

## DRILLING COMMENCES AT KOLOSORI NICKEL PROJECT

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**Pacific Nickel Mines Limited** (ASX Code: PNM) (**Pacific Nickel** or **Company**) is pleased to announce that drilling has commenced at the Company's Kolosori Nickel Project on Isabel Island in the Solomon Islands and to provide an update on development activities.

### HIGHLIGHTS

- Initial development drilling program at Kolosori Direct Shipping Ore (DSO) Nickel Project commences with a planned 64 hole initial stage program
- The drilling program is designed to infill the current Mineral Resource area to increase the JORC resource confidence level, test for possible extensions as well as provide representative samples for metallurgical testing
- Metallurgical test work will be undertaken at the ALS laboratories in Brisbane to confirm previous historical information that the Kolosori material is a high quality DSO product. This information will also be used for marketing of the DSO products
- Bathymetric marine survey completed for the proposed Kolosori DSO shipping port location near to the Kolosori Mineral Resource
- Resindo Resources and Energy Group ("Resindo") has confirmed that the results of the marine survey validate that the proposed location is suitable as a loading point for trans-shipping barges to carry DSO product to a nearby Ship mooring location for export
- Resindo will now undertake port design and throughput studies to be included in the Mining Lease application process
- Recently appointed General Manager - Project Development, Mike James, is now progressing the mining components of the Feasibility Study including:
  - Assisting Mining One on a mine optimisation analysis which will lead to mine schedules and planning for the Feasibility Study; and
  - Engaging with Solomon Islands mine contract and engineering groups
- Mike is expected to relocate to the Solomon Islands in July in order to oversee all aspects of the development of the Company's Solomon Islands Nickel Projects

### Pacific Nickel CEO Geoff Hiller commented:

*"We are excited by the progressive phase made so far on developing the Kolosori Nickel DSO mining project and the incredible support shown towards this national project by the local Kolosori communities, the Provincial Government of Isabel and the National Government."*

*"The drilling program and these engineering studies are part and parcel of the development of the Kolosori Project and we remain on track to apply for the necessary Mining and Environment licences within the next couple of months."*


### KOLOSORI DRILLING & DEVELOPMENT UPDATE

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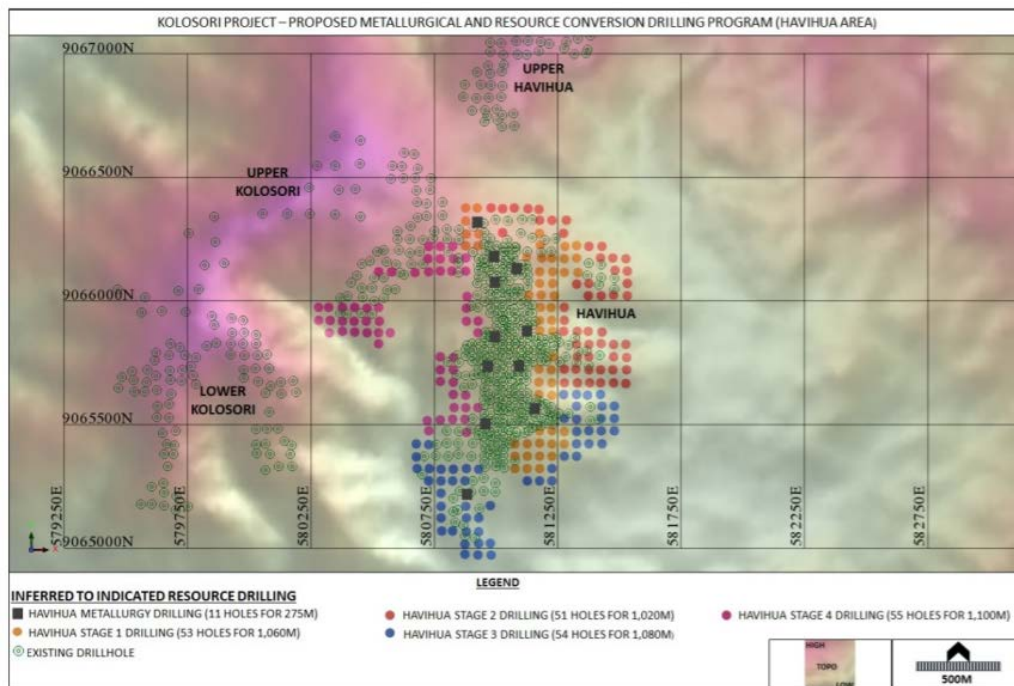
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Following the granting of the Business Licence for PL 05/19<sup>1</sup> drilling has now commenced at the Kolosori DSO Nickel Project on Isabel Island in the Solomon Islands. The first stage of the drilling program will comprise 64 holes (including 11 metallurgical holes).

As indicated (Figure 1), Mining One has designed an initial drill program of 224 holes for the Kolosori Nickel Project. These holes are part of the planned 2021 pre-development activities. The initial 64 hole drilling program is designed to infill the existing Mineral Resource of **5.89Mt** at **1.55% Ni<sup>2</sup>** as well as test for extensions to the Mineral Resource.

The core samples taken from the 11 metallurgical holes are expected to provide metallurgical information needed in marketing of the DSO product. Technical information such as moisture content will be estimated from core samples and used for designing the materials handling systems from mining to stockpiling to exporting the DSO via barges and ships.



**Figure 1 - Drill program at Kolosori Nickel Project**



**Figure 2 – Drilling on site at the Kolosori Nickel Project**

In addition to the commencement of drilling, the Company is also strongly progressing feasibility study work with engineering consultants Resindo. An important part of this feasibility work was the identification of a suitable port location near to the Kolosori resources.

<sup>1</sup> ASX Announcement 11 May 2021 – Market Update

<sup>2</sup> ASX Announcement 19 Nov 2020 – Initial Resource Estimate, Kolosori Project, Solomon Islands



A local marine survey consultancy group has now completed a bathymetric survey over an area previously identified by Resindo as potentially suitable for a port location. The results from the survey confirmed that the site is suitable as a loading point for trans-shipping barges. Resindo is now finalising the wharf design.

On the back of the wharf design, Resindo is also assessing the trans-shipping requirements for loading the nickel ore onto barges, which travel about a kilometre offshore, to then load into a ship moored in deep water.



**Figure 3 – Marine Survey undertaken by local contractors**

Recently appointed General Manager - Project Development, Mike James, is now working closely with Mining One to progress a number of mining components of the Feasibility Study for the Kolosori Nickel Project.

Specifically, he will assist Mining One with, a mine optimisation analysis which will lead to mine schedules and planning for the Feasibility Study. Mike has already begun engaging with local mining contractor and engineering groups as part of the feasibility work.

Mike is expected to be in country by the end of July to overlap with CEO Geoff Hiller who is currently in the Solomon Islands progressing the application of the required licences for the project.

Authorised by the Board.

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The Competent Person for each of the relevant announcements referred to herein was Mr Stuart Hutchin, a Member of the Australian Institute of Geoscientists and a full-time employee of Mining One Consultants. Pacific Nickel Mines confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement. In addition, Pacific Nickel Mines confirms that all material assumptions and technical parameters underpinning the estimate of the Mineral Resource at Kolosori in the announcement "Initial JORC Resource Estimate at Kolosori" continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

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