

Ms. Angel He
Adviser, Listing Compliance (Sydney)

18 October 2021

Dear Ms. He

We refer to your Price Query dated 18 October 2021 regarding trading activity in Pacific Nickel Mines Limited (the Company) (ASX Code: PNM). In response to the questions put to the Company we respond as follows:

1. The Company confirms that it is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain recent trading in the Company's shares.
2. Not applicable.
3. We note the following which may explain recent trading activity in the Company's shares:
 - On 31 August the Company announced that it has submitted a Mining Lease Application in respect of the Kolosori Nickel Project which is the Company first nickel project to be developed in the Solomon Islands. In that announcement the Company provided details of estimated capital and operating costs;
 - On 2 September the Company provided an update in respect of the drilling activities at the Kolosori project designed to increase confidence in the existing Mineral Resource at Kolosori as part of planned pre-development activities;
 - On 7 October the Company announced a Mineral Resource Estimate in respect of the Jejevo Nickel Project which is the Company's second nickel project in the Solomon Islands;
 - On 13 October the Company provided an update in respect of the drilling at the Kolosori Nickel Project and confirmed:
 - An Environmental and Social Impact Assessment had been finalised and lodged with the Solomon Islands Government Ministry of Environment;
 - Early works development program were being refined with quotes received from local contractors to carry out initial road construction together with preparation for a wharf, camp site and DSO stockpile;
 - Consultants Resindo had been appointed to carry out the FEED (Front End Engineering Design) for the project;
 - Discussions with potential DSO (Direct Ship Ore) off-take partners had been commenced.
 - A number of broker reports and publications have been issued recently in respect of the Company based on information released to the market via the ASX;
4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1
5. This response has been authorised by the Company's Executive Director and CEO Mr. Geoff Hiller.

Yours Faithfully



Andrew J. Cooke
Company Secretary



18 October 2021

Reference: 41106

Mr Andrew Cooke
Company Secretary
Pacific Nickel Mines Limited
Level 4
283 George St
Sydney NSW 2000

By email

Dear Mr Cooke

Pacific Nickel Limited ('PNM'): Price Query

We note the change in the price of PNM's securities from a low of 8.6 cents on 15 October 2021 to an intraday high of 12.5 cents at the time of writing today, 18 October 2021.

We also note an increase in the volume of PNM's securities traded from 15 October 2021 and today, 18 October 2021.

Request for Information

In light of this, ASX asks PNM to respond separately to each of the following questions and requests for information:

1. Is PNM aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is PNM relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in PNM's securities would suggest to ASX that such information may have ceased to be confidential and therefore PNM may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that PNM may have for the recent trading in its securities?
4. Please confirm that PNM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PNM's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PNM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **1:00 PM AEDT today Monday, 18 October 2021**. If we do not have your response by

then, ASX will likely suspend trading in PNM's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PNM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to PNM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PNM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading Halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PNM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in PNM's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Angel He
Adviser, Listings Compliance (Sydney)