Pacific Nickel

ASX ANNOUNCEMENT

21 June 2023

Kolosori Infill and Grade Control Drilling Update

Pacific Nickel Mines Limited (ASX Code: PNM) ("**Pacific Nickel"** or **"Company"**) is pleased to advise that the Company has completed the initial infill and grade control drilling within ML 02/2022 (Kolosori Project) on Isabel Island, Solomon Islands. The drilling program was carried out in preparation for initial mining activities at the Kolosori Project forecast to commence in October 2023.

Importantly, the results from the 40 by 40m grade control drilling are consistent with the geological block model confirming that the area has high nickel grades for the initial mining.

The Company has recently completed a 20m by 20m pattern in this initial mining area with most of the samples now with ALS in Brisbane.

HIGHLIGHTS

- A 40m x 40m Grade control drill pattern has been undertaken over the initial proposed mining area with a total of 42 diamond core holes completed for a total of 355.1m. In summary:
  - Assays show strong correlation with nickel, moisture iron and other attributes in comparison to the resource drilling and resource modelling datasets.
  - Thickness and spatial continuity encountered in the transition and saprolite layers are comparable to those predicted in the JORC block model for this area of the deposit.
  - The drilling data has confirmed the viability of mining at a location closer to the barge loading facility than that originally envisaged in the Definitive Feasibility Study ("**DFS**").

- Examples of five holes (out of the 42 drilled) with significant results returned from the grade control program are as follows:
  - **GC40-006 8.5m @ 2.00 Ni% from 2m**
  - **GC40-011 8.0m @ 2.07 Ni% from 2m**
  - **GC40-012 10.0m @ 1.90% Ni from 2m**
  - **GC40-030 6.0m @ 1.84% Ni from 3m**
  - **GC40-038 7.0m @ 1.82% Ni from 5m**

- A 20m x 20m drilling program has also been completed to provide further detailed grade control drilling coverage across anticipated initial mining areas.

- Drilling data will be used to finalise pit designs for the initial mining areas at the Kolosori project.

Pacific Nickel CEO Geoff Hiller commented:

"Pacific Nickel Mines is pleased with high grade results in these initial mining areas which support steps being taken by the Company to start mining as soon as practicable."

"The Company is also pleased with the consistency that these results have demonstrated with the block model used in its financial modelling."

"These results are particularly important in the context of finalising drawdown of the second tranche of funding under the senior secured debt facility of up to US$22m being provided by Glencore International AG. They also support the execution of a mining contract at the earliest opportunity.

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KOLOSORI INFILL AND GRADE CONTROL DRILLING PROGRAM

As stated in an earlier release[1] , the initial mining area is now located closer to the barge loading facility than originally envisaged in the DFS (refer Figure 1).

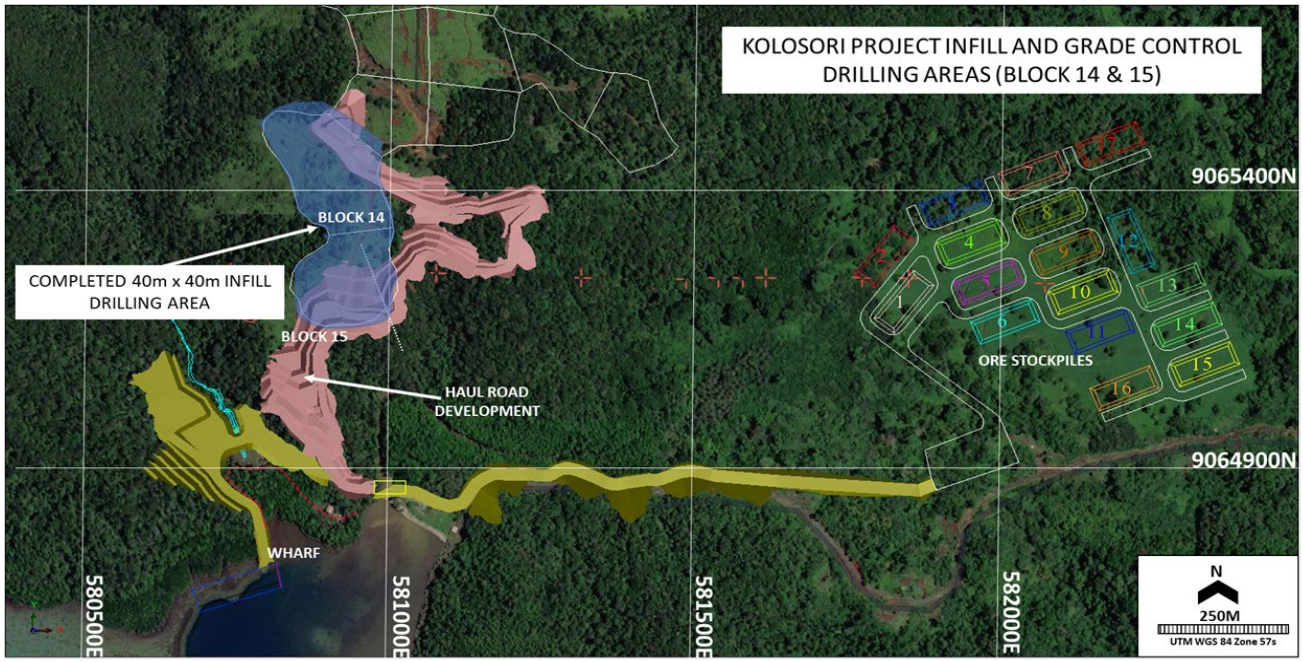

Figure 1: Drilling completed in ore blocks for earlier mining than planned for in the DFS

Consultants, Mining One have completed the first 40m x 40m drilling program (shown in Figure 2) to provide confirmation of the thickness and grade parameters for the proposed initial mining area at the Kolosori Project located in Mining Licence ML 02/2022 on Isabel Island, Solomon Islands.

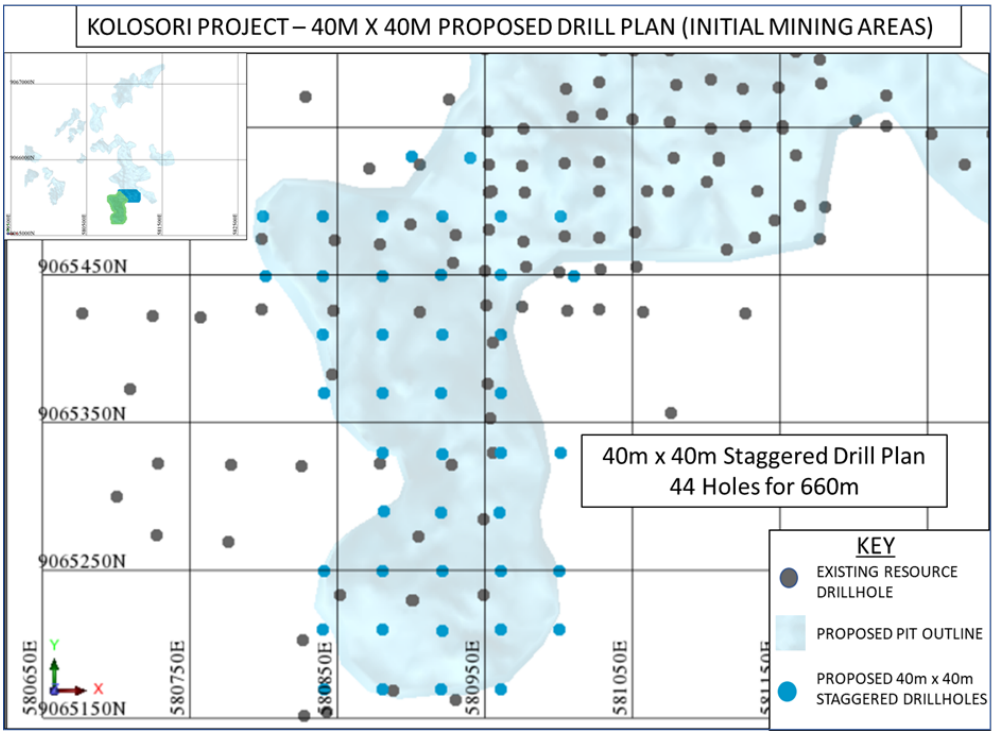

Figure 2 – 40m x 40m Grade Control Drilling Program

[1] ASX Announcement 17 April 2023, "Kolosori Nickel Project Update"

The drilling has provided important information relating to thickness of the mineralised zones, nickel, moisture and other element grades. These results were compared to the results delivered from the Kolosori JORC Mineral Resource estimate released to the ASX on 23rd November 2022. Figure 3 below shows the location of the drilled holes and Table 1 below summarises the results comparing average drill assays from the 40m x 40m grade control program to the Mineral Resource block model grades from the same area.

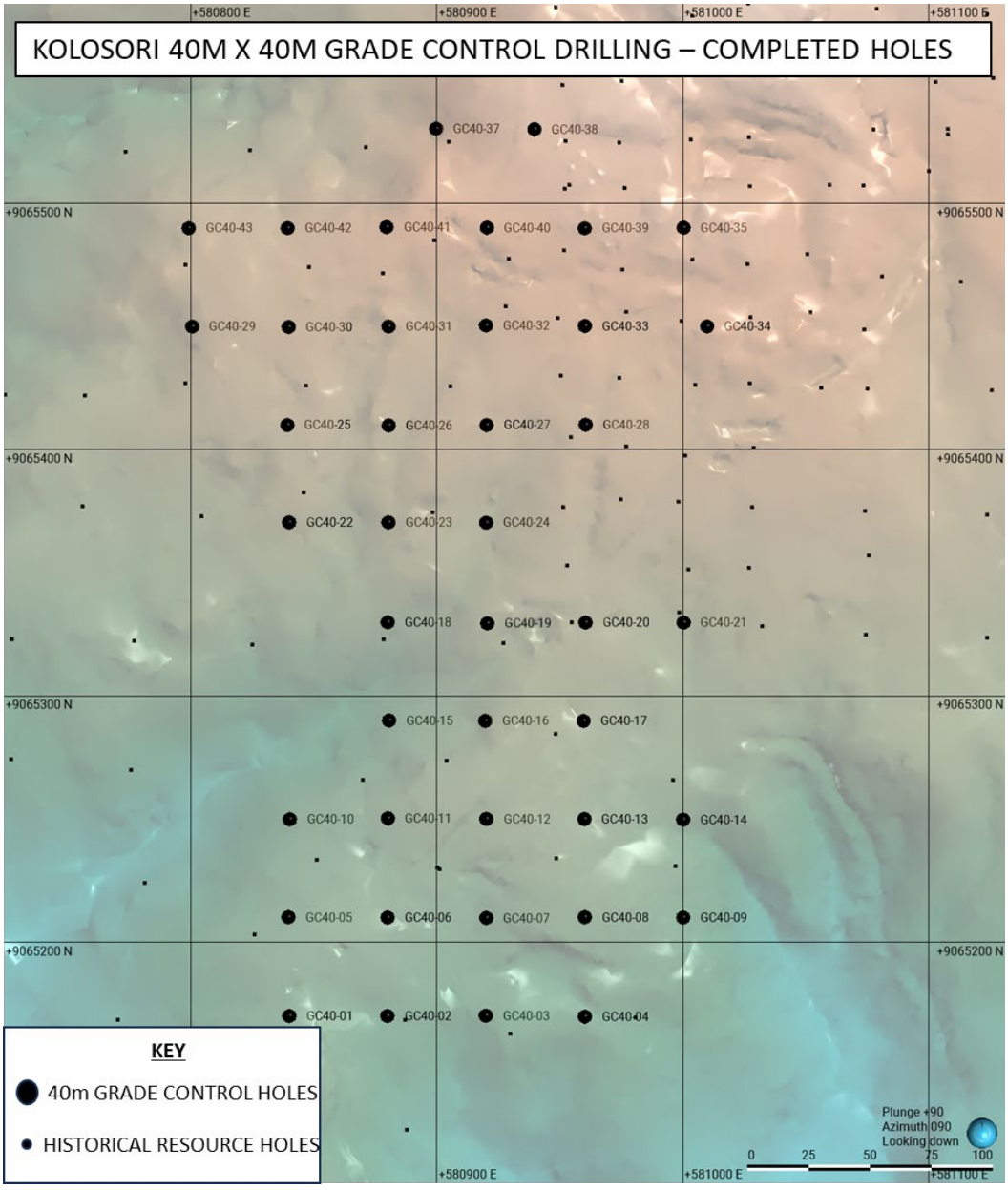

Figure 3 – Grade Control Nickel Results vs Mineral Resource Model Average Grades

Attribute	40m GC Drilling Results					Resource Model Blocks				
	FeCap	Limonite	Transition	Saprolite	Bedrock	FeCap	Limonite	Transition	Saprolite	Bedrock
Ni%	0.58	1	1.58	1.76	0.31	0.54	1.04	1.76	1.72	0.3
Moisture%	28	35	43	31	12	28	34	41	30	14
Fe_2O_3%	60	66	45	17	9	62	66	47	17	9
SiO_2/MgO Ratio	2.66	2.34	2.08	1.50	1.12	3.52	1.90	2.84	1.53	1.13
Ave Thickness (m)	-	2.05	0.77	3.21	-	-	3.18	0.92	3.71	-

TABLE 1 – KOLOSORI 40M x 40M GRADE CONTROL RESULTS VS MINERAL RESOURCE MODEL

KOLOSORI 40M x 40M DRILLING RESULTS

Nickel results for the saprolite domain where grade control drilling grades are compared to the averages seen in the Mineral Resource block model are shown in Figure 4 below. Generally, the grades show a strong correlation indicating that the Mineral Resource Model is predicting thickness and grade sufficient to enable the model to be used as the basis for the production schedule.

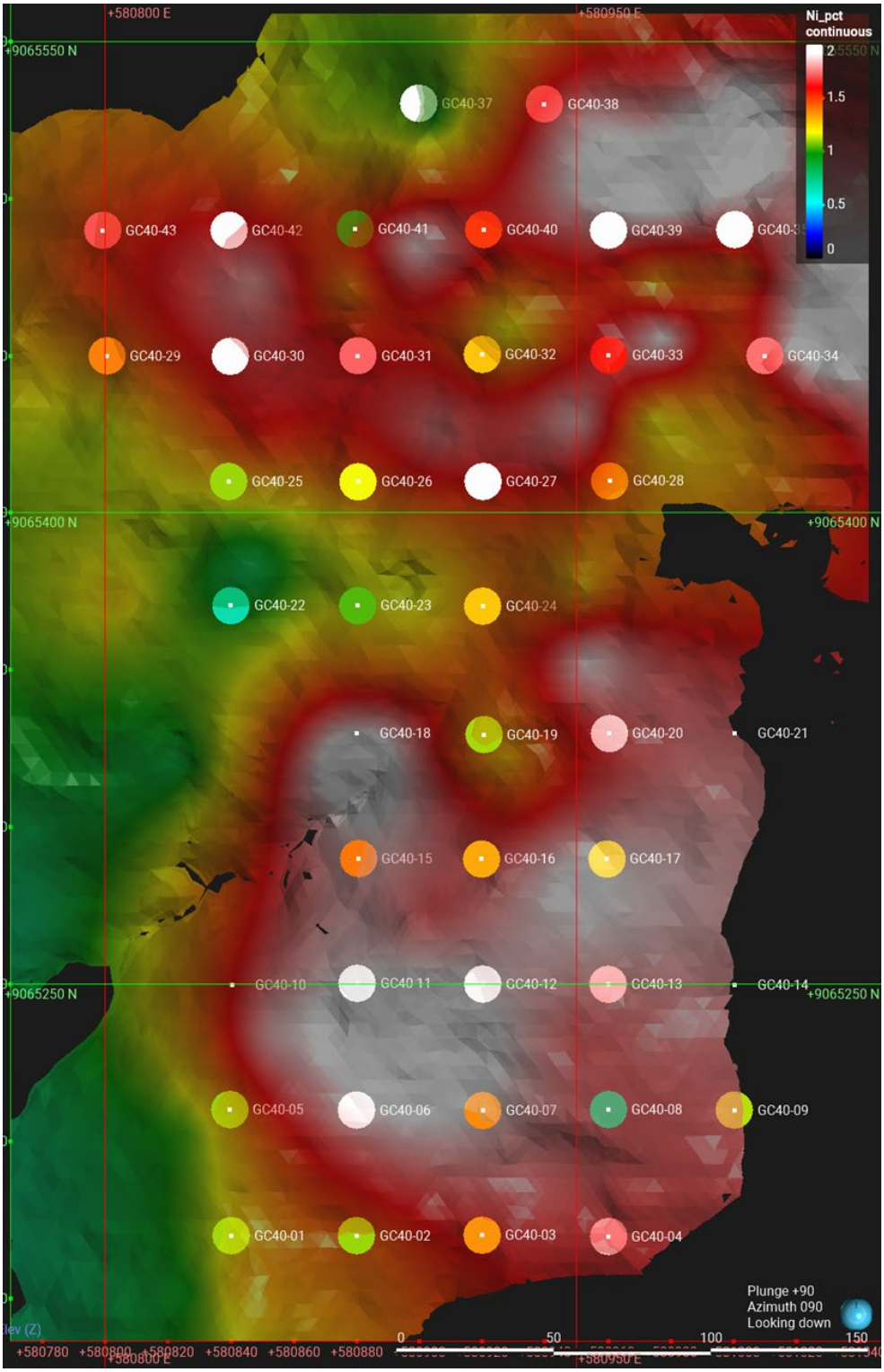

Figure 4 – Grade Control Nickel Results vs Mineral Resource Model Average Grades

Tables 2 and 3 below provide details of the Drillhole Collar Locations and the Sampling Data from the Kolosori 40m x 40m grade control drilling program.

JORC COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Mineral Resource estimates at the Kolosori project is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Hutchin a Member of the Australian Institute of Geoscientists. Mr Hutchin is a full-time employee of Mining One Consultants and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hutchin consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Authorised by the Board

For further information please contact:

Mr. Geoff Hiller
Executive Director & CEO

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HOLE ID	NORTH	EAST	RL	DEPTH	DIP	AZI
GC40-01	9065170	580840	64.351	5	-90	0
GC40-02	9065170.4	580879.7	58.83	4.1	-90	0
GC40-03	9065170.5	580919.9	58.699	6.8	-90	0
GC40-04	9065169.7	580960.5	59.167	10.5	-90	0
GC40-05	9065210.3	580840	66.425	6	-90	0
GC40-06	9065210.1	580880	69.826	10.5	-90	0
GC40-07	9065209.9	580919.9	67.376	11.7	-90	0
GC40-08	9065209.9	580960	72.607	8	-90	0
GC40-09	9065210.2	580998.5	61.572	11.4	-90	0
GC40-10	9065250.9	580840.5	60.858	1.8	-90	0
GC40-11	9065250.4	580880.3	73.778	9	-90	0
GC40-12	9065247	580923	81.394	12.6	-90	0
GC40-13	9065250.8	580959.5	78.701	9.5	-90	0
GC40-14	9065250.5	580993.8	71.559	4	-90	0
GC40-15	9065288.3	580881.9	66.668	5.5	-90	0
GC40-16	9065290.3	580920.7	83.405	4	-90	0
GC40-17	9065289.8	580959.7	85.695	12	-90	0
GC40-18	9065329.3	580879.4	82.372	5	-90	0
GC40-19	9065329.4	580920.6	92.139	8	-90	0
GC40-20	9065330.2	580960.8	94.856	10	-90	0
GC40-21	9065330.2	580999.4	89.953	4.4	-90	0
GC40-22	9065371.1	580839.7	94.322	8	-90	0
GC40-23	9065370.8	580880.6	96.034	8.5	-90	0
GC40-24	9065369.6	580919.9	93.895	5	-90	0
GC40-25	9065409.9	580840.2	104.471	8	-90	0
GC40-26	9065410.7	580880.9	105.818	5	-90	0
GC40-27	9065410.3	580920.4	111.986	10	-90	0
GC40-28	9065410.1	580960.6	115.623	10	-90	0
GC40-29	9065450.7	580801.6	108.159	8.3	-90	0
GC40-30	9065449.8	580839.8	113.813	10	-90	0
GC40-31	9065450.6	580880.6	115.003	6	-90	0
GC40-32	9065450.5	580920.1	119.953	7	-90	0
GC40-33	9065450.2	580960.3	124.745	10	-90	0
GC40-34	9065450.2	581010	127.697	10	-90	0
GC40-35	9065490	581000.4	137.231	12.5	-90	0
GC40-37	9065531	580940.4	140.068	14	-90	0
GC40-38	9065490.6	580960.2	135.792	13.5	-90	0
GC40-39	9065490.4	580920.4	131.715	13.5	-90	0
GC40-40	9065490.7	580879.8	126.238	9	-90	0
GC40-41	9065489.9	580839.3	113.753	11	-90	0
GC40-42	9065489	580800	109.136	7	-90	0
GC40-43	9065370.8	580959.4	104.378	9	-90	0

TABLE 2 – KOLOSORI 40M x 40M GRADE CONTROL DRILLHOLE COLLAR LOCATIONS

HOLE ID	FROM	TO	Ni %
GC40-01	0	1	0.756
GC40-01	1	2	0.591
GC40-01	2	3	0.861
GC40-01	3	4	1.105
GC40-01	4	5	0.328
GC40-02	0	1	0.53
GC40-02	1	2	0.663
GC40-02	2	3	1.1
GC40-02	3	4.1	0.398
GC40-03	0	1	1.36
GC40-03	1	2	1.225
GC40-03	2	3	1.365
GC40-03	3	4	0.693
GC40-03	4	5	0.288
GC40-03	5	6	0.261
GC40-03	6	6.8	0.299
GC40-04	0	1	0.907
GC40-04	1	2	0.742
GC40-04	2	3	0.807
GC40-04	3	4	0.981
GC40-04	4	5	2.25
GC40-04	5	6	1.87
GC40-04	6	7	1.885
GC40-04	7	8	1.77
GC40-04	8	9	1.375
GC40-04	9	10.5	0.342
GC40-05	0	1	0.54
GC40-05	1	2	0.67
GC40-05	2	3	0.875
GC40-05	3	4	1.405
GC40-05	4	5	1.095
GC40-05	5	6	0.246
GC40-06	0	1	0.624
GC40-06	1	2	0.938
GC40-06	2	3	1.5
GC40-06	3	4	2.99
GC40-06	4	5	3.09
GC40-06	5	6	2.67
GC40-06	6	7	3.05
GC40-06	7	8	2.51
GC40-06	8	9	1.91
GC40-06	9	10	2.52
GC40-06	10	10.5	1.455
GC40-10	0	1	0.267
GC40-10	1	1.8	0.205
GC40-07	0	1	0.564
GC40-07	1	2	0.712
GC40-07	2	3	1.02
GC40-07	3	4	1.08
GC40-07	4	5	1.705
GC40-07	5	6	2.12
GC40-07	6	7	1.785
GC40-07	7	8	1.345
GC40-07	8	9	1.385
GC40-07	9	10	1.24
GC40-07	10	11	0.848
GC40-07	11	11.7	0.73
GC40-08	0	1	0.404
GC40-08	1	2	0.546
GC40-08	2	3	0.726
GC40-08	3	4	0.891

HOLE ID	FROM	TO	Ni %
GC40-08	4	5	1.21
GC40-08	5	6	1.245
GC40-08	6	7	0.755
GC40-08	7	8	0.244
GC40-11	0	1	0.924
GC40-11	1	2	0.972
GC40-11	2	3	1.255
GC40-11	2	3	1.325
GC40-11	3	4	1.415
GC40-11	4	5	2.7
GC40-11	5	6	2.43
GC40-11	6	7	2.31
GC40-11	7	8	2.55
GC40-11	8	9	2.59
GC40-12	0	1	0.825
GC40-12	1	2	0.799
GC40-12	2	3	1.18
GC40-12	3	4	1.815
GC40-12	4	5	2.36
GC40-12	5	6	2.5
GC40-12	6	7	2.26
GC40-12	7	8	2.03
GC40-12	8	9	2.37
GC40-12	9	10	1.755
GC40-12	10	11	1.645
GC40-12	11	12	1.045
GC40-12	12	12.6	0.807
GC40-13	0	1	0.661
GC40-13	1	2	0.888
GC40-13	2	3	0.932
GC40-13	3	4	1.29
GC40-13	4	5	1.56
GC40-13	5	6	2.13
GC40-13	6	7	2.38
GC40-13	7	8	1.885
GC40-13	8	9	0.892
GC40-13	9	9.5	0.24
GC40-16	0	1	1.995
GC40-16	1	2	1.74
GC40-16	2	3	0.747
GC40-16	3	4	0.821
GC40-28	0	1	0.628
GC40-28	1	2	0.93
GC40-28	2	3	0.794
GC40-28	3	4	0.955
GC40-28	4	5	1.35
GC40-28	5	6	1.585
GC40-28	6	7	2.04
GC40-28	7	8	1.785
GC40-28	8	9	0.846
GC40-28	9	10	0.214
GC40-09	0	1	0.565
GC40-09	1	2	0.552
GC40-09	2	3	1.025
GC40-09	3	4.5	1.145
GC40-09	4.5	6	2.2
GC40-09	6	7	1.68
GC40-09	7	8	1.68
GC40-09	8	9	0.726
GC40-09	9	10	0.956
GC40-09	10	11.4	0.416

HOLE ID	FROM	TO	Ni %
GC40-14	0	1	0.989
GC40-14	1	2	1.19
GC40-14	2	3	0.53
GC40-14	3	4	0.23
GC40-17	0	1	0.497
GC40-17	1	2	0.683
GC40-17	2	3	0.763
GC40-17	3	4	1.155
GC40-17	4	5	1.435
GC40-17	5	6	1.63
GC40-17	6	7	1.18
GC40-17	7	8	1.73
GC40-17	8	9	1.205
GC40-17	9	10	1.21
GC40-17	10	11	0.937
GC40-17	11	12	0.433
GC40-19	0	1	0.796
GC40-19	1	2	1.035
GC40-19	2	3	1.1
GC40-19	2	3	1.125
GC40-19	3	4	1.43
GC40-19	4	5	1.435
GC40-19	5	6	0.779
GC40-19	6	7	0.247
GC40-19	7	8	0.199
GC40-20	0	1	0.749
GC40-20	1	2	0.895
GC40-20	2	3	1.22
GC40-20	3	4	1.44
GC40-20	4	5	1.995
GC40-20	5	5.5	3.1
GC40-20	5.5	7	2.48
GC40-20	7	8	1.885
GC40-20	8	9	1.505
GC40-20	9	10	0.217
GC40-21	0	1	0.683
GC40-21	1	2	0.693
GC40-21	2	3	0.206
GC40-21	3	4.4	0.206
GC40-22	0	1	0.677
GC40-22	1	2	0.712
GC40-22	2	3	0.981
GC40-22	3	4	1.11
GC40-22	4	5	0.552
GC40-22	5	6	0.245
GC40-22	6	7	0.774
GC40-22	7	8	0.243
GC40-23	0	1	0.596
GC40-23	1	2	0.883
GC40-23	1	2	1.09
GC40-23	2	3	0.751
GC40-23	3	4	0.949
GC40-23	4	5	1.265
GC40-23	5	6	1.14
GC40-23	6	7	0.335
GC40-23	7	8.5	0.23
GC40-24	0	1	1.155
GC40-24	1	2	1.38
GC40-24	2	3	1.275
GC40-24	3	4	0.24
GC40-24	4	5	0.214

HOLE ID	FROM	TO	Ni %
GC40-25	0	1	0.771
GC40-25	1	2	0.947
GC40-25	2	3	1.135
GC40-25	3	4	2.36
GC40-25	4	5	2.13
GC40-25	5	6	0.385
GC40-25	6	7	0.784
GC40-25	7	8	0.209
GC40-26	0	1	0.703
GC40-26	1	2	0.987
GC40-26	2	3	1.37
GC40-26	3	4	0.978
GC40-26	4	5	0.23
GC40-27	0	1	0.735
GC40-27	1	2	0.859
GC40-27	2	3	0.713
GC40-27	3	4	1.295
GC40-27	4	5	2.57
GC40-27	5	6	2.47
GC40-27	6	7	1.945
GC40-27	7	8	1.845
GC40-27	8	9	1.385
GC40-27	9	10	1.46
GC40-29	0	1	0.602
GC40-29	1	2	0.947
GC40-29	2	3	0.788
GC40-29	3	4	1.44
GC40-29	4	5	2.02
GC40-29	5	6	1.415
GC40-29	6	7	0.76
GC40-29	7	8.3	0.28
GC40-30	0	1	0.574
GC40-30	1	2	0.939
GC40-30	2	3	0.899
GC40-30	3	4	1.32
GC40-30	4	5	2.35
GC40-30	5	6	2.06
GC40-30	6	7	2.04
GC40-30	7	8	1.72
GC40-30	8	9	1.53
GC40-30	9	10	0.432
GC40-31	0	1	0.911
GC40-31	1	2	2.29
GC40-31	1	2	2.26
GC40-31	2	3	2.16
GC40-31	3	4	0.948
GC40-31	4	5	1.495
GC40-31	5	6	0.24
GC40-32	0	1	0.458
GC40-32	1	2	0.565
GC40-32	2	3	0.986
GC40-32	3	4	1.45
GC40-32	4	5	1.515
GC40-32	5	6	1.04
GC40-32	6	7	0.409
GC40-33	0	1	0.412
GC40-33	1	2	0.916
GC40-33	2	3	0.946
GC40-33	3	4	0.738
GC40-33	4	5	1.33
GC40-33	5	6	1.865

HOLE ID	FROM	TO	Ni %
GC40-33	6	7	1.99
GC40-33	7	8	1.165
GC40-33	8	9	0.239
GC40-33	9	10	0.203
GC40-34	0	1	0.512
GC40-34	1	2	0.515
GC40-34	2	3	0.894
GC40-34	3	4	0.914
GC40-34	4	5	1.23
GC40-34	5	6	1.935
GC40-34	6	7	2.22
GC40-34	7	8	1.825
GC40-34	8	9	1.165
GC40-34	9	10	0.513
GC40-43	0	1	1.08
GC40-43	1	2	1.36
GC40-43	2	3	1.3
GC40-43	3	4	1.535
GC40-43	4	5	2.17
GC40-43	5	6	1.695
GC40-43	6	7	0.228
GC40-43	7	8	0.253
GC40-43	8	9	0.219
GC40-40	0	1	0.699
GC40-40	1	2	1.255
GC40-40	2	3	1.24
GC40-40	3	4	1.505
GC40-40	4	5	1.86
GC40-40	5	6	1.18
GC40-40	6	7	0.431
GC40-40	7	8	0.217
GC40-40	8	9	0.206
GC40-38	0	1	0.398
GC40-38	1	2	0.568
GC40-38	2	3	0.91
GC40-38	3	4	0.976
GC40-38	4	5	0.909
GC40-38	5	6	1.305
GC40-38	6	7	2.23
GC40-38	7	8	2.04
GC40-38	8	9	1.835
GC40-38	9	10	1.885
GC40-38	10	11	1.815
GC40-38	11	12	1.655
GC40-38	12	13.5	0.867
GC40-39	0	1	0.728
GC40-39	1	2	0.886
GC40-39	2	3	0.898
GC40-39	3	4	0.861
GC40-39	4	5	1.26
GC40-39	5	6	1.895
GC40-39	6	7	2.22
GC40-39	7	8	2.36
GC40-39	8	9	2.34
GC40-39	9	10	1.91
GC40-39	10	11	0.977
GC40-39	11	12	0.359
GC40-39	12	13.5	0.449
GC40-37	0	1	0.758
GC40-37	1	2	0.865
GC40-37	2	3	0.951

HOLE ID	FROM	TO	Ni %
GC40-37	3	4	1.065
GC40-37	4	5	2.39
GC40-37	5	6	2.94
GC40-37	6	7	2.54
GC40-37	7	8	2.09
GC40-37	8	9	2.05
GC40-37	9	10	0.949
GC40-37	10	11	2.05
GC40-37	11	12	1.815
GC40-37	12	13	1.805
GC40-37	13	14	1.57
GC40-35	0	1	0.636
GC40-35	1	2	0.612
GC40-35	2	3	0.851
GC40-35	3	4	0.963
GC40-35	4	5	1.12
GC40-35	5	6	1.32
GC40-35	6	7	2.32
GC40-35	7	8	2.3
GC40-35	8	9	2.31
GC40-35	9	10	1.79
GC40-35	10	11	1.645
GC40-35	11	12	1.585
GC40-35	12	12.5	0.299
GC40-18	0	1	1.795
GC40-18	1	2	0.552
GC40-18	2	3	0.209
GC40-18	3	4	0.209
GC40-18	4	5	0.198
GC40-15	0	1	1.65
GC40-15	1	2	1.175
GC40-15	2	3	0.496
GC40-15	3	4	0.234
GC40-15	4	5.5	0.226
GC40-42	0	1	0.574
GC40-42	1	2	0.832
GC40-42	2	3	0.956
GC40-42	3	4	1.47
GC40-42	4	5	2.5
GC40-42	5	6	2.45
GC40-42	6	7	2.28
GC40-41	0	1	0.792
GC40-41	1	2	1.03
GC40-41	2	3	1.16
GC40-41	3	4	1.505
GC40-41	4	5	1.8
GC40-41	5	6	1.93
GC40-41	6	7	1.665
GC40-41	7	8	0.959
GC40-41	8	9	0.472
GC40-41	9	10	0.419
GC40-41	10	11	0.379

TABLE 3 – KOLOSORI 40M x 40M GRADE CONTROL DRILLHOLE SAMPLING DATA

APPENDIX A: JORC 2012 Table 1 Criteria Assessment

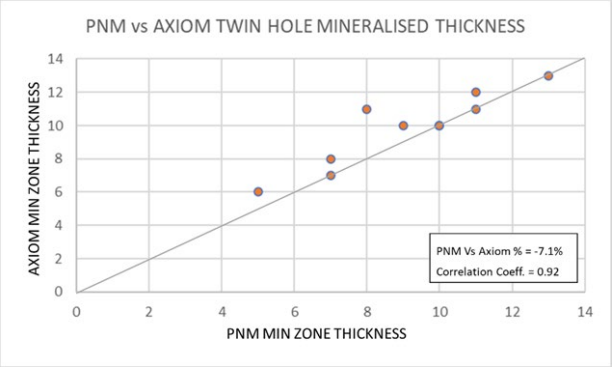
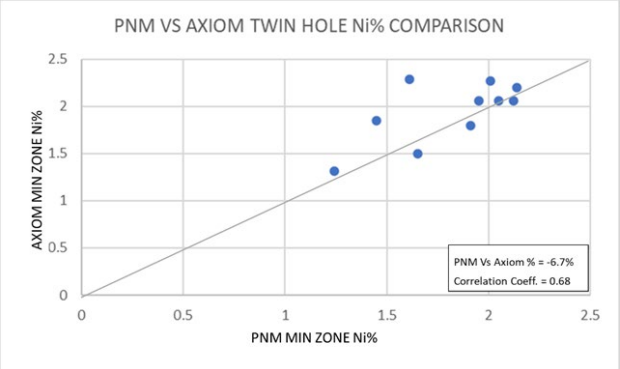
Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Sampling has been undertaken sporadically over the Kolosori license area since the 1960s. Work was completed by INCO primarily. Axiom Mining Limited who completed work from 2015 through to 2016 supervised diamond drilling programs within the Kolosori project area. Pacific Nickel Mines (PNM) has since completed drilling in 2021, 2022 and 2023 at the Kolosori project. The Diamond drilling was completed over multiple phases that are described as: • November 2014 to June 2015 – 2,241 M were completed with a diamond rig drilling HQ sizes core. Half core was generally sampled at 1m intervals • July 2015 to September 2015 – 5001m completed by man portable diamond drill rigs. NQ sized core was drilled by these rigs, samples were generally taken as whole core on 1m sampling intervals. • August 2015 to November 2015 – 5,476m were drilled using the man portable diamond rigs that produced NQ core that was sampled as whole core on 1m intervals. • (PNM) June 2021 to January 2022 – 1566.05m were drilled using man portable diamond rigs that produced NQ sized core samples. Half core samples were taken typically at 1m intervals. • PNM drilled 44 grade control holes for 355.1m between March and May 2023 to test the southern area of the project where initial mining is proposed to take place. Core samples from the pre 2021 diamond drilling programs were assayed at the Intertek laboratories in Brisbane Australia. Samples were assayed using glass fusion XRF for the standard 12 element nickel laterite suite. Core samples from the 2021 -2023 drilling programs were submitted to the ALS laboratory located in Brisbane. Samples were assayed using glass fusion XRF for the standard 12 element nickel laterite suite.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling was completed using a small portable drilling rig that was moved between drill sites using a track based crawler. A larger diamond drill rig was also used between November 2014 and June 2015 that was able to drill HQ size core The rigs drilled conventional NQ sized single tube core that was contained within a plastic sleeve within the core barrel to ensure any loosely consolidated material was contained within the sample interval. These types of drill rigs are commonly used for drilling of laterite hosted deposits within Indonesia and the South Pacific. Holes were drilled vertically through the limonite and saprolite zones into underlying basement.

Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Sample recovery averaged greater than 97% given the containment of each sample run within a plastic sleeve within the core barrel.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All holes were: • marked up for recovery calculations • geologically marked up and logged for geology, fractures and recovery • marked up for sampling interval • photographed Geology logging includes lithology, minerals, colour and texture.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	The NQ core was sampled as whole core over samples ranging in length from 0.25m to 1.0m. The majority of sample intervals were 1m in length. Geological contacts were used to determine the sampling intervals where practical to do so. The principal sampling method from the drill core resulted in samples averaging 3-5 kg in weight for each 1m sample. The Intertek laboratory in Australia, a commercial laboratory facility, used standard perpetration methods that included: • 24 hour drying at 90º C • jaw crushing to <5 mm • riffle split to 1.2 to 1.6 kg • pulverised with LM2 sampled to 50 g and 200 g pulps. The ALS laboratory in Brisbane, a commercial laboratory facility, used standard perpetration methods that included: • 24 hour drying at 105º C • jaw crushing to <5 mm • riffle split to 1.0 to 1.5 kg • pulverised with LM2 sampled to 50 g and 200 g pulps.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	All diamond core samples were analysed at either the Intertek or ALS laboratory located in Australia. The glass fusion XRF method was used where the nickel laterite multi-element suite was completed. Assay were determined for: • Ni%, Co%, Mg%, Cr%, Fe%, Mn%, Al%, Si%, Ca% and K%. Standards, Blanks and Duplicates were inserted into the sample batches. The combination of QAQC samples inserted by Axiom and by Intertek ranged from 0.3% through to 5.6%, The QAQC samples represented 18.6% of the total diamond core assay dataset. PNM also submitted blanks, standards and duplicates within each assay batch at a ratio of 1:20 samples. No material biases were noted in the QAQC sampling results.
Verification of	*The verification of significant intersections by either independent or alternative company personnel.*	11 twin holes were drilled to be used for metallurgical testing of the mineralised material. The mineralised zone thickness and

sampling and assaying	*The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	nickel grade were within 10% of the original Axiom assay data for these holes. No material bias or errors were noted based on the twin hole results. The plots of the results for both thickness and nickel grade are shown below. 44 40m spaced grade control holes were drilled between April and May 2023. These holes showed strong correlation with the historical Axiom and PNM drillholes.   There were no adjustments to any assays other than the replacement of below detection values with half the detection limit.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Collar locations were surveyed by hand-held GPS. No elevation was recorded, GPS reading accuracy was to approximately 5 m. Collar elevations have been assigned based on the topographic surface that covers the deposit area. All exploration and evaluation work is completed in UTM WGS 84 Zone 57S. A LIDAR survey was completed in August 2022 that covers a section of the main Kolosori deposit area. The LIDAR survey for the Northern area of Kolosori was completed in October 2022.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Drilling has been completed on spacings ranging from greater than 100m x 100m down to 25m x 25m in the central deposit area. This drill spacing is adequate to establish continuity of the nickel laterite style of mineralization. Drill core samples are generally 1 m in length, the regolith horizons encountered within the deposit are generally greater than 1m in thickness. The drill spacing and sampling intervals are assessed as acceptable for this style of mineralization.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The nickel laterite deposit is formed as a weathered geomorphic surface sourced from ultramafic bedrock units. All diamond holes were vertical and provide a suitable intersection angle. The drill pattern spacing allows for interpretation of the nickel and cobalt mineralization throughout the project area. Regional and local structures are described as horizontal to sub- horizontal and related to thrusting. There is no evidence of cross cutting structures or units that would bias the assay results.
Sample security	*The measures taken to ensure sample security.*	Axiom reported that samples were escorted from the drill sites to a secure facility at the site camp. Samples were placed in zip tied bags and then escorted to the transport depot located in Honiara. PNM provided supervision by the site Geologist of all samples between the drill site and the storage facility in Honiara where they were packaged for transport to Australia.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Mining One have reviewed the drilling database that relates to the reported resource area. Previous reviews have been completed by ResEval Pty Ltd for both the Exploration and Diamond Drilling programs. The twin hole and resource definition drilling programs completed in 2021-2022 and the 40m grade control holes drilled in 2023 have also provided confirmation on the validity of the historical assay results reported by Axiom

Section 2: Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	In October 2020 Malachite (now PNM) executed a Share Purchase Agreement (Agreement) to formalise its acquisition of an 80% interest in Kolosori Nickel (SI) Limited ("KNL") which holds a 100% interest in PL 05/19. A Mining lease was then granted on the 14th September 2022 (ML02/2022). The lease area covers the same extents as the previous PL boundary.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	INCO, Kaiser Engineering and Axiom Mining Limited have completed the majority of historical exploration work completed within the Resource area.
Geology	*Deposit type, geological setting and style of mineralisation.*	Wet tropical laterite. In-situ chemical weathering of the ultramafic rocks with nickel and cobalt enrichment through both residual and supergene processes.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Diamond drilling programs were primarily completed by Axiom Mining between 2014 and 2016 and then by PNM in 2021, 2022 and 2023. These holes were drilled on various spacings ranging from 100m x 100m down to 25m x 25m. Diamond drilling was completed using a small portable drilling rig that was moved between drill sites using a track based crawler. The rigs drilled conventional NQ sized single tube core that was contained within a plastic sleeve within the core barrel to ensure any loosely consolidated material was contained within the sample interval. These types of drill rigs are commonly used for drilling of laterite hosted deposits within Indonesia and the South Pacific. Holes were drilled vertically through the limonite and saprolite zones into underlying basement.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Weighted averages are used for reporting all assay intervals from the diamond drillholes.

Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The laterite is thin but laterally extensive. The intercepts are almost perpendicular to the mineralisation. Drilling so far has been confined to the major ridgelines due to access and deposit geometry.
CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported.* *These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Maps are provided in ASX releases release that show the distribution of drilling across the Kolosori deposit.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The significant results reported from the historical drilling use a lower cut-off of 1% Ni with no more than 1m of internal material less than 1% included.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Significant studies were completed by Axiom Mining in relation to the estimation of JORC compliant resources in 2016 of which included the Pacific Nickel resources now reported within ML 02/22.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Future work will include: • Completion of grade control drilling within the Kolosori deposit area • Testing of regional exploration targets within Mining Lease ML 02/2022 .