

\$5.25M Placement to Advance Nickel Projects

Pacific Nickel Mines Limited (ASX Code: PNM) (**Pacific Nickel** or **Company**) is pleased to advise that a placement of 52.5 million fully paid ordinary shares (Shares) at \$0.10 to raise \$5.25 million (Placement) was successfully completed on Thursday 28 October 2021.

The issue price of \$0.10 for the Placement represents a 20% discount to the last trade 26 October 2021 and an 11.7% discount to the 15-day VWAP up to 26 October 2021.

The Lead Manager to the Placement was Bridge Street Capital Partners.

The Placement, which was oversubscribed, will be undertaken with a first Tranche of 30.0 million Shares to be completed under the Company's existing ASX Listing Rule 7.1 capacity, while the second Tranche of 22.5 million shares (including 1.95 million shares in respect of Directors participating in the Placement) will be completed subject to shareholder approval.

The Placement was well supported by existing shareholders, and a large number of new shareholders, both institutional and sophisticated investors from Australia, UK and Europe.

The funds raised will be used for:

- a) ongoing exploration and feasibility work in relation to the Company's Nickel Projects in the Solomon Islands with a priority on the Kolosori Nickel Project;
- b) an early works capital program at Kolosori; and
- c) working capital and general corporate purposes.

Pacific Nickel CEO Geoff Hiller commented:

"The Company is delighted with the outstanding response from investors to the capital raising and in particular the participation from existing shareholders and new institutional shareholders. The funds enable the Company to continue to fast track its 80% interests in two nickel laterite DSO projects in the Solomon Islands. The Company will now carry out some early works at its Kolosori Project in preparation for its development next year which is subject to a mining lease being granted by early 2022. Next year is expected to be a very exciting time with both projects advancing towards production."

SOLOMON ISLANDS NICKEL PROJECTS

- Pacific Nickel holds an 80% interest in the Kolosori Nickel Project (PL05/19) and an 80% interest in the Jejevo Nickel Project (PL 01/18), both of which are located on Santa Isabel Island in the Solomon Islands.
- The remaining 20% interests are owned by local landowners.
- Both projects have a number of positive aspects including close proximity to the coast, no processing requirements, a low capital route to direct shipping, and local landowner support.
- On 19th November 2020, the Company released an initial JORC resource estimate for Kolosori of **5.89 million tonnes at 1.55% Ni** at a 1.2% Ni cut off¹. The Company has since completed

¹ ASX Announcement 19 Nov 2020 – Initial JORC Resource Estimate at Kolosori

an initial 83-hole program and almost completed a second stage 151-hole drilling program designed to increase confidence in the resource.

- The Company has recently submitted a Mining Lease Application and Environmental and Social Impact Assessment for the Kolosori Project. The Company is expecting the Mining Lease to be approved in Q1 2022 with development of the project commencing in Q2 2022.
- The Company is focusing on an early capital works program at Kolosori in the next few months to prepare for the main development next year. These works include preparation of pads and drainage for the wharf, camp and mining fleet maintenance areas.
- The Company is advancing discussions with offtakers and financiers for the development of the Kolosori Project
- On 7 October 2021, the Company announced an initial JORC mineral resource estimate at the Jejevo Nickel Project of **7.82 million tonnes at 1.46 % Ni** at a 1.2% Ni cut off².
- The Company expects to complete a feasibility study and apply for a mining lease for the Jejevo Project in 2022.
- Extensions to the known resources at both projects will also be a priority in 2022.

Further information on Pacific Nickel, including the latest corporate presentation, is available at www.pacificnickel.com

Authorised by the Board.

For further information please contact:

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Please visit the company's website at www.pacificnickel.com

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 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 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" and the mineral resource estimate at Jejevo in the announcement "Initial JORC (2021) Resource Estimate at Jejevo" 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.

² ASX Announcement 7 October 2021 – Initial JORC (2012) Resource Estimate at Jejevo