

26 November 2021

## **CEO PRESENTATION TO ANNUAL GENERAL MEETING**

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**Pacific Nickel Mines Limited** (ASX Code: PNM) (**Pacific Nickel** or **Company**) announces the Chief Executive Officer's presentation to the 2021 Annual General Meeting to be held this afternoon.

Authorised by the Chief Executive Officer.

For further information please contact:

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# FAST TRACKING NICKEL DSO PROJECTS

**Annual General Meeting**  
November 2021

# IMPORTANT NOTICE

**This presentation may contain certain statements and projections provided by or on behalf of Pacific Nickel Mines Limited (“Pacific Nickel”) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Pacific Nickel.**

Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the mining industry which may be beyond the control of Pacific Nickel which could cause actual results or trends to differ materially, including but not limited to price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates, environmental risks, ability to meet funding requirements, share price volatility. Accordingly, there can be no assurance that such statements and projections will be realised. Pacific Nickel makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved. Additionally, Pacific Nickel makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Pacific Nickel or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Pacific Nickel undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Pacific Nickel.

This presentation contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“2012 JORC Code”). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this presentation can be found in the following announcements lodged on the ASX and also available on Pacific Nickel’s website under the Investors tab: 12 October 2020 - Drilling to Commence at Solomon Islands Nickel Project, 19 November 2020 – Initial JORC Resource Estimate at Kolosori, 24 November 2020 – Jejevo Exploration Target and Drilling Update, 24 November 2020 - Jejevo Exploration Target and Drilling Update, 17 December 2020 - Jejevo Nickel Project Update, 11 March 2021 - Jejevo Nickel Project - Drilling Update, 15 March 2021 Kolosori Nickel - Planned Drilling & Pre-Development Update, 23 June 2021 Jejevo Nickel Project - Drilling Update, 26 July 2021 Kolosori Nickel Project - Drilling Update, 02 September 2021 Stage 2 Infill Drilling Commences at Kolosori Nickel Project, 07 October 2021 Initial JORC Resource Estimate at Jejevo, 13 October 2021 Stage 2 Drilling and Development - Kolosori Nickel Project, 18 November 2021 Kolosori Nickel Project - Drilling Update & 18 November 2021 Release of Scoping Study for Kolosori Nickel Project.

The Scoping Study referred to in this announcement has been undertaken for the purpose of the further evaluation of a potential development of the Kolosori Nickel Project. It is a preliminary technical and economic study of the potential viability of producing a nickel direct ship ore product from the Kolosori Nickel Laterite Project. The Scoping Study outcomes, production target and forecast financial information referred to in this announcement are based on low accuracy level technical and economic assessments that are insufficient to support estimation of Ore Reserves, or to provide certainty that the conclusions of the Study will be realised. While each of the modifying factors was considered and applied, there is no certainty of eventual conversion to Ore Reserves or that the production target itself will be realised. Further exploration and evaluation work and appropriate studies are required before Pacific Nickel is in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The Competent Person for each of the above announcements 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 at Jejevo in the announcement “INITIAL JORC (2012) 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.

# Rapidly advancing Direct Shipping Ore (DSO) nickel laterite operations in the Solomon Islands

## TWO NEAR TERM DEVELOPMENT NICKEL LATERITE PROJECTS

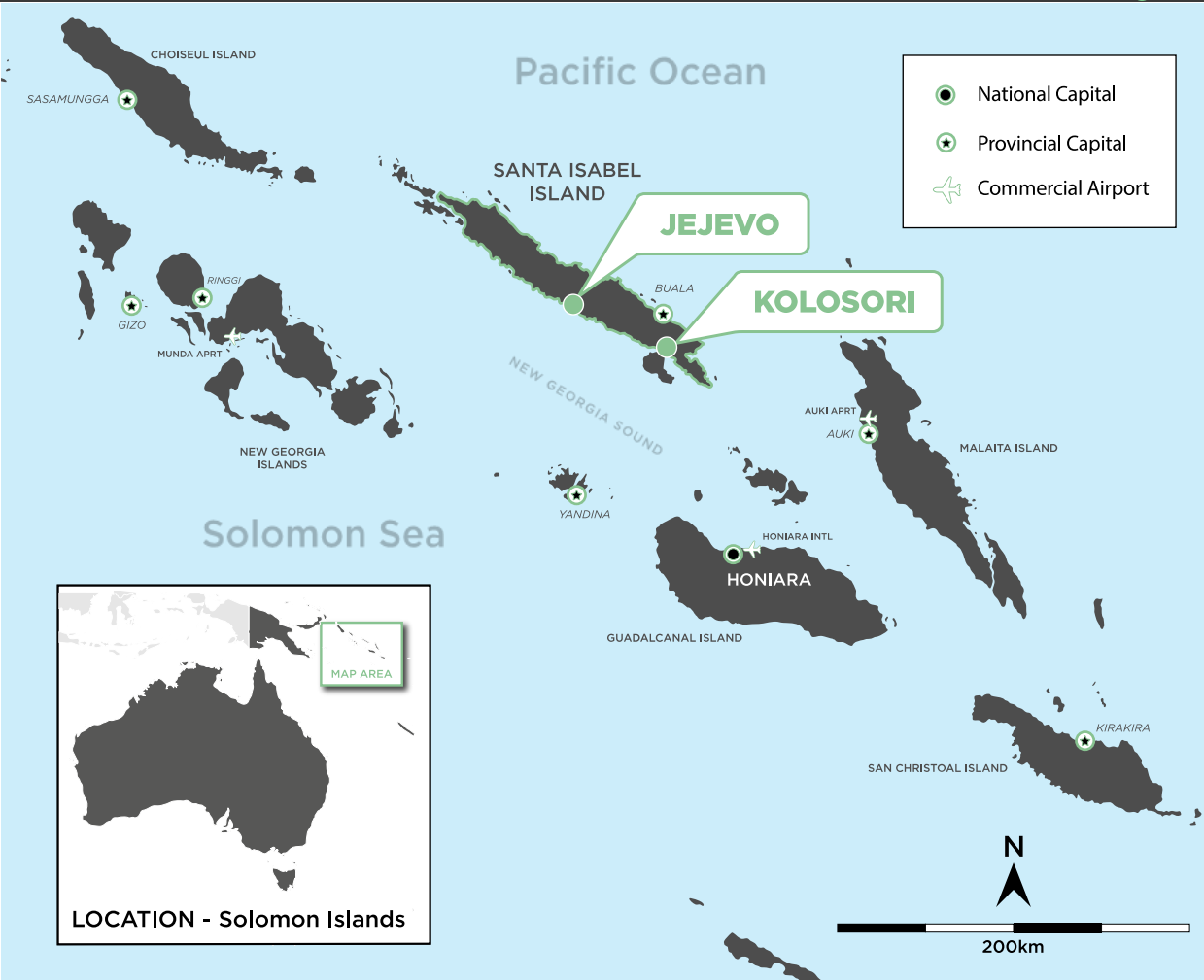
**Kolosori – JORC 2012 Mineral Resource of 5.89Mt at 1.55% Ni (1.2% Ni cut-off)<sup>1</sup>**

**Jejevo – JORC 2012 Mineral Resource of 7.82Mt at 1.46% Ni (1.2% Ni cut-off)<sup>2</sup>**

## LOW CAPEX AND STRAIGHT FORWARD DSO PROJECTS

## LOCAL LANDOWNERS ALIGNED AND SUPPORTIVE GOVERNMENT

## MANAGEMENT EXPERIENCED IN THE SUCCESSFUL DEVELOPMENT OF ISLAND-BASED MINING OPERATIONS



1. ASX Announcement 19 Nov 2020 – Initial Resource Estimate, Kolosori Project, Solomon Islands.  
2. ASX Announcement 7 October 2021 – Initial Jorc (2012) Resource Estimate at Jejevo  
3. ASX Announcement 31 August 2021 - Kolosori Nickel Project – Lodgement Of Mining Lease Application  
4. ASX Announcement 13 October 2021 – Stage 2 Drilling And Project Development Update Kolosori Nickel Project

# WHAT HAS PACIFIC NICKEL ACHIEVED IN 2021?

- Completion of drilling for definition of a JORC resource at Jejevo<sup>1</sup>
- Finalisation of Kolosori acquisition (80%)<sup>2</sup>
- Infill drilling nearly completed at Kolosori (over 200 holes), which is expected to lead to an update of a resource estimate as part of a Definitive Feasibility Study (DFS)
- Completion of Environmental and Social Impact Assessment (ESIA) and mining licence application for Kolosori<sup>3,4</sup>
- Completion of scoping study (with some elements at PFS and DFS standards) by consultants experienced in DSO nickel projects<sup>5</sup>
- Appointment of marketing and commercial consultants to assist with offtake and funding arrangements<sup>6</sup>
- Raised A\$6.1 million in share placement and options offer to advance projects<sup>7,8</sup>
- Early works program planned
- DFS and Front-End Engineering and Design (FEED) underway

1. ASX Announcement 7 October 2021 – Initial Jorc (2012) Resource Estimate at Jejevo
2. ASX Announcement 12 May 2021 – Acquisition of 80% interest in Kolosori Nickel Project Completed
3. ASX Announcement 31 August 2021 - Kolosori Nickel Project – Lodgement Of Mining Lease Application
4. ASX Announcement 13 October 2021 – Stage 2 Drilling And Project Development Update Kolosori Nickel Project
5. ASX Announcement 18 Nov 2021 – Release of Scoping Study for Kolosori Nickel Project
6. ASX Announcement 10 September – Appointment Of Chief Financial Officer And Financial Advisor
7. ASX Announcement 10 June 2021 – Options Offer Well Supported by Shareholders
8. ASX Announcement 29 October 2021 – \$5.25M Placement to Advance Nickel Projects



# SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



## ESG A KEY CONSIDERATION OF THE BOARD AND MANAGEMENT

- ✓ Landowners 20% carried project interest
- ✓ Awareness meetings with local villages
- ✓ Ensure COVID vaccinations for workers visiting site
- ✓ No displacement for local villages due to mining area
- ✓ Exploration team of 50 using local workforce
- ✓ Villages supply food and labour for exploration
- ✓ ESIA field work using local environmental groups
- ✓ DSO operation eliminates on-site processing and tailings dam
- ✓ Sediment control and water management

## PLANNED

- Ensuring villagers to receive second COVID vaccination
- Employment and skills training for local workers
- Trust accounts to be set up for landowners
- Community Development Fund
- Infrastructure for health and education

# CORPORATE OVERVIEW – ASX LISTED (PNM)

**245M**  
SHARES ON  
ISSUE

**\$24.5**  
MARKET  
CAP  
(\$0.10 Share Price)

**71.5M**  
OPTIONS  
exercise \$0.09 | expiry 17 JUN 24

**11.5M**  
OPTIONS  
exercise \$0.06 | expiry 30 SEP 23

CAPITAL  
STRUCTURE

SHARES TO BE ISSUED UNDER PURCHASE AGREEMENTS  
**29.5M SHARES DEFERRED CONSIDERATION**

PURCHASE  
AGREEMENT

**50%**  
TOP 20 HOLDERS

**17.3%**  
Directors Hold

6.3% James Dean – Director  
5.2% HSBC Nominees  
5.1% Terry Cuthbertson – Director

SUBSTANTIAL  
SHAREHOLDERS

## BOARD & MANAGEMENT

**GEOFF HILLER** DIRECTOR & CEO

**GRAHAM FRANK** CFO

**ROB THOMSON** TECHNICAL DIRECTOR

**TERRY CUTHBERTSON** NON-EXECUTIVE CHAIRMAN

**JAMES DEAN** NON-EXECUTIVE DIRECTOR

## LOCAL MANAGEMENT

**MICHAEL JAMES**  
GENERAL MANAGER

**BARCLAY LILITI**  
SENIOR GEOLOGIST

**PAWEL MISIEC**  
COMMERCIAL MANAGER

PNM Price Chart



# LATERITE NICKEL DEPOSITS: LOCATION

## JEJEVO PROSPECT

Mineral resource of 7.82Mt  
at 1.46% Ni  
(1.2% Ni cut-off)<sup>2</sup>

Exploration

## JEJEVO SIGNIFICANT DRILL INTERCEPTS INCLUDE:<sup>4</sup>

- ✓ SJT-04: 8m @ 2.18% Ni from 2m
- ✓ SJT-09: 8m @ 1.93% Ni from 2m
- ✓ SJT-11: 5m @ 1.93% Ni from 2m
- ✓ SJT-15: 9.4m @ 2.11% Ni from 2m

Exploration

## KOLOSORI SIGNIFICANT DRILL INTERCEPTS INCLUDE:<sup>3</sup>

- ✓ HAK-MO8 11.5m @ 2.10% Ni from 2.5m
- ✓ HAK-MO9 10.5m @ 2.07% Ni from 1.5m
- ✓ HAK-S133 4.0m @ 1.94% Ni from 1m
- ✓ HAK-S132 10.0m @ 1.75% Ni from 1m

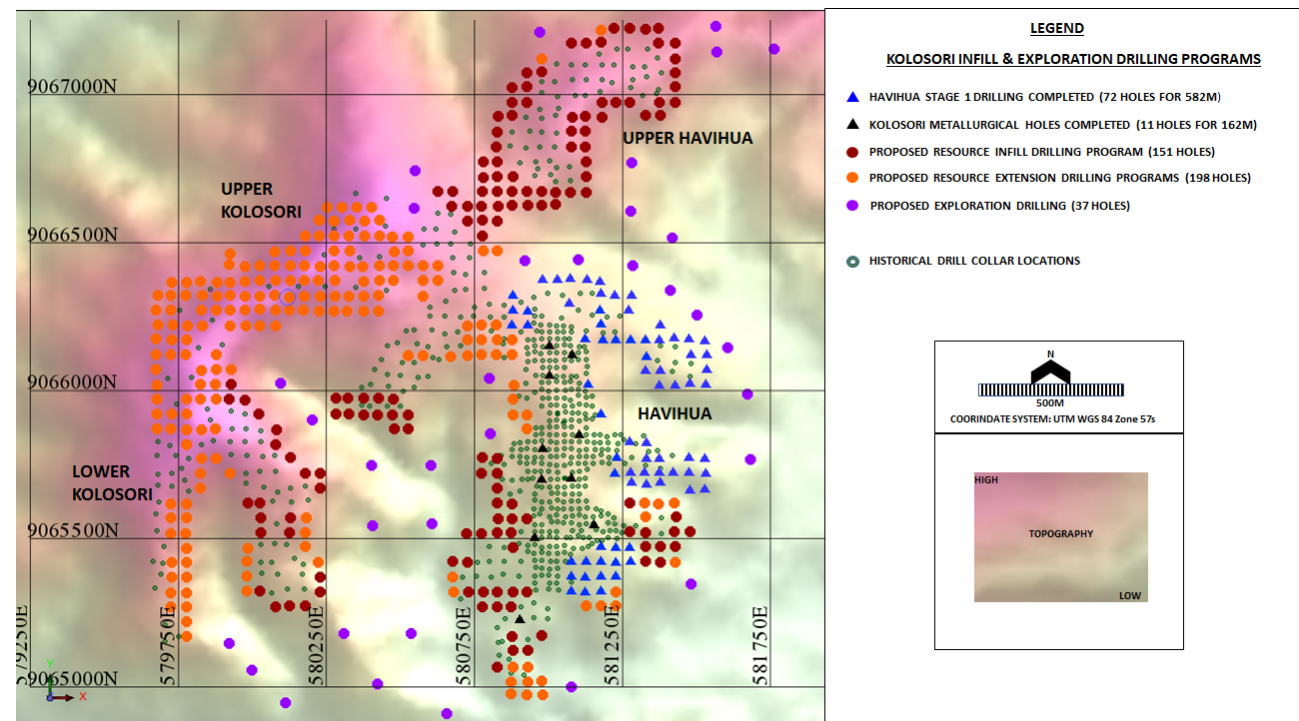
## KOLOSORI PROSPECT

Mineral resource of 5.89Mt at  
1.55% Ni  
(1.2% Ni cut-off)<sup>1</sup>

# KOLOSORI NICKEL PROJECT (80%) RESOURCE DRILLING PROGRAM

Kolosori – JORC 2012 Mineral Resource of 5.89Mt at 1.55% Ni (1.2% Ni cut-off)<sup>1</sup>

- Stage one 83-hole drill program completed<sup>2</sup>
- Stage two 151-hole infill program near completion
  - Drilling to increase resource confidence for DFS purposes
- Core samples to provide metallurgical information needed in marketing of the DSO product
- Conceptual exploration target of a further 1.94 to 3.19 mt at 1.2% to 1.6% Ni<sup>3</sup>



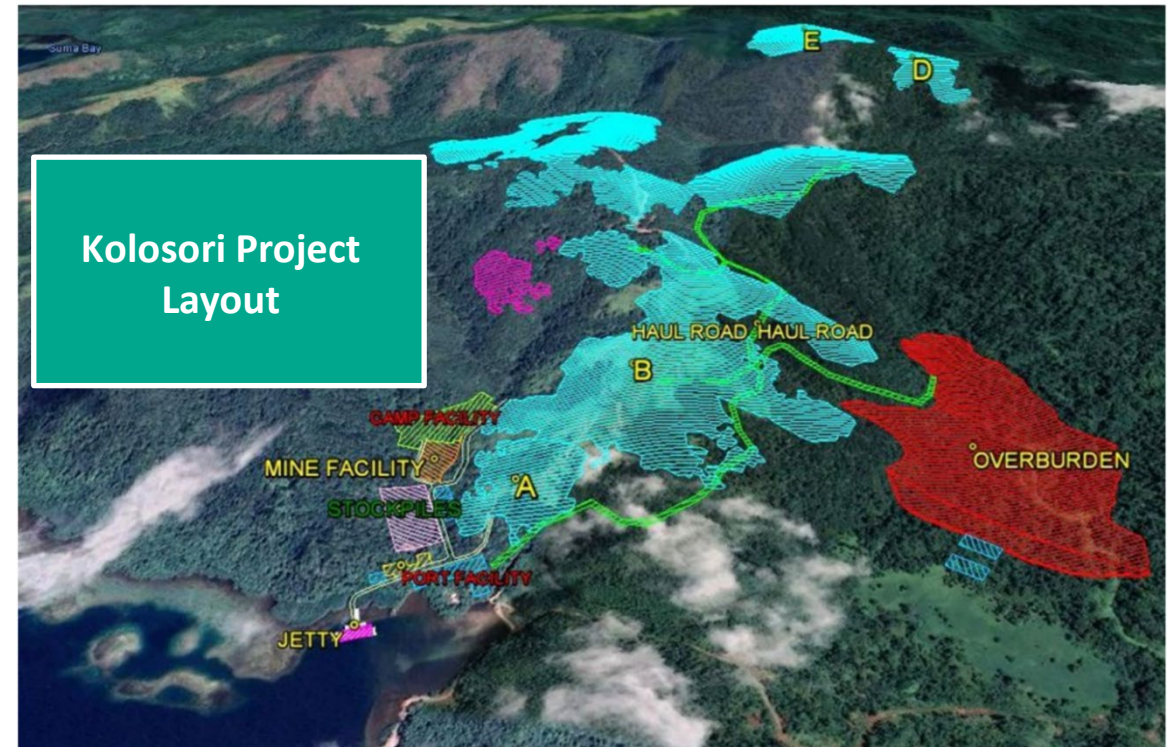
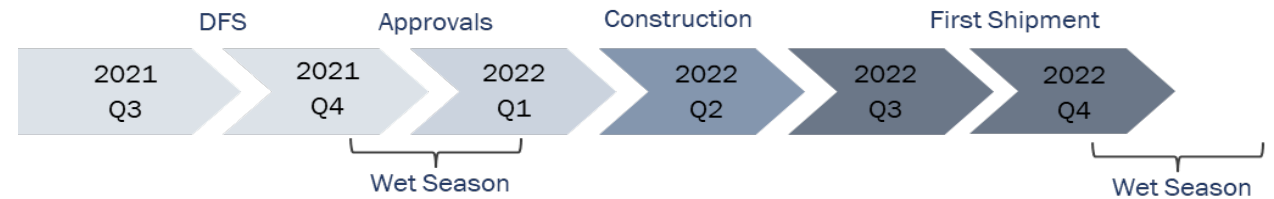
# KOLOSORI INDICATIVE PROJECT DEVELOPMENT

## Path to Proposed Development

- Business Licence granted<sup>1</sup>
- ML submitted – SI Government fast tracking<sup>2</sup>
- Environmental and Social Impact Assessment completed<sup>3</sup>
- DFS progressing
- Early works program
  - Test pits
  - Clearing and creating pads for wharf, camp and DSO Stockpile
  - Geotechnical review of wharf area

## Project Economics from Scoping Study<sup>4</sup>

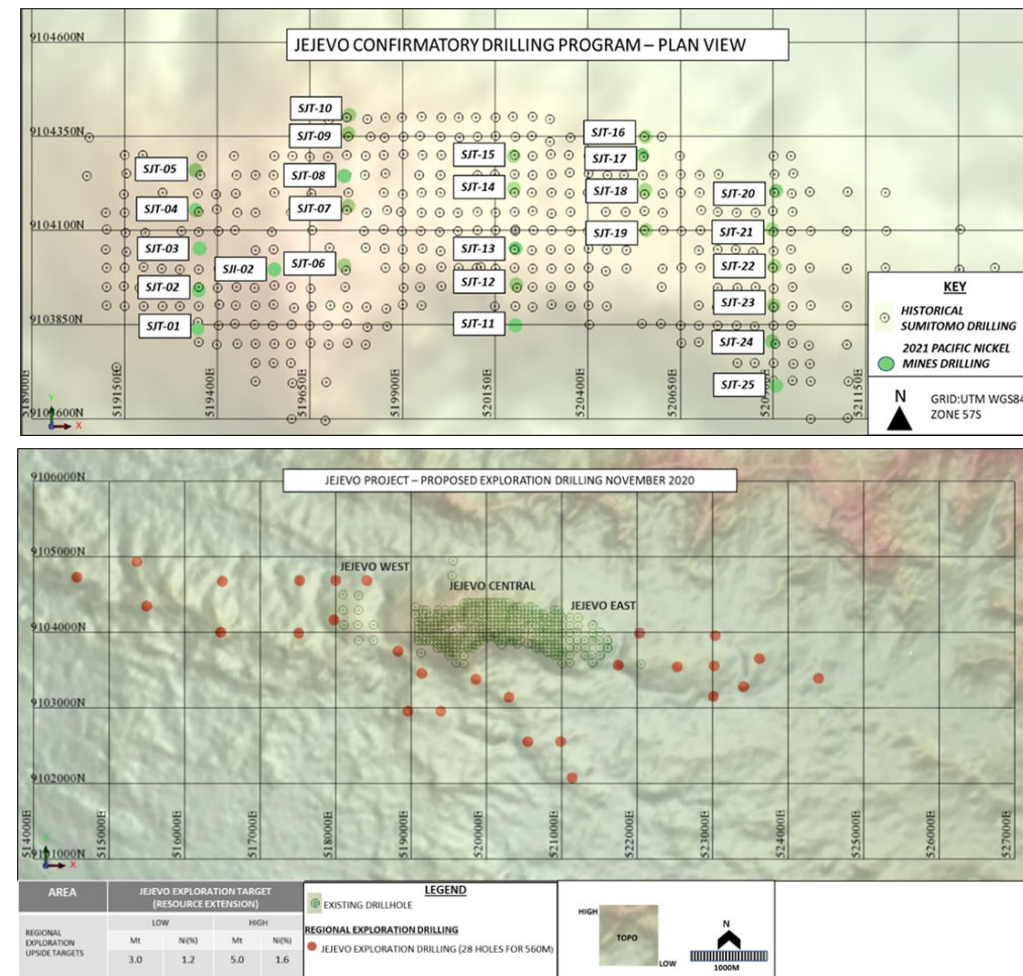
- Ramping up production to 1.3Mtpa
- Low capex approx. US\$20m – one year payback
- Site Operating Cost US\$21/t to US\$23/t (includes barging)
- Base case model - an NPV of US\$58.4m with an IRR of 152.2%
- Initial short haul to wharf and early high grade



# JEJEVO NICKEL PROJECT (80%)

## Mineral resource of 7.82Mt at 1.46% Ni (1.2% Ni cut-off)<sup>1</sup>

- Initial drilling program of 26 holes completed for initial resource estimate
- Significant high-grade intervals (>1.9% Ni) returned from initial drill program
- Conceptual exploration target of a further 3.0 million to 5.0 million tonnes at 1.2% to 1.6% Ni<sup>1,2</sup>
- PL recently extended by Mines Department for a further two years<sup>1</sup>
- Scoping study and ML application 2022 – subject to clear title.
- **Drilling in 2022 to increase confidence in resources and test targets**
- **Similar development approach to Kolosori**



# INDICATIVE DEVELOPMENT TIME FRAME



| PROGRESSING TOWARDS MINING LEASE<br>APPROVAL & DEVELOPMENT CONSENT | 2021 |    | 2022 |    |    | ONWARDS |
|--------------------------------------------------------------------|------|----|------|----|----|---------|
|                                                                    | Q3   | Q4 | Q1   | Q2 | Q3 |         |
| Kolosori drilling                                                  |      |    |      |    |    |         |
| Kolosori DFS and FEED                                              |      |    |      |    |    |         |
| Kolosori Mining Lease Application Lodged                           | ✓    |    |      |    |    |         |
| Environmental and Social Impact Assessment Lodged                  |      | ✓  |      |    |    |         |
| Kolosori Early Works                                               |      |    |      |    |    |         |
| Kolosori Mining Lease approval and development consent             |      |    |      |    |    |         |
| Project Financing                                                  |      |    |      |    |    |         |
| Kolosori Development                                               |      |    |      |    |    |         |
| First Shipment                                                     |      |    |      |    |    | ✓       |
| Jejevo JORC estimate                                               | ✓    |    |      |    |    |         |
| Jejevo drilling                                                    |      |    |      |    |    |         |

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