>Regulatory Risks</b> The Company's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters.	Section 6.2(o)
<b>Uninsured Loss and Liability</b> There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations, particularly in the Solomon Islands.	Section 6.2(p)
<b>Occupational Health and Safety</b> There is an inherent risk of workplace accidents occurring during the conduct of mining activity.	Section 6.2(q)
<b>Future capital requirements</b> There can be no guarantee that the funds raised by the Company under the Options Offer and other capital raisings will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. The Company's ability to raise capital in the future may also be impacted by COVID-19 (see Section 5.2(b)).	Section 6.2(r)
<b>Going concern</b> The events and conditions, including the losses generated by the Company in previous financial periods, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the financial report.	Section 6.2(s)
<b>Reliance on Key Management</b> The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants.	Section 6.2(t)
<b>New Projects</b>	Section 6.2(u)

Risk Area	Further Details
To achieve the Company's objectives, the Company may acquire or invest in new projects from time to time. However, there is always risk that the Company may not be successful in negotiating for an acquisition of a new project.	

### 1.3 CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Pacific Nickel Mines Limited (**Company**), it is my pleasure to invite Eligible Participants to participate in an offer to subscribe for one (1) New Option for every three (3) Shares held by Shareholders registered at the Record Date. The New Options each have an issue price of \$0.012 (1.2 cents), an exercise price of \$0.09 (9 cents) and an expiry date of 17 June 2024.

The Company is undertaking the Options Offer primarily to reward its Shareholders who have supported the Company through a challenging period.

The funds raised from the Options Offer will be used primarily for the Company's working capital requirements, along with any funds raised via the exercise of New Options (on an ongoing basis).

Eligible Participants are those persons who were the registered owners of Shares as at the Record Date with a registered address in Australia and New Zealand. The number of New Options that Eligible Participants are entitled to subscribe for is set out in the personalised Entitlement and Acceptance Form that accompanies this Prospectus for Eligible Participants.

The right to subscribe for New Options is not assignable, and the Options Offer is fully underwritten.

Further details of the Options Offer are set out in Section 2 of this Prospectus.

#### *Action you should take*

The Options Offer is currently scheduled to close at 5.00pm (AEST) on Monday, 7 June 2021.

Eligible Participants wishing to subscribe for New Options must ensure that their completed Entitlement and Acceptance Forms and payment is received by this time in accordance with the instructions set out in Section 9.

This Prospectus contains important information regarding the Options Offer, and I encourage you to read it carefully before making any investment decision. If you have any questions, you should consult your financial or other professional adviser.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your ongoing support. In this regard, I am happy to advise you that each of the Directors intends to take up their full entitlement under the Options Offer.

If you have any queries about the New Options or your ability to take part in the Options Offer, please contact the Company between the hours of 8.30am and 5.00pm (AEST), Monday to Friday at [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com).

Yours sincerely



Terry Cuthbertson

Chairman

## 1.4 INVESTMENT HIGHLIGHTS

The Company's current projects consist of the Kolosori Nickel Project and the Jejevo Nickel Project (together the **Nickel Projects**), both advanced stage direct shipping ore nickel laterite projects with excellent potential for rapid development, together with the Company's interest in EPM 18908 in Queensland.

The Nickel Projects include a number of positive aspects, such as close proximity to the coast, no processing requirements, low capital routes to direct shipping and local landowner support.

### **Kolosori Nickel Project**

In May 2021, the Company completed the acquisition of an 80% interest in Kolosori Nickel (SI) Limited (**KNSI**), a private company registered in the Solomon Islands, which owns 100% of prospecting licence tenement number PL 0/19 (**PL 05/19**) located on the south coast of Santa Isabel Island.

In November 2020, the Company released an initial JORC Code (2012) resource for the Kolosori Nickel Project of 5.89 million tonnes at 1.55%Ni, at a 1.2% Ni cut off (refer to the Company's ASX announcement of 19 November 2021 titled '*Initial JORC Resource Estimate at Kolosori*').

The Company's present focus is on developing the Kolosori Nickel Project and it expects to lodge a mining lease application within the coming months. The Company is currently carrying out a marine survey for the proposed port location at Kolosori and is soon to commence a 64 hole drill program for mine planning purposes. In addition, the Company has recently engaged a Project Development Manager who will be based in-country and will oversee the development of the Kolosori Nickel Project.

### **Jejevo Nickel Project**

In October 2020, the Company completed the acquisition of Sunshine Minerals Limited (**Sunshine Minerals**), a private company registered in the Solomon Islands, which owns an 80% interest in Sunshine Nickel Limited (**Sunshine Nickel**). Sunshine Nickel holds prospecting licence tenement number PL 01/18 (**PL 01/18**), similarly located on the south coast of Santa Isabel Island. The remaining 20% interest in Sunshine Nickel is held by local landowners.

The project was previously drilled in 2013 and the initial objective is to undertake sufficient work to confirm a JORC Code (2012) resource at the earliest opportunity, with the Company having completed an initial drilling program to confirm the JORC Code (2012) resource. The Company is presently awaiting assay results for the Jejevo Nickel Project.

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## 2. DETAILS OF THE OPTIONS OFFER

This Section provides details of the Options Offer made under this Prospectus. Before deciding whether to apply for New Options under this Prospectus, you should read this Prospectus in its entirety.

### 2.1 Options Offer

The Options Offer being made in this Prospectus comprises an offer of New Options the Shareholders who were the registered owners of Shares at the Record Date (“**Eligible Participants**”) on the following terms:

Option Offer Details	
<b>New Options:</b>	<p>A total of 71,631,679 New Options in the Company are offered.</p> <p>Each Eligible Participant will be offered to subscribe for one (1) New Option for every three (3) Shares held by Shareholders registered at the Record Date. The New Options each have an exercise price of 9 cents (\$0.09) and an expiry date of 17 June 2024.</p> <p>The terms and conditions attaching to the New Options are set out in Section 7.1.</p>
<b>Issue Price:</b>	1.2 cents (\$0.012) per New Option.
<b>Eligible Participants:</b>	<p>Being the Shareholders who are the registered owners of Shares at the Record Date and have a registered address in Australia, New Zealand or the United Kingdom.</p> <p>See Sections 2.13 and 2.14 for further information about eligibility.</p>
<b>How to apply:</b>	<p>Eligible Participants wishing to subscribe for all or some of the New Options offered to them need to complete their personalised Entitlement and Acceptance Form and submit it to the Company, together with payment prior to the Closing Date of the Options Offer.</p> <p>See Section 9 for more details on how to apply.</p>
<b>Opening Date:</b>	The Options Offer will open on 27 May 2021.
<b>Closing Date*:</b>	The last day to subscribe for New Options under the Options Offer is 5:00pm (AEST) on 7 June 2021, unless otherwise determined by the Company.

*\*The Board reserves the right to vary the Closing Date at its discretion should it consider it necessary to do so, subject to the Listing Rules and the Corporations Act.*

## 2.2 Acceptance

The number of New Options to which Eligible Participants are entitled (your **Entitlement**) is shown on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Your acceptance of the Options Offer must be made on and must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

If you do not take up your Entitlement, and the New Options issued under the Options Offer are exercised, then your percentage holding in the Company will be diluted.

You may participate in the Options Offer as follows:

- (a) if you wish to accept your full Entitlement:
  - (i) apply for your full entitlement of New Options by following the directions on the personalised Entitlement and Acceptance Form; and
  - (ii) arrange payment by:
    - (A) BPAY® as instructed for the appropriate application monies for the number of New Options you have applied for (at \$0.012 per New Option); or
    - (B) for New Zealand shareholders only, that are unable to pay by BPAY®, please contact the Company Secretary by email at [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com) for alternative electronic funds transfer (**EFT**) payment arrangements for the number of New Options you have applied for (at \$0.012 per New Option); or
- (b) if you only wish to accept part of your Entitlement:
  - (i) apply for the number of New Options you wish to accept by following the directions on the personalised Entitlement and Acceptance Form; and
  - (ii) arrange payment by:
    - (A) BPAY® as instructed for the appropriate the appropriate application monies for the number of New Options you have applied for (at \$0.012 per New Option); or
    - (B) for New Zealand Shareholders only, that are unable to pay by BPAY®, please contact the Company Secretary by email at [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com) for alternative EFT payment arrangements for the number of New Options you have applied for (at \$0.012 per New Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

## 2.3 Implications of an acceptance

The payment of any application monies by BPAY® or EFT will be taken by the Company to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and

- (b) you acknowledge that once the personalised Entitlement and Acceptance Form is returned and a BPAY® payment or an EFT payment instruction is given in relation to any application monies, the application may not be varied or withdrawn except as required by law.

## **2.4 Underwritten**

The Options Offer is wholly underwritten by the Underwriter. Refer to Section 8.14 of this Prospectus for details of the terms of the underwriting.

## **2.5 Effect on control of the Company**

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Options Offer, no Shareholder will increase their holding, to an amount in excess of 19.99% through applying for their Entitlements and exercising their New Options.

Further, there will be no change to any Shareholder's voting power as a direct result of the issue of the New Options. Where Shares are issued pursuant to the exercise of New Options, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

### ***Underwriting***

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Options Offer. Neither the Underwriter nor any sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of New Options under the Options Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of Underwriter and/or the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Neither the Underwriter nor any sub-underwriter is a related party of the Company for the purpose of the Corporations Act.

### ***Dilution***

No immediate dilution will occur as a result of the issue of the New Options under this Prospectus. However subsequent exercise of any or all the New Options will result in dilution. Shareholders should note that assuming all the New Options offered pursuant to this Prospectus are exercised into Shares, Shareholders who do not participate in the Options Offer, are likely to be diluted by an aggregate of approximately 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).



Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Options Offer	Holding if Options Offer not taken Up	% post New Options exercise
Shareholder 1	10,000,000	4.65%	3,333,334	10,000,000	3.49%
Shareholder 2	5,000,000	2.33%	1,666,667	5,000,000	1.75%
Shareholder 3	1,500,000	0.70%	500,000	1,500,000	0.52%
Shareholder 4	400,000	0.19%	133,334	400,000	0.14%
Shareholder 5	50,000	0.02%	16,667	50,000	0.02%

**Notes:**

1. This table assumes that none of the existing Options on issue are exercised outside of the New Options issued under the Options Offer.
2. This table is based on a share capital of 214,895,036 Shares as at the date of this Prospectus.

## 2.6 Eligibility for the Options Offer

The Options Offer is made only to Eligible Participants. The Options Offer is made personally to each Eligible Participant, and that offer is not transferable.

The Options Offer is not made to the public.

## 2.7 Closing Date and Payment for New Options

The process for participating in the Options Offer is set out in Section 2.2.

Please note that should you choose to pay by BPAY® or EFT:

- (a) you still need to submit the Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the share registry by no later than 5:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your allocation of New Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

Payment by cheque or cash will not be accepted.

## **2.8 Transfer of Entitlement**

The Options Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

## **2.9 No Shortfall Facility**

No shortfall top-up facility will be offered as part of the Options Offer, meaning Shareholders will not be able to apply for New Options in excess of their Entitlement.

## **2.10 Allotment of New Options**

New Options will be allotted and issued as soon as practicable after the issue of this Prospectus, in accordance with Listing Rules and the indicative timetable set out in this Prospectus. Holding statements for all New Options allotted shall be dispatched as soon as practicable after the Closing Date.

Until the allotment and issue of the New Options under this Prospectus, application monies will be held by the Company in trust in a separate bank account maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

## **2.11 No ASX Quotation of New Options**

The Company will not make an application for the New Options to be granted Official Quotation on ASX.

## **2.12 CHESS System**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Limited (ACN 008 504 532) (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Eligible Participants will not receive certificates for their New Options but will receive a statement of their holdings indicating the allotment pursuant to their acceptance of the Options Offer made under this Prospectus.

Eligible Participants who are broker-sponsored will receive a CHESS statement from ASTC.

Eligible Participants registered under the Issuer Sponsored subregister will receive a statement from Computershare Investor Services Pty Limited.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

## **2.13 Eligible Participants**

The Company has determined not to make the Options Offer to any Shareholder with a registered address outside of Australia and New Zealand, having regard to:

- (a) the number of Shareholders resident in those jurisdictions;
- (b) the number and value of the New Options that would be offered to Shareholders resident in those jurisdictions; and
- (c) the cost of complying with the legal requirements, and requirements of a regulatory authority, in those jurisdictions.

## **2.14 Ineligible participants**

The Options Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The laws of jurisdictions outside of Australia, New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer for sale of the New Options or any right to a security into the United States or to U.S. persons. The New Options have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Any persons holding securities on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Option Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Any person intending to accept an Offer made under this Prospectus who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Prospectus has been dispatched to an Eligible Participant domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the Options Offer, the Prospectus is provided for information purposes only.

## **2.15 United Kingdom**

Neither this Prospectus nor any other document relating to the Options Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Options.

The New Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Options has only been communicated or caused to be communicated and will only be communicated or caused to be

communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

## **2.16 Issue Expenses**

The estimated expenses of the Options Offer including the underwriting fees, legal fees, professional fees, printing and distribution and Share Registry expenses are approximately \$70,000.

## **2.17 Application of Funds Raised**

The funds raised from the subscription amounts received from these Options Offer will be used for the costs of the Options Offer and the Company's ongoing working capital requirements.

Any funds raised via the exercise of New Options will be applied to meet the Company's ongoing working capital requirements. Further details are set out in Section 3.

## **2.18 Rounding**

Fractional Entitlements will be rounded up to the nearest whole number.

## **2.19 Enquiries**

Any questions concerning the Options Offer should be directed to Andrew Cooke, Company Secretary at [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com).

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### 3. PURPOSE AND EFFECT OF THE OPTIONS OFFER

#### 3.1 Purpose of the Options Offer

The primary purpose of the Options Offer is to reward Shareholders who have supported the Company through a challenging period with an attractive equity offer.

The Company will raise approximately:

- (a) \$859,580 from the issue of the New Options under the Options Offer; and
- (b) an additional \$6,446,851 from the exercise of the New Options, on the assumption that all New Options are subscribed for and subsequently exercised.

The funds raised from subscriptions received under the Options Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Options Offer	Full Subscription (\$)	%
1.	Expenses of the Options Offer	\$70,000	8.14
2.	Working Capital	\$789,580	91.86
	<b>Total</b>	<b>\$859,580</b>	<b>100</b>

Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Options Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

#### 3.2 Effect of the Options Offer on the Company

##### (a) Issued Capital

The effect of the Options Offer on the issued capital of the Company will be as follows:

Shares	Number
Shares currently on issue	214,895,036
Shares offered pursuant to the Options Offer	Nil
<b>Total Shares on issue after completion of the Options Offer</b>	<b>214,895,036</b>
Options	
Options currently on issue	11,500,000*

Options offered pursuant to the Options Offer	71,631,679**
<b>Total Options on issue after completion of the Options Offer***</b>	<b>83,131,679**</b>

\*7,500,000 Options were issued to the Underwriter and/or its nominees on 15 October 2020 as part consideration for capital raising services provided to the Company. Shareholder approval for the issue of the Options to the Underwriter and/or its nominees was obtained on 14 October 2020. The Underwriter otherwise has no relevant interest in the securities of the Company.

\*\*The above numbers are subject to the rounding of any Entitlements.

\*\*\*Includes the New Options and the Options on issue as at the date of this Prospectus, being 11,500,000 Options each with an exercise price of \$0.06 and an expiry date of 30 September 2023.

(b) **Cash Position**

Completion of the Options Offer will also have the effect of increasing the Company's cash reserves by approximately \$789,580 from the proceeds of the Options Offer (after deducting estimated costs of the Options Offer), providing funds to address the Company's general working capital requirement.

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#### **4. STATEMENT OF FINANCIAL POSITION**

Set out below is a *pro forma* Statement of Financial Position for the Company after taking into account the effect of the Options Offer. This statement is based on the half year audit reviewed accounts of the Company as at 31 December 2020, which were lodged with the ASX on 16 March 2021.

The *pro forma* Consolidated Statement of Financial Position illustrates the effect of the Options Offer based upon the following assumptions and qualifications:

- 1 there being no material changes to the Company's Statement of Financial Position since 31 December 2020, other than:
  - (a) the issue of 56,345,448 Shares at an issue price of \$0.05 per Share as approved by Shareholders at the Company's general meeting held on 9 April 2021;
  - (b) the issue of 8,735,000 Shares at an issue price of \$0.08 being the upfront consideration payable as part of the Kolosori Nickel Project acquisition;
  - (c) the issue of 400,000 Shares at an issue price of \$0.05 per Share to purchase drilling equipment; and
  - (d) an estimate of the costs of those Share issues of \$155,739;
- 2 the Options Offer will be fully subscribed;
- 3 the costs of the Options Offer being approximately \$70,000; and
- 4 the activities of the Company since 31 December 2020 not being recognised in the *pro forma* Statement of Financial Position, other than as set out above.

# Unaudited Pro-Forma Balance Sheet

Pacific Nickel Mines Limited

As at 31 December 2020

Account	Unaudited Accounts at 31 December 2020 (A\$)	Shares issued post 31 December 2020 (A\$)	Loyalty Options (A\$)	Unaudited Pro- Forma Balance Sheet as at 31 December 2020 (A\$)
<b>Assets</b>				
<b>Current Assets</b>				
Bank	657,455	2,398,679	789,580	3,845,714
Trade and other receivable	4,555			4,555
<b>Total Current Assets</b>	<b>662,010</b>	<b>2,398,679</b>	<b>789,580</b>	<b>3,850,269</b>
<b>Non-current Assets</b>				
Fixed Assets	4,722			4,722
Exploration and evaluation expenditures	1,079,644			1,079,644
Investment	1,726,734	670,000		2,396,734
Tenement Security Deposit	2,500			2,500
<b>Total Non-current Assets</b>	<b>2,813,600</b>	<b>670,000</b>		<b>3,483,600</b>
<b>Total Assets</b>	<b>3,475,610</b>	<b>3,068,679</b>	<b>789,580</b>	<b>7,333,869</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	696,094	(41,533)		654,561
Payments in advance	241,321	(241,321)		0
<b>Total Current Liabilities</b>	<b>937,415</b>	<b>(282,854)</b>		<b>654,561</b>
<b>Non-current Liabilities</b>				
Loan	95,000			95,000
<b>Total Non-current Liabilities</b>	<b>95,000</b>			<b>95,000</b>
<b>Total Liabilities</b>	<b>1,032,415</b>	<b>(282,854)</b>		<b>749,561</b>
<b>Net Assets</b>	<b>2,443,195</b>	<b>3,351,533</b>	<b>789,580</b>	<b>6,584,308</b>
<b>Equity</b>				
<b>Contributed Equity</b>				
Issued Capital	69,055,574	3,507,272	859,580	73,422,426
Capital Raising expense	(2,494,597)	(155,739)	(70,000)	(2,720,336)
<b>Total Contributed Equity</b>	<b>66,560,977</b>	<b>3,351,533</b>	<b>789,580</b>	<b>70,702,090</b>
Reserves	2,207,581			2,207,581
<b>Accumulated losses</b>				
Retained Earnings	(64,215,248)			(64,215,248)
Current Year Earnings	(2,110,115)			(2,110,115)
<b>Total Accumulated losses</b>	<b>(66,325,363)</b>	<b>0</b>	<b>0</b>	<b>(66,325,363)</b>
<b>Total Equity</b>	<b>2,443,195</b>	<b>3,351,533</b>	<b>789,580</b>	<b>6,584,308</b>



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## **5. SUMMARY OF THE COMPANY'S CURRENT AND PROPOSED ACTIVITIES**

### **5.1 Background**

The Company was admitted to the official list of the ASX on 26 November 2002 and commenced trading under ASX ticker code 'MAR'. On 30 November 2020, Shareholders resolved to approve a change of the Company's name from Malachite Resources Limited to Pacific Nickel Mines Limited, on the basis of the Company's emerging focus on the development of nickel assets in the Australasian region. Following the Company's name change, its ASX ticker code was changed to 'PNM'.

The Company is currently focused on laterite nickel assets in the Solomon Islands, with its primary projects being the Kolosori Nickel Project, the Jejevo Nickel Project, each in the Solomon Islands.

### **5.2 Directors**

#### **Mr Terry Cuthbertson**

*Non-Executive Chairman*

Terry Cuthbertson joined the Board of the Company in early 2012, and was appointed Chairman in July 2013. Mr Cuthbertson has extensive corporate finance expertise, having advised several businesses and government organizations in relation to mergers, acquisitions and financing. Formerly, a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, coordinating government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand.

Other directorships of listed companies: MNF Group Limited and Austpac Resources NL.

#### **Mr Geoffrey Hiller**

*Executive Director; CEO*

Geoffrey Hiller joined the Company as a Director on 4 October 2019. Mr Hiller is a mining/civil engineer with over 25 years of mining industry experience including feasibility, financing, development and construction projects. Mr Hiller also has finance, metals trading and corporate management experience gained in the mining industry. Mr Hiller holds a Bachelor of Engineering Mining (Hons) from the University of Melbourne, a Bachelor of Civil Engineering (Hons) from the University of Sydney and MBA from the Australian Graduate School of Management (University of NSW).

Other directorships of listed companies: Austpac Resources NL.

## **Mr Robert Thomson**

### *Independent Non-Executive Director*

Robert Thomson is a Mining Engineer with extensive experience (gold and base metals) in site operations, the development of exploration projects into sustainable mining operations and businesses in Asia, Africa and Australia. He also has extensive corporate and industry experience with local and international mining companies in senior executive roles and as a director of publicly listed companies on the Australian Stock Exchange and formerly on the AIM Exchange and the TSX Venture Exchange.

Mr Thomson has previously been closely involved in various capacities such as CEO/Executive Director and Site GM/Project Director in various companies advancing exploration projects through various stages including feasibility works, government approvals, financing, development, construction of infrastructure and processing plants, commissioning and sustainable operations. These include Finder's Wetar Island 25,000 tpa copper cathode project in Indonesia, Kingsgate's 125,000+ ozpa Chatree Stage 1 open-cut gold mine in Thailand, Oxiana's 125,000+ ozpa Sepon Stage 1 open-cut CIL gold mine in Laos, and Climax Mining's Didipio 150,000+ oz (gold equivalent) gold/copper project in the Philippines which was successfully merged into Oceana Gold. Mr Thomson holds a Bachelor of Engineering from the University of Queensland and a Master of Business Administration from the University of Wollongong. Mr Thomson is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thomson was appointed as a Director of the Company on 3 September 2020.

Other directorships of listed companies: Theta Gold Mines Limited.

## **Mr James Dean**

### *Non-executive Director*

James Dean is a corporate advisor and professional investor with over 25 years professional experience in the finance industry and investment in mining, construction equipment, property development, feature film and biotech. Most of Mr Dean's experience has been related to evaluating the operational and financial performance of numerous businesses and then aptly negotiating and matching risk profiles with investment criteria. For more than 20 years Mr Dean has held fiduciary positions with regard to shareholders and beneficiaries of various investment vehicles. Mr Dean is extensively travelled and possesses a worldwide network of business collaborators.

Other directorships of listed companies: Nil.

## **5.3 Current Projects**

### **Jejevo Nickel Project and Kolosori Nickel Project**

A description of the Nickel Projects can be found at Section 1.4.

**EPM 18908**

The Company holds a 100% interest in mining tenement EPM 18908, located near Cloncurry, Queensland, which has the potential for copper/gold occurrences and is in an early-stage exploration phase.

**5.4 New Projects**

The Company is also continuing to evaluate potential acquisitions of prospective exploration and mining assets which are in line with the Company's direction and present value to the Company.

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## **6. RISK FACTORS**

### **6.1 Introduction**

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Potential investors should be aware that an investment in the Company, as a mining entity, involves many risks, which may be higher than the risks associated with an investment in other companies. Accordingly, the New Options to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities (as applicable). Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities in the Company.

The following summary, which is not exhaustive, represents some of the major risk factors potential investors need to be aware of as they may in the future materially affect the financial performance of the Company and the value of the New Options to be issued under this Prospectus. Potential investors should read the whole of this Prospectus in order to appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for the New Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of more specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its directors because of the nature of the proposed business of the Company.

### **6.2 Specific risks relating to the Company and its Operations**

#### **(a) *COVID-19 Pandemic and Possible Similar Future Outbreaks Risk***

At the time of issue of this Prospectus, the global pandemic COVID-19 is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.

Different regions in the world have from time to time experienced outbreaks of various viruses. At this time, a widespread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. As the virus and the diseases it causes are relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, the pandemic has had and will continue to have a significant and severe impact on the lives of a large portion of the global population and cause significant effects on global markets and trade. At this time, the pandemic has caused states of emergencies to be declared in various countries, travel restrictions and bans being imposed, quarantines being established and various industries, businesses, companies and institutions to close.

The ongoing effect of COVID-19 and any possible future outbreaks of viruses may have a significant adverse effect on the Company's operations, such as preventing the Company from carrying out its planned exploration activities and disruptions to the Company's supply chains and access to employees/contractors. The current pandemic may also have a severe negative impact on the economies in which the Company operates, which may affect the Company's ability to raise capital, decrease incomes of the Company and/or the Company's ability to pay its creditors in the event that its operations are negatively affected.

(b) ***Tenure and Title Risk***

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all. In addition, interests in tenements in the Solomon Islands and Australia are governed by the respective State and Federal legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(c) ***Access and Infrastructure Risk***

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

(d) ***Foreign Jurisdiction Risks***

Conducting operations in foreign jurisdictions carries with it exposure to risks relating to domestic labour practices, weather conditions, foreign political and economic environments (including the risk of changes in the political attitude towards the current projects), civil disturbances, foreign ownership considerations, tax regulations and changes in the relevant legal and regulatory regime, all of which may affect the future viability of the current and future projects. In particular, the Company's current Nickel Projects are located in the Solomon Islands and are subject to the risks of operating in that jurisdiction.

(e) ***Operational Risk***

Exploration for and mining of minerals is highly speculative and no assurance can be given that production will be obtained from the areas in which the Company has or may acquire an interest, or that production and marketing of any materials discovered by the Company will prove to be economic.

Should a discovery be made, there is no guarantee that it will be commercially viable for a host of factors beyond the Company's control, for example, the economics of mining operations. While the Directors will make every effort to reduce the above risks through

their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed. Until the Company is able to realise value from the Company's projects, the Company is likely to incur ongoing operating losses.

In summary, mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable resources at the Company's current projects;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees.

Other factors that could affect the Company's operations include:

- failure to achieve predicted grades in exploration and mining;
- poor performance levels from external contractors;
- operational and technical difficulties encountered in mining;
- difficulties in commissioning and operating plant and equipment;
- availability of suitable plant and expertise from contractors and consultants;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction rates and costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes;
- availability of water and power; and
- unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Consequently, there can be no assurance that through the projects the Company will be able to develop and commercialise mineral extraction from its tenements and generate positive cashflow to sustain the Company's financial viability.

(f) ***Litigation***

Axiom Nickel (SI) Limited (Axiom) has brought proceedings in the High Court of the Solomon Islands seeking a judicial review of decisions made by the Minister of Mines, Energy and Rural Electrification and the Attorney General in the Solomon Islands in relation to the historical decision not to grant a prospecting licence tenement to Axiom covering an area now covered by PL 01/18.

The Company received preliminary legal advice from lawyers based in the Solomon Islands that the claims lacked merit and understands that the relevant government authorities in the Solomon Islands will defend the legal proceedings. The Company, via Sunshine Nickel, intends to make an application to dismiss the proceedings.

There is a risk that the litigation may affect the title to the prospecting licence tenement comprising the Jejevo Nickel Project.

(g) ***Foreign Approvals Risk***

Foreign investment in the Solomon Islands is subject to government approval. As such, the Company is in the process of seeking governmental approval in the Solomon Islands to formally process its investment into the Solomon Islands entities holding the Nickel Projects.

The foreign approval process is considered procedural only in nature, however there is a risk that the relevant approvals are either not granted or their grant is delayed. Any denial or delay in the grant of the foreign approval may impact the Company's formal legal interest in the Nickel Projects and its ownership of shares in the entities that hold those projects in the Solomon Islands, but it is not expected that the Company's ability to continue its operations in the Solomon Islands on the Nickel Projects would be affected.

(h) ***Traditional Landowner Rights Risk***

It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate traditional landowner rights of Solomon Islanders exist. If traditional landowner rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant claimant), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors continue to closely monitor the potential effect of traditional landowner claims involving tenements in which the Company has or may have an interest.

In addition, there is a risk that non-legitimate landowner claims are made by residents of the Solomon Islands in respect of the areas comprising the Nickel Projects, which may lead to the Company having to issue or defend formal legal proceedings to protect its interests in the projects.

(i) ***Resource Estimates***

Any resource estimates are expressions of judgment based on knowledge, experience and industry practice, and may require revision on actual production experience. All resources estimates previously disclosed to the market are necessarily imprecise and depend to some extent on statistical inferences, which may prove unreliable or be revised in the light of additional information that comes to hand.

(j) ***Commodity and Currency Price Volatility***

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include:

- the COVID-19 pandemic;
- world demand for particular commodities;
- the level of production costs in major commodity producing regions; and
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Factors affecting commodity prices include:

- supply and demand fluctuations for specific commodities;
- changes in investor sentiment toward specific commodities;
- speculative trading;
- forward selling activities; and
- macro-economic factors such as inflation and interest rates.

(k) ***Development Risk/Profitability***

The Company's commercial viability will be dependent upon the successful development and operation of the Company's projects and any other activity that the Company may undertake. No assurances can be given that the Company will be able to initiate or sustain successful mining operations at any of the Company's current tenements or that operations will achieve commercial viability. Equally, no representation as to future profitability or dividends can be given.

(l) ***Environmental Risks***

Environmental risks are inherent in mining operations. The Company adopts practices which the Company believes are appropriate to minimise the potential of causing environmental damage in all the Company's operations, but no assurance can be made that the Company will not be affected by environmental claims or issues in the future.



The Board is strongly committed to conducting operations in an environmentally responsible manner, applying the highest standards and industry best practice to all the Company's field activities. Surface disturbance is kept to a minimum, but where it is necessary, full cognisance is given to the environmental impact of the work to be carried out. Relevant government approvals are obtained and measures are taken to minimise the environmental impact and to ensure that following the activities involved, the land is restored and rehabilitated to as close as possible to its original condition.

The Board is not aware of any complaints about the Company's environmental practices or impacts of its activities from owners of land on which the Company has operated or from any relevant Government officers or agencies with regulatory responsibility.

(m) ***Production and Cost Estimates***

By their very nature, production and cost estimates and assumptions are inherently subject to significant uncertainties. Actual results may materially differ from the Company's estimates and assumptions and may materially and adversely affect the Company's commercial viability and future results.

(n) ***Government and Regulatory Approvals***

There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted.

(o) ***Regulatory***

The Company's activities will require compliance with various laws relating to the protection and rehabilitation of the environment, health and safety, culture and heritage and other matters.

In addition, the Company is required to obtain numerous government permits, leases, licences and approvals in respect of our exploration and mining operations.

There is a risk that the Company may not obtain or may lose permits, leases, licences or approvals, essential to our operations.

The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.

(p) ***Uninsured Loss and Liability***

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk. In

particular, the Company's present operations in the Solomon Islands are conducted without the benefit of any direct insurance coverages in that jurisdiction. The Company is in the process of assessing and determining what insurance coverages are appropriate and available to it in respect of its operations, but until such time that insurance coverages are implemented by the Company, there is a risk that the Company may incur losses or liabilities in the Solomon Islands which are not covered by an insurance policy, including in relation to (without limitation):

- personal injury;
- work practices;
- workers' compensation; and
- environmental issues.

(q) ***Occupational Health and Safety***

There is an inherent risk of work place accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy work place for the Company's employees and contractors, where engaged from time to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(r) ***Future capital requirements***

The Company's ongoing activities will require ongoing expenditures. There can be no guarantee that the funds raised by the Company under the Options Offer and other capital raisings will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use equity to fund expansion after the substantial exhaustion of the Company's existing funds, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funds on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(s) ***Going concern***

As set out in the audit report of the Company's 2020 annual report, the ability of the Company to continue as a going concern is dependent on the Company's success in some or all of its ventures, including the Company's continued investment in Sunshine Minerals Limited, raising additional funds and sourcing alternative projects. The events and conditions, including the losses in previous financial periods, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to

continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

(t) ***Reliance on Key Management***

The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of, those employees or consultants cease their employment or engagement with the Company.

(u) ***New Projects***

To achieve the Company's objectives, the Company may acquire or invest in new projects from time to time. However, there is always risk that the Company may not be successful in negotiating for an acquisition of a new project.

### **6.3 General Risks**

(a) ***Economic Risks***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

(b) ***Currency Fluctuations***

The future value of Shares and options may fluctuate in accordance with movements in foreign currency exchange rates.

(c) ***Taxation***

The Company's profitability may be affected by changes in government taxation laws and policies, including royalties payable in respect of any future mining operations, in the jurisdictions in which the Company operates.

There may be tax implications arising from the acquisition of securities in the Company, any possible receipt of dividends (both franked and un-franked) and the disposal of securities in the Company (as appropriate). Investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and neither the Directors nor the Company will be responsible for any tax or related penalties incurred by investors.

(d) ***Stock Market Risks***

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

(e) **Geopolitical**

Politics on a global, regional or local scale could impact the Company's operations and financial position. Acts of terrorism or outbreak of war may disrupt or prevent the Company from undertaking its operations and intended programs.

(f) **Natural Disasters**

Natural disasters or adverse conditions may occur in those geographical areas in which the Company operates including severe weather, tsunamis, cyclones, tropical storms, earthquakes, floods, volcanic eruptions, excessive rainfall and droughts as well as power outages or other events beyond the control of the Company.

(g) **Force Majeure**

The Company and its projects, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) **Other Risk Factors**

There are risks involved with any investment in listed shares. The value of the Company's securities may rise or fall depending upon a range of factors and share conditions which are unrelated to the Company's future financial performance. Share market conditions are affected by many factors including, but not limited to:

- economic conditions both in Australia and internationally;
- investor sentiment and local and international share market conditions;
- changes in interest rates and the rate of inflation;
- changes in metal and commodity prices;
- changes to government regulation, policy or legislation;
- changes in exchange rates; and
- the nature of competition in the industry in which the Company operates.

Some of these risks can be mitigated by the use of contingency plans and safeguards. However, many are outside the control of the Company and cannot be mitigated.

Like all businesses, the Company is affected by general economic conditions including the level of interest rates, inflation and consumer spending. Any prolonged downturn in economic activity could be expected to have a negative impact on the Company. As a company having a smaller market capitalisation, the market in the Company's securities may suffer periods of illiquidity.

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal

injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for securities in the Company, the above matters, and all other matters described in this document must be carefully considered. The New Options to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the New Options offered by this Prospectus will be achieved.

The above list of risk factors should not be taken as an exhaustive list of the risks faced by the Company. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of Shares.

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## **7. RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES**

### **7.1 New Options**

The following are the terms of the New Options to be issued pursuant to this Prospectus.

(a) ***Entitlement***

- (i) Each New Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of New Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) ***Exercise of New Option***

- (i) The New Options are exercisable at any time from the date of issue.
- (ii) The final date and time for exercise of the New Options is 5:00pm (Sydney time) on 17 June 2024.
- (iii) The exercise price of each New Option is 9 cents (\$0.09).
- (iv) Each New Option is exercisable by the Option holder signing and delivering a notice of exercise of New Option together with the exercise price in full for each Share to be issued upon exercise of each New Option to the Company's Share Registry.
- (v) All New Options will automatically lapse on the earlier of the:
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the New Option; and
  - (B) expiry of the final date and time for exercise of the New Option as set out in section 7.1(b)(ii).
- (vi) In the event of liquidation of the Company, all unexercised New Options will lapse.
- (vii) For every New Option that is exercised, the Option holder will receive one (1) Share.

(c) ***Quotation***

- (i) The Company does not intend to apply to the ASX for Official Quotation of the New Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any New Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) ***Participation in Securities Issues***

Subject to paragraph 6.2(e) below, the Option holder is not entitled to participate in new issues of securities without exercising the New Options.

(e) ***Participation in a Reorganisation of Capital***

- (i) In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the New Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in section 7.1(e), New Options will be treated in the following manner:
  - (A) in the event of a consolidation of the share capital of the Company, the number of New Options will be consolidated in the same ratio as the ordinary Share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (B) in the event of a subdivision of the share capital of the Company, the number of New Options will be subdivided in the same ratio as the ordinary Share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (C) in the event of a return of the share capital of the Company, the number of New Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary Share;
  - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of New Options and the exercise price of each New Option will remain unaltered;
  - (E) in the event of a pro-rata cancellation of Shares in the Company, the number of New Options will be reduced in the same ratio as the ordinary Share capital of the Company and the exercise price of each New Option will be amended in inverse proportion to that ratio; and
  - (F) in the event of any other reorganisation of the issued capital of the Company, the number of New Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on Shareholders.

(f) ***Adjustments to New Options and Exercise Price***

- (i) Adjustments to the number of Shares over which New Options exist and/or the exercise price may be made as described in section 7.1(e)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of section 7.1(f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(iii) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of a New Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the New Option.

O = the old exercise price of the New Option.

E = the number of underlying securities into which one New Option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(iv) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any New Options, the number of Shares received will include the number of bonus Shares that would have been issued if the New Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

(v) Takeovers and Schemes of Arrangement

If during the currency of any New Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has 60 days within which to exercise the New Options notwithstanding any other terms and conditions applicable to the New Options. If the New Options are not exercised within 60 days after notification of the offer, the New Options may be exercised at any other time according to their terms of issue.

If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise New Options within the period notified by the Company.

(g) **Transfers**



The New Options are freely transferable.

(h) ***Notices***

Notices may be given by the Company to the Option holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option holder.

(i) ***Rights to Accounts***

The Option holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Option holder is not a Shareholder, the Option holder will not have any right to attend or vote at these meetings.

## **7.2 Rights attaching to the Shares issued on exercise of the New Options**

(a) ***General***

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the New Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(b) ***Variation of rights***

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(c) ***Voting rights***

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held, or in respect of which the person is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(d) ***General meetings***

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(e) ***Dividends***

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. Dividends shall be payable only out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. Dividends shall not carry interest as against the Company.

(f) ***Winding-up***

Subject to the Corporations Act, if the Company is wound up, the liquidator may, with the authority of shareholder approval by special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where the Company is wound up, then on a distribution of assets to Shareholders, Shares classified by ASX as restricted securities and which are subject to escrow restrictions, at the time of the commencement of the winding up, shall rank in priority after all other shares.

(g) ***Change to Capital Structure***

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- sub-divide all or any of its shares into shares of smaller amount than is fixed by the Constitution, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was on the case of the share from which the share of a smaller amount is derived; and
- cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(h) ***Transfer of Shares***

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

The Company's Shares are quoted on ASX.

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## **8. ADDITIONAL INFORMATION RELEVANT TO THE OPTIONS OFFER**

### **8.1 The Company is a Disclosing Entity**

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. Our announcements may be viewed on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC or via ASIC's online services.

### **8.2 Section 713 Prospectus**

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus, or options to acquire such securities. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Options are options to acquire continuously quoted Shares in the Company.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the offer on the Company; and
- (b) the rights and liabilities attaching to the securities being offered; and
- (c) where the securities are options, the rights and liabilities attaching to:
  - (i) the options themselves; and
  - (ii) the underlying securities.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they

arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

### 8.3 Right to Obtain Copies of Documents

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2020, being the annual financial report most recently lodged by the Company with the ASIC;
- (b) the half-year financial report lodged for the half-year ended 31 December 2020, being the half-year financial report most recently lodged by the Company with the ASIC before lodgment of this Prospectus; and
- (c) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 27 October 2020, being the date of lodgment of the 30 June 2020 annual financial report and before lodgment of a copy of this Prospectus with the ASIC. These documents are:

Date	Announcement
19/05/2021	Underwritten Options Offer to Raise \$859,850
12/05/2021	Acquisition of 80% of Kolosori Nickel Project Completed
12/05/2021	Appendix 2A – Application for Quotation – Kolosori
11/05/2021	Market Update – SI Nickel Projects
30/04/2021	Quarterly Activities and Cashflow Reports – March 21 Qtr
23/04/2021	Change of Director's Interest Notice – Geoff Hiller
23/04/2021	Change of Director's Interest Notice – James Dean
23/04/2021	Change of Director's Interest Notice – Robert Thomson
19/04/2021	Section 708A Notice – Allotment of 56,745,448 Shares
19/04/2021	Appendix 2A – Application for Quotation

9/04/2021	Results of General Meeting
9/04/2021	Market Update – Solomon Islands Nickel Projects
23/03/2021	General Meeting to be Held 9 April 2020 – Notice of General Meeting
22/03/2021	Acquisition of Kolosori Nickel (SI) – ASX Waiver of LR 7.3.4
19/03/2021	Kolosori Nickel Project – Engineering Group Appointed
19/03/2021	Reinstatement to Official Quotation
18/03/2021	Market Update – PNM to Resume Trading
16/03/2021	Financial Report Half year Ended 31 December 2020
15/03/2021	Kolosori Nickel – Planned Drilling & Pre-Development Update
11/03/2021	Jejevo Nickel Project – Drilling Update
10/03/2021	Update – Kolosori Tenement Reinstated
12/02/2021	Voluntary Suspension Update
3/02/2021	Voluntary Suspension Update
3/02/2021	Suspension from Official Quotation
1/02/2021	Trading Halt
1/02/2021	December 2020 Quarter Activities and Cashflow Reports
8/01/2021	Notice of General Meeting/Proxy Form
22/12/2020	Section 708A Cleansing Notice – Placement T1
22/12/2020	Appendix 2A – Application for Quotation – Placement T1
17/12/2020	Pacific Nickel confirms Placement of \$3.2m to Proceed
17/12/2020	Jejevo Nickel Project Update

15/12/2020	Trading Halt
15/12/2020	Pause in Trading
9/12/2020	Proposed Issue of Securities – PNM
9/12/2020	Over-Subscribed \$3.8M Placement
7/12/2020	Trading Halt
1/12/2020	Results of Annual General Meeting
27/11/2020	Settlement of Lorena Gold Finalised
27/11/2020	Investor and Annual General Meeting Presentation
24/11/2020	Jejevo Exploration Target and Drilling Update
19/11/2020	Initial Resource Estimate, Kolosori Project, Solomon Islands
4/11/2020	Section 708A Notice – Allotment of 10,617,954 Shares
4/11/2020	Appendix 2A – Application for Quotation of Shares – Jejevo
30/10/2020	Quarterly Activities and Cashflow Reports – Sep 2020 Qtr
27/10/2020	Appendix 4G – Key to Corporate Governance Disclosures
27/10/2020	Corporate Governance Statement

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website ([www.asx.com.au](http://www.asx.com.au)), and will also be made available on the Company website (<https://pacificnickel.com/>). Copies of announcements can also be obtained from the Company on request. Investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The Company's Constitution and the consents referred to in Section 8.11 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office.

## 8.4 Director participation in the Options Offer

The Directors are all Eligible Participants for the purpose of the Options Offer. Each Director intends to take up their full Entitlement of New Options offered to them under the Options Offer, being as follows:

Director	Number of New Options*
Terry Cuthbertson	4,136,497
Geoff Hiller	2,430,662
James Dean	5,402,729
Robert Thomson	2,129,855

\*Entitlement includes any indirect holdings in which the Director has a relevant interest.

## 8.5 Interests of Directors

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Options Offer which are addressed above. The Director profiles are set out on page 22 of this Prospectus and contain details of the Board's experience and expertise.

Director	Number of Shares held*	Number of Options held*
Terry Cuthbertson	12,409,489	Nil
Geoff Hiller	7,291,984	2,750,000
James Dean	16,208,186	Nil
Robert Thomson	6,389,564	1,250,000

\*Includes indirect holdings in which the Director has a relevant interest.

## 8.6 Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or
- (b) any Director for services provided by him in connection with:
  - (i) the formation or promotion of the Company, or
  - (ii) the Options Offer.



The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 8.7 below.

## 8.7 Remuneration of Directors

The following table shows each Director's total remuneration for the last financial years ended 30 June 2019 and 30 June 2020, and their current remuneration:

Director	FY19 (ex GST)	FY20 (ex GST)	FY21 (ex GST)
Terry Cuthbertson <sup>1</sup>	\$61,101	\$61,101	\$61,101
Geoff Hiller <sup>2</sup>	\$188,802 <sup>3</sup>	\$200,062 <sup>3</sup>	\$275,700
James Dean <sup>1</sup>	\$39,420	\$39,420	\$39,420
Robert Thomson <sup>4</sup>	Nil	Nil	\$147,522
Andrew McMillan <sup>5</sup>	\$24,286	Nil <sup>4</sup>	N/A

<sup>1</sup> Mr Cuthbertson and Mr Dean converted their Director fees accrued to 31 December 2019 into Shares at a deemed issue price of \$0.001 (pre-consolidation) per Share.

<sup>2</sup> Mr Hiller was appointed as a Director of the Company on 4 October 2019.

<sup>3</sup> Includes amounts Mr Hiller received in accrued salary, salary and fees in his capacity as CEO of the Company.

<sup>4</sup> Mr Thomson was appointed as a Director of the Company on 3 September 2020.

<sup>5</sup> Mr McMillan resigned as a Director of the Company on 11 February 2019.

Further details of the remuneration of Directors are set out in the Company's 2020 annual report of the Company.

## 8.8 Expenses of the offer

The total expenses of the Options Offer are estimated to be approximately \$70,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Fees
ASIC fees	\$3,500
Underwriting fees	\$25,000
Legal fees	\$20,000
Registry and distribution costs	\$21,500
<b>Total</b>	<b>\$70,000</b>

## 8.9 Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, “**Prescribed Persons**”) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Options Offer; or
- (c) the Options Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Options Offer.

GrilloHiggins Lawyers will receive the sum of approximately \$20,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Options Offer.

## 8.10 Market Prices of Existing Shares on ASX

The highest and lowest market closing sale price of the Company’s Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: 6 cents on 14 and 15 April 2021.

Lowest: 4.4 cents on 12 May 2021.

The last market closing sale price prior to the date of lodgement of this Prospectus with ASIC was \$0.054 (5.4 cents) on 18 May 2021.

## 8.11 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Forms. If you have not, please phone the Company on +61 2 9251 0032 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company’s website at <https://pacificnickel.com/>.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 8.12 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 8.13 Consents

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Options Offer. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

Computershare Investor Services Pty Limited has given and as at the date of this Prospectus has not withdrawn their consent to be named as the Company's share registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Bridge Street Capital Partners Pty Ltd has given its written consent to being named as underwriter to the Options Offer in this Prospectus, in the form and context in which it is named.

## 8.14 Underwriting Agreement

On 18 May 2021, the Company entered into an underwriting agreement pursuant to which Bridge Street Capital Partners Pty Ltd agreed to fully underwrite the Options Offer (**Underwriting Agreement**), being up to an amount of \$859,580 (**Underwritten Amount**).

The Underwriting Agreement is subject to conditions precedent usual to commercial agreements of this type, such as the Company lodging the Prospectus and conducting the Options Offer in accordance with the offer timetable, and the Company providing the Underwriter with the required shortfall notifications and certifications in accordance with the timetable set out in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Company agreed to pay the Underwriter an underwriting fee of 3% (exclusive of GST) of the Underwritten Amount.

In addition, the Company will reimburse the Underwriter against and in relation to all reasonable outgoings, costs, expenses, fees, commissions, disbursements, charges or taxes incurred in relation to the Underwriting Agreement, the Prospectus and the Options Offer, subject to the Underwriter providing reasonable substantiation for such amounts.

The obligation of the Underwriter to underwrite the Options Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if (where capitalised terms below have the meaning given to them in the Underwriting Agreement):

- (a) failure to lodge documents: the Company fails to lodge the prescribed ASX announcement, this Prospectus or any other document required to be lodged with ASX in a form approved by the Underwriter on the relevant dates set out in the Timetable;
- (b) misleading statement in the Prospectus: a material statement in this Prospectus is found to be untrue, misleading or deceptive or it is found that this Prospectus contains a material omission or a new circumstance arises after the lodgement date that is materially adverse from the point of view of an investor to the Options Offer and which would be required under the Corporations Act to have been included in the Prospectus if it had arisen before the lodgement date;
- (c) documents do not comply: the announcement lodged with ASX, this Prospectus, or any other document required to be lodged with ASX do not comply with the Corporations Act, the Listing Rules or any other applicable law;
- (d) change in prospects of the Company: a Material Adverse Effect occurs in the condition, financial position or prospects of the Company or a Related Body Corporate in the Underwriter's reasonable opinion;
- (e) breach of Constitution: the Company or any of its subsidiaries (if any) breaches its constitution which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (f) breach of law or regulation: the Company or any of its subsidiaries or any Officer of the Company or a Related Body Corporate of the Company contravenes any provision of the Corporations Act, the Listing Rules or any other legislation of the Commonwealth of Australia or any State or Territory of Australia which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (g) Prescribed Occurrence: except for the issue of Shares upon the exercise of the Company's existing Options or the New Options, a Prescribed Occurrence occurs in relation to the Company or any of the Company's subsidiaries which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (h) insolvency: an Insolvency Event occurs in relation to the Company;
- (i) breach of Underwriting Agreement: the Company or any of its subsidiaries is in breach of any provision of the Underwriting Agreement that, in the Underwriter's reasonable opinion, is material. Without limiting what else may be material, a breach of any of the following provisions is deemed to be material for the purposes of this clause:
  - (i) any warranty or undertaking;
  - (ii) the Company's obligation to give a Shortfall Notice in accordance with Timetable; and
  - (iii) the Company's obligation to give the Closing Certificate in accordance with the Timetable;
- (j) breach of laws: the Company contravenes any applicable laws in relation to the Options Offer including without limitation the Corporations Act, the Constitution or any of the

Listing Rules which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;

- (k) breach of warranty: any warranty given by the Company under the Underwriting Agreement is not true or has ceased to be true in any respect which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (l) conviction of Officers: any Officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
- (m) unapproved alteration of capital: the Company alters, or announces an intention to alter, its capital structure or its Constitution without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed) which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (n) unapproved Encumbrances: the Company or any of its subsidiaries gives security in favour of any person who is not a security holder at the date of the Underwriting Agreement which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (o) false or misleading information given to the Underwriter: any information that is, in the Underwriter's reasonable opinion, material that was supplied at any time by or on behalf of the Company to the Underwriter in respect of any aspect of the Company or any of its subsidiaries or the Options Offer is or becomes misleading or deceptive or contains a material omission;
- (p) commencement of hostilities: an outbreak of hostilities not presently existing or an escalation of hostilities occurs (whether war has been declared or not) or a terrorist act is committed involving any one or more of Australia, New Zealand, the Solomon Islands, the United Kingdom, the United States of America, the People's Republic of China (including the Special Administrative Region of Hong Kong), the countries of the former Union of Soviet Socialist Republics (excluding wars or hostilities within those countries), Indonesia or Japan which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (q) changes of law: either the Australian Government or the Solomon Islands Government adopts or announces any change in any applicable laws or governmental policies which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Options Offer;
- (r) statements issued in breach of the Underwriting Agreement: during the term of the Underwriting Agreement, the Company or its Officers make certain statements prohibited by the Underwriting Agreement;
- (s) withdrawal of Options Offer: the Company withdraws the Options Offer;
- (t) significant change to management or Board: there is a significant change to the composition of the senior executives of the Company or of its Board, including any

- requisitions by Shareholders to remove a member of the Board pursuant to sections 203D and 249D of the Corporations Act (without the written approval of the Underwriter);
- (u) sections 203D and 249D notices: the receipt by the Company of a valid notice from Shareholders pursuant to sections 203D or 249D of the Corporations Act which in the Underwriter's reasonable opinion is prejudicial to the Options Offer;
  - (v) judgment: a judgment in an amount exceeding \$250,000 is obtained against the Company or any Related Body Corporate of the Company and is not set aside or satisfied within five Business Days;
  - (w) requirement to repay Application Money: any circumstance arises after the Prospectus is lodged a consequence of which is either that the Company is required to repay the money received from Applicants or to offer Applicants an opportunity to withdraw their Applications and receive a refund of their Application Money;
  - (x) movement in the All Ordinaries Index or the Small Ordinaries Index: the All Ordinaries Index or the Small Ordinaries Index is at any time on any two consecutive Business Days prior to allotment of the New Options 90% or less of the level that Index attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement;
  - (y) failure to provide financial information: the Company fails to provide the Underwriter with financial information, capital expenditure and other financial reports as may be requested, in a form acceptable to the Underwriter;
  - (z) failure to provide copies of draft announcements: the Company fails to provide the Underwriter with a copy of any draft announcement as to the progress or the result of the Options Offer or in respect of the Company generally prior to the making of such announcement; and
  - (aa) ruling: a ruling is made by a tribunal, Court or Government Agency in the Solomon Islands that is likely to have a Material Adverse Effect on the prospects of the Company. For the avoidance of doubt, procedural or administrative rulings do not apply.

The Underwriting Agreement also contains a number of indemnities, representations and warranties given by the Company to the Underwriter that are considered standard for an agreement of this type.

## **8.15 Privacy Act**

If you complete an application for New Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

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## **9. ACTION REQUIRED BY ELIGIBLE PARTICIPANTS**

### **9.1 What Eligible Participants may do**

The number of New Options to which Eligible Participants are entitled to subscribe for under the Options Offer is shown on their personalised Entitlement and Acceptance Form.

As an Eligible Participant, you may:

- (a) take up all of the New Options offered in full;
- (b) take up part of the New Options offered; or
- (c) do nothing and not subscribe for any of the New Options offered.

### **9.2 Taking up all or part of the New Options offered**

If you wish to take up all or part of the New Options offered, follow the directions on the accompanying Entitlement and Acceptance Form for New Options and attend to the payment for the number of New Options you wish to take up by way of BPAY® or electronic funds transfer receipt in Australian currency drawn on and payable at an Australian bank. You must ensure that cleared funds for your application reach the Company by no later than 5:00pm (AEST) on 7 June 2021.

### **9.3 Consequences of doing nothing**

Eligible Participants will receive no benefit if they do not subscribe for the New Options offered. It is therefore important that you consider taking action either to subscribe for the New Options offered in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

### **9.4 Applications and Payment**

If the instructions on your Entitlement and Acceptance Form are not followed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no applicant will be treated as having offered to purchase more New Options than indicated by the amount of payment for application monies. Receipts for payment will not be issued.

You are urged to lodge your application as soon as possible. The Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

Payment can be made by BPAY® or electronic funds transfer.

### **9.5 Enquiries**

If you have any queries about the New Options or your ability to take part in the Options Offer, please contact the Company between the hours of 8:30am and 5:00pm (AEST), Monday to Friday:

Email: [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com)

Alternatively, contact your stockbroker or other professional adviser.



## **9.6 Personal Information and Privacy Act**

Eligible Participants have already provided certain personal information to the Company and its share registry. If you apply for New Options, the Company and its Share Registry may update that personal information or collect new information. Such information will be used to assess the application for New Options, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's Share Registry.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the application or administer your holding of New Options appropriately.

Under the *Privacy Act 1998* (Cth), you may access, correct and update personal information held by, or on behalf of the Company or its share registry by contacting the Company as follows:

**Pacific Nickel Mines Limited**

**Attention: Company Secretary**

**PO Box R1295**

**Royal Exchange NSW 1225**

**Australia**

**Email: [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com)**

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## **10. DIRECTORS' AUTHORISATION**

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.



Mr Terry Cuthbertson

Chairman

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## 11. GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
Entitlement and Acceptance Form	The Entitlement and Acceptance Form that accompanies this Prospectus which is to be used by Eligible Participants to apply for New Options under the Options Offer.
ASIC	Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX	ASX Limited (ACN 008 624 691), or the securities exchange operated by it, as the case may be.
Board	The board of Directors of the Company.
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney, NSW.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date the Options Offer closes, being 5:00pm (AEST) on 7 June 2021, unless extended by the Company.
Company	Pacific Nickel Mines Limited (ACN 075 613 268).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Directors	The directors of the Company, and <i>Director</i> has the corresponding meaning.
Eligible Participant	A person who was registered as a holder of Shares in the Company as at the Record Date.
Issuer Sponsored Statement	Issuer sponsored holding statement to be issued by CHESS.
Jejevo Nickel Project	The mining and exploration project owned by the Company (by way of its holding in Sunshine Minerals Limited and comprising PL 01/18.

<b>TERM</b>	<b>DEFINITION</b>
JORC Code (2012)	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).
Kolosori Nickel Project	The mining and exploration project owned by the Company (by way of its holding in Kolosori Nickel (SI) Limited and comprising PL 05/19.
Listing Rules	The official listing rules of the ASX.
New Options	Options offered under this Prospectus.
Nickel Projects	The Kolosori Nickel Project and the Jejevo Nickel Project, together.
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules.
Option	An option to acquire a Share in the capital of the Company.
Options Offer	The offer of New Options to Eligible Participants made in accordance with this Prospectus, further details of which are set out in Section 2.1.
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 8.9.
Prospectus	This Prospectus dated 19 May 2021.
Record Date	5:00pm on Monday 24 May 2021.
Section	A section under this Prospectus.
Shareholder	A registered holder of Shares appearing on the Company's share register.
Shares	Ordinary fully paid shares in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Statement of Financial Position	The statement on the financial position of the Company set out in Section 4.
Underwritten Amount	\$859,580.
Underwriter	Bridge Street Capital Partners Pty Ltd (CAR of AFSL 316880).
Underwriting Agreement	The Agreement between the Company and the Underwriter dated 18 May 2021.

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## 12. CORPORATE DIRECTORY

### Registered Office

Level 4, 283 George Street

Sydney NSW 2000

Ph: +61 (0)2 9251 0032

Fax: (02) 9475 0439

Email: [info@pacificnickel.com](mailto:info@pacificnickel.com)

### Website

[www.pacificnickel.com](http://www.pacificnickel.com)

### Principal Legal Adviser

GrilloHiggins Lawyers

Level 4, 114 William Street

Melbourne VIC 3000

### Auditor\*

MNSA Pty Ltd

Level 1, 283 George Street

Sydney NSW 2000

### Directors

Mr Terry Cuthbertson

*(Non-Executive Chairman)*

Mr Geoff Hiller

*(Executive Director and CEO)*

Mr James Dean

*(Non-Executive Director)*

Mr Robert Peter Thomson

*(Non-Executive Director)*

### Company Secretary

Mr Andrew J Cooke

### Share Registry\*\*

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth WA 6000

Ph: 1300 850 505 (within Australia)

Ph: +61 3 9415 4000 (outside Australia)

Website: <http://www.computershare.com/au>

### ASX Code

Shares: PNM

*\*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

*\*\*This entity has not been involved in the preparation of this Prospectus and has consented to being named in this Prospectus only in the circumstances set out in Section 8.13.*