

STAGE 2 INFILL DRILLING COMMENCES AT THE KOLOSORI NICKEL PROJECT

Pacific Nickel Mines Limited (ASX Code: PNM) ("**Pacific Nickel**" or "**Company**") is pleased to announce that the second stage of infill drilling has been commenced at the Company's Kolosori Nickel Project ("**Kolosori Project**" or "**Project**") on Isabel Island in the Solomon Islands.

- A total of 151 infill holes are planned to be drilled as part of the pre-development activities this year.
- This 151-hole drilling program is designed to increase the confidence of the existing Mineral Resource of **5.89Mt** at **1.55% Ni**.
- The program is being carried out by local drillers and managed by local geologists.
- The program is expected to be completed in November 2021.
- The Stage 2 drilling has been commenced following the successful completion of the first stage of 83 holes, which included 11 holes for metallurgical test work.
- Samples from the first 83 holes are currently in Brisbane awaiting irradiation as part of the Australian customs protocol prior to assaying at ALS Brisbane.

KOLOSORI DRILLING UPDATE

The second stage drill program of 151 holes has now commenced for the Kolosori Nickel Direct Shipping Ore ("DSO") Project (80% interest held by Pacific Nickel) on Isabel Island in the Solomon Islands.

This follows the granting of a Business Licence for PL 05/19¹, and the completion of the first stage of drilling at the Kolosori Project.

The drilling programs designed by Mining One are shown in Figure 1. The second stage holes are part of planned 2021 pre-development activities and are based on the mine planning and scheduling work carried out by Mining One and the Company. The second stage 151-hole drilling program is designed to increase the confidence in the resource to levels sufficient to allow detailed mine-planning and reserve assessments to be finalised in support of the proposed project financing. The existing Mineral Resource at the Kolosori Project is **5.89Mt** at **1.55% Ni²**.

This second stage 151-hole drilling program is expected to be completed in November 2021. The third phase of drilling after this program will test for extensions to the Mineral Resource.

The samples from the first stage drill program are currently in Brisbane awaiting irradiation as part of the Australian customs protocol. Once released the samples will be sent to ALS in Brisbane for assaying.

The core samples taken from the 11 metallurgical holes in the first stage of drilling will provide metallurgical information needed in marketing of the DSO product. Technical information such as

¹ ASX Announcement 11 May 2021 – Market Update

² ASX Announcement 19 Nov 2020 – Initial Resource Estimate, Kolosori Project, Solomon Islands

moisture content will be estimated from core samples and used for designing the materials handling systems from mining to stockpiling and to exporting the DSO via barges and ships.

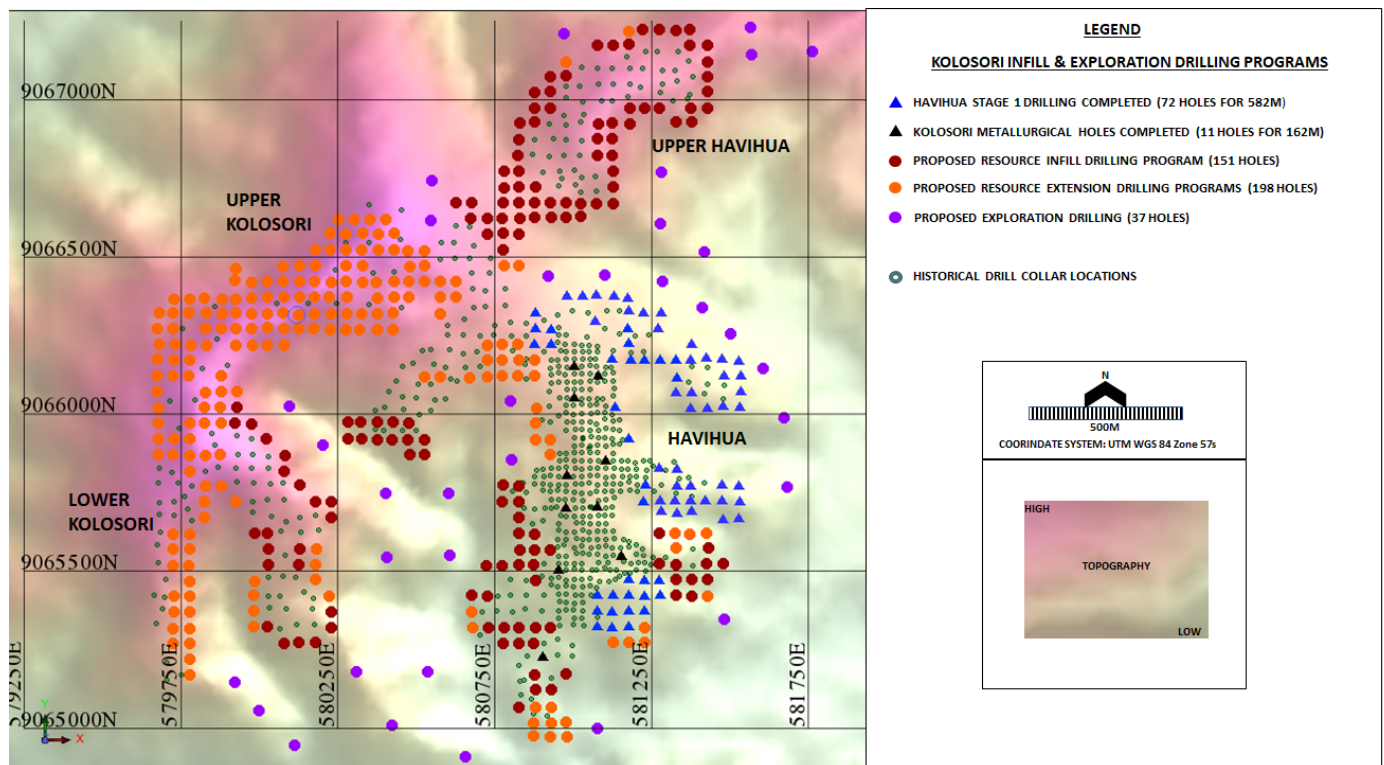


Figure 1 – Drilling programs at Kolosori Nickel Project

Pacific Nickel CEO Geoff Hiller commented:

“With the lodgement of our mining lease application for the Kolosori Nickel Project, we are now focusing on pre-development works. A key component of this is infill drilling. With a Mineral Resource of 5.89Mt at 1.55% Nickel already identified, this infill drilling will seek to increase the confidence of our current Mineral Resource estimate by identifying more resources in at least the indicated resource category.

We acknowledge the tremendous work of our local geologists and drilling contractors who have been instrumental in progressing the project thus far. We look forward to a similar approach of using the local workforce as we advance development of the project.”



Figure 2 – Core trays at the Kolosori Project



Figure 3 – Local Drilling Contractors commence Stage 2 drilling at the Kolosori Project



Figure 4 – Local Driller loading core from Stage 2 Drilling



Figure 5 – Preparation and logging of core at the Kolosori Project

Authorised by the Board.

For further information please contact:

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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