

## EARLY WORKS UPDATE – KOLOSORI NICKEL PROJECT

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**Pacific Nickel Mines Limited** (ASX Code: PNM) (“**Pacific Nickel**” or “**Company**”) is pleased to provide an update on the early works program (“Early Works”) to advance the Kolosori Nickel Project (“the Project”) on Isabel Island, Solomon Islands.

### EARLY WORKS IN PROGRESS

The Company is pleased to report that equipment required for the Early Works arrived on site in December 2021 and that a temporary camp and a track up to the initial test pit area have now been completed. The start of the mining from the test pits is expected to commence at the end of this week with the geotechnical assessment to commence next week.

The Early Works program has been designed to allow the Company and its contractors to establish a site base at Kolosori in preparation for the main construction program targeted for April/May subject to the completion of the Definitive Feasibility Study, regulatory approvals, and financing.

As previously reported, the Company received Development Consent for the Kolosori Nickel Project from the Environment and Conservation Division of the Solomon Islands Ministry of Environment in December 2021<sup>1</sup>. The Development Consent is a key component in the process of securing a mining lease for the Project. With this approval, the Company is on track for the granting of a mining lease early this year.



**Photo 1. First barge arriving Kolosori site with initial equipment for Early Works**

The scope of the Early Works includes the following:

- Carry out a geotechnical assessment of the proposed wharf site;
- Carry out a number of test pits to assess mining and stockpile designs and calibrate grade control methods;

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<sup>1</sup> Development Consent Approved and Project Update – Kolosori Nickel Project, 20 December 2021

- Prepare a temporary camp including fuel tanks;
- Carry out a detailed environmental survey within the main project infrastructure areas;
- Assess quarry sites to provide construction materials for wharf and road construction; and
- Facilitate site visits for third party contractors to assess port construction, barging, site infrastructure, logistics and mining activities.



**Photo 2. Preparation of the track from the barge landing site to the temporary base camp**



**Photo 3. Temporary camp for the Early Works Program**

## EARLY WORKS

Following a successful drilling program at the Kolosori Nickel Project during 2021<sup>2</sup> and completion of a positive Scoping Study, the Company resolved to fast-track the project development timetable by

<sup>2</sup> ASX Announcement 18 November 2021, Kolosori Nickel Project – Drilling Update

initiating an Early Works program which commenced in December 2021 and is expected to be completed around the end of February 2022.

The main focus of the Early Works is to complete a number of mining test pits, completing a detailed environmental assessment of the project area and finalising the geotechnical assessment of the wharf area. Test pit results will be utilised to determine the general mineability of the deposit and the appropriate number of machines and personnel necessary to conduct mining operations.



**Photo 4. Preparation of road from temporary base camp to initial Test Pit site**

### **Test Pits**

The Company has planned a number of test pits throughout the proposed initial mining area. The first two test pits are located in proposed mining areas nearest to the proposed wharf area. The exploration team has completed a series of grade control holes in the area of the test pits. The grade control holes are closely spaced (approximately 10 metres apart) and will enable a reconciliation of the grade control drilling with grades from the mined material.

The test pits will also provide the Company with valuable information regarding the ore characteristics with respect to mining productivity and moisture content.

The material from the test pit will be stockpiled so that moisture content can be analysed over time to measure its drying characteristics as the moisture content of the ore is an important consideration for barging and shipping.

### **Geotechnical Work**

The Company has engaged a local contractor to carry out the geotechnical work for the Project. The main geotechnical focus of the Early Works is to carry out an assessment of the ground conditions at the wharf site. The results of this work will feed into the Definitive Feasibility Study (DFS) work currently being undertaken by the Company and consultants Resindo.

Authorised by the Chief Executive Officer

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