

International Mining and Resources Conference Presentation

Pacific Nickel Mines Limited (ASX Code: PNM) (**Pacific Nickel** or **Company**) releases its Conference Presentation – “Kolosori Nickel DSO Project – Mining has commenced” for the International Mining and Resources Conference + Expo held in Sydney 31 October - 2 November 2023.

Authorised by the Chief Executive Officer.

For further information please contact:

Mr. Andrew J. Cooke
Company Secretary
Email: acooke@pacificnickel.com

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



Kolosori Nickel DSO Project Mining has commenced

International Mining and Resource Conference (IMARC)

ASX: **PNM**

October | Conference Presentation

Disclaimer and JORC Compliance Statement

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: 24 November 2020 – Jejevo Exploration Target and Drilling Update, 7 October 2021 Initial JORC Resource Estimate at Jejevo, 15 September 2022 – Mining Lease Awarded for the Kolosori Nickel Project, 27 September 2022 Kolosori Nickel Project Update, Kolosori Project Update, 23 November 2022 Updated Kolosori Resource Estimate Delivers Increased Nickel, 21 December 2022 – Solomon Islands Nickel Projects Update, 1 February 2023 – Kolosori Nickel Project DFS Delivers Attractive Economics, 23 February 2023 – Kolosori Nickel Project Advances to Project Execution Stage, 14 March 2023 – Approval for Export Permit Granted – Kolosori Nickel Project, 17 April 2023 – Kolosori Nickel Project Update, 19 April 2023 Major Milestone, Glencore Execute Kolosori Finance Agreement, 3 May 2023 – US\$3m Drawdown of Glencore Financing for Kolosori Completed, 21 June 2023 – Kolosori Infill and Grade Control Drilling Update, 29 June 2023 – Kolosori Nickel – Project Services Agreement Executed, 18 July 2023 – Kolosori Nickel Project Update, 20 July 2023 – Kolosori Nickel Ore Barging Agreement Executed, 25 July 2023 – Drawdown Notice for US\$19m Issued to Glencore Financing for Kolosori, 15 August 2023 – Kolosori Project – Mining Contractor Commences Earthworks, 25 August 2023 – Kolosori Nickel Project Development Progressing on Schedule, 12 September 2023 – Kolosori Nickel Project – Overburden Removal Commenced, 2 October 2023 – Kolosori Nickel Project – Mining of Nickel Ore Commenced.

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 23 November 2022 announcement "Updated Kolosori Resource Estimate Delivers Increased Nickel" and at Jejevo in the 7 October 2021 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.

On 1 February 2023 Pacific Nickel released an announcement entitled - Kolosori Nickel Project Definitive Feasibility Study Delivers Highly Attractive Economics. The Definitive Feasibility Study (DFS) outcomes, production target and forecast financial information referred to in this announcement were based on accuracy levels for technical and economic assessments that are sufficient to support an estimation of Ore Reserves. The Initial Ore Reserve Statement for the Kolosori Nickel Project dated 31 January 2023 is appended to the DFS Summary Report attached to the Pacific Nickel announcement dated 1 February 2023 - Kolosori Nickel Project Definitive Feasibility Study Delivers Highly Attractive Economics. Pacific Nickel confirms that it is not aware of any new information or data that materially affects the information included in this release. All material assumptions and technical parameters underpinning the Ore Reserve continue to apply and have not materially changed. The Mineral Resources and Ore Reserves underpinning the production target in the DFS were prepared by competent persons in accordance with the requirements of the JORC Code (2012). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

A New Nickel Producer

Kolosori Nickel Project (PNM 80%)

DFS Completed

- Attractive economics achieved
- Simple **Direct Ship Ore (DSO)** operation (no processing)
- Very low capital (US\$22m)

Fully Permitted

- Mining Licence
- Export permit
- Mining and barging contracts secured

Development Completed

- Camp completed
- Haul road completed
- Wharf construction completed
- Ore stockpiling commenced

Substantial MRE

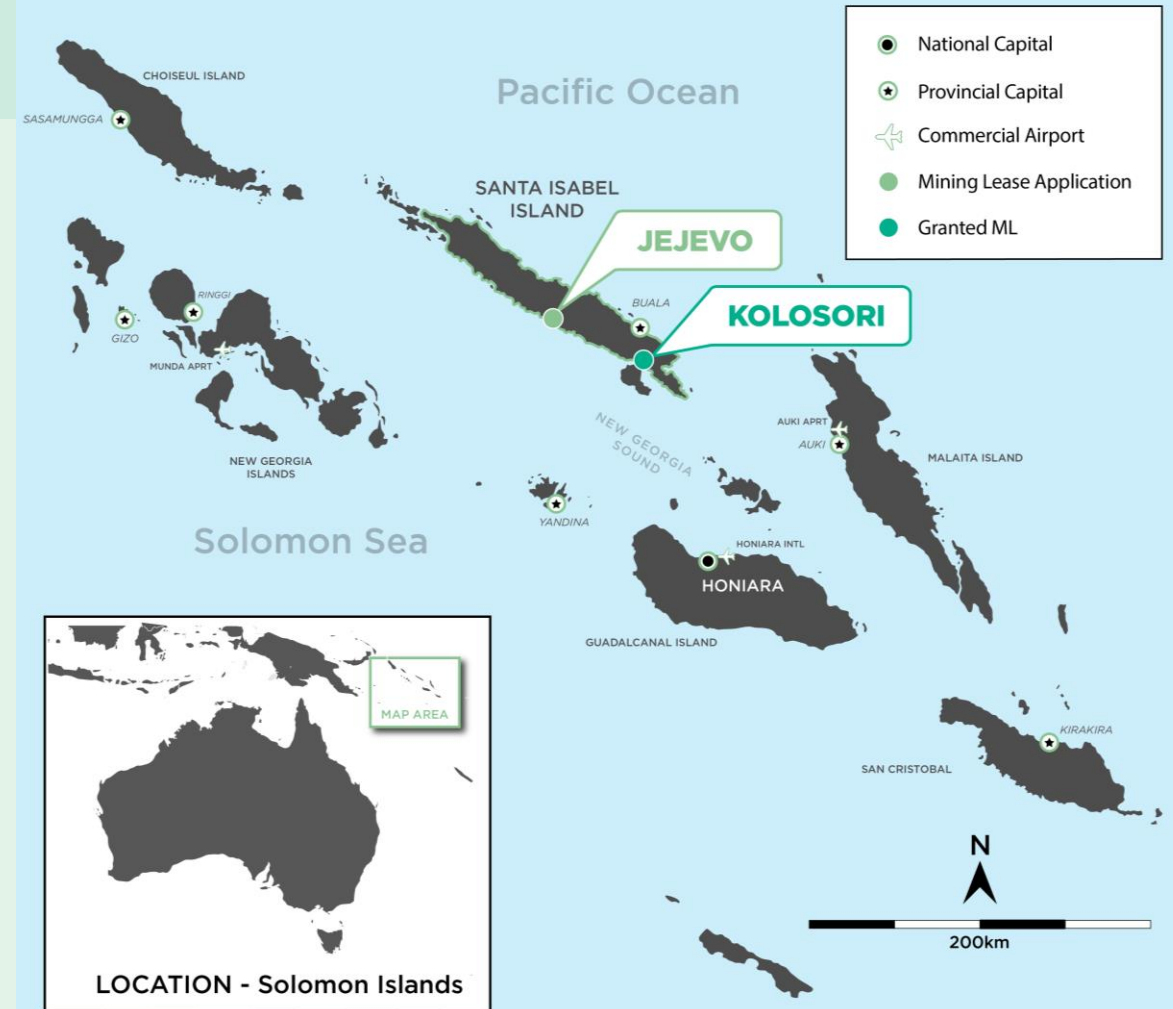
- **7.08Mt @ 1.57%** Nickel (1.2% Ni cut-off)

Glencore Financing

- 100% debt financed with US\$22m loan facility and offtake agreement
- Loan facility fully drawn
- 6 year offtake

Shipment of Ore

- First shipment in Nov 23
- Annualised sales of around 20,000 tonnes of contained nickel in DSO to RKEF industries in China



Experienced Team

Corporate Information

Shares on Issue **418.3m**

Options **71.2m**

Performance Rights **10.9m**

Share Price
ASX:PNM **\$0.092**

Market
Capitalisation **\$38.48m**

Cash
(as at 30 Sept 2023) **A\$23.0m**

Kolosori Project
Loan Facility **US\$22m**

Board and Management

(Directors Holdings 12.8%)

Greg Foulis
Non-Executive Chairman

Geoff Hiller
Director and CEO

Rob Thomson
Technical Director

Haldane Morris
Chief Operating Officer

Terry Cuthbertson
Non-Executive Director

James Dean
Non-Executive Director

Graham Frank
Chief Financial Officer

Andrew Cooke
Company Secretary

In Country Team

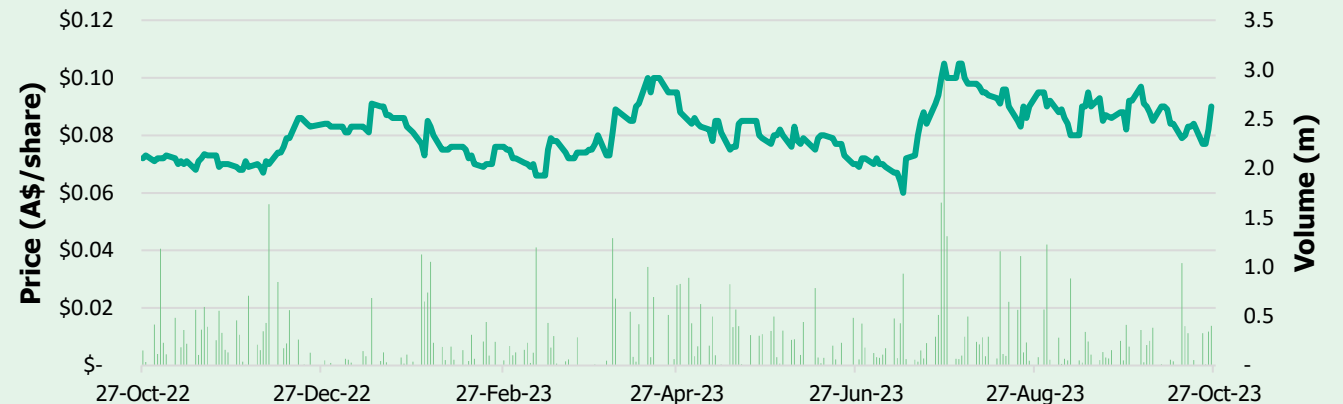
Michael James
Kolosori Project Development
& Jejevo GM

Pawel Misiec
SI Commercial Manager

Mark Edwards
GM of Kolosori

David Low
Project Director

PNM Share Price Performance



Glencore Financing and Offtake

Financing Agreements Executed

Loan Agreement

- Project loan facility of US\$22 million – Fully Drawn.
- 3-year repayment term commencing after the first shipment and with no scheduled repayments due during the wet season months.
- Competitive margin above the US Secured Overnight Financing Rate.
- Early repayments permitted without penalty.
- No mandatory hedging.

Offtake Agreement

- 6-year Term.
- Take or pay contract.
- Price received linked to agreed 1.5% DSO Nickel benchmarks and adjusted for nickel and moisture bonus/penalty payments.
- Quantity to be 100% of mine production during the Term.
- FOB Kolosori delivery basis with 85% payment upon provisional invoicing.



Glencore team inspecting test pit



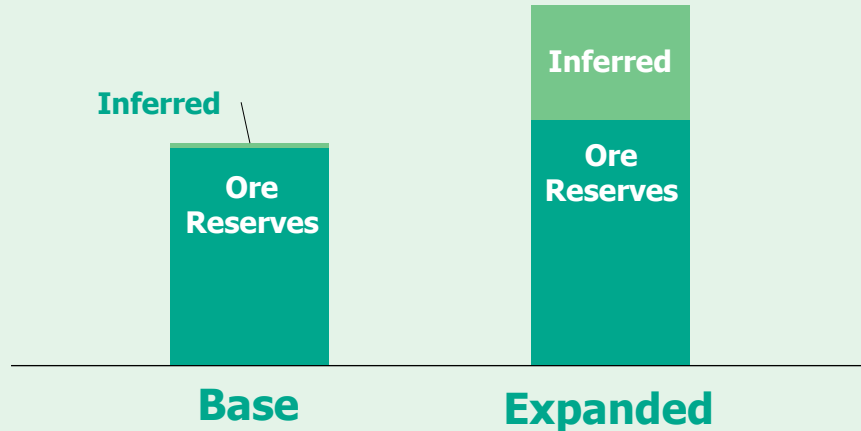
Glencore team inspecting trial stockpile

Kolosori DFS Provides Attractive Economics

Two Operating Scenarios Considered:

- 1 **Base Case** with the mine schedule representing 97% from Ore Reserves and 3% from Inferred Mineral Resources; and
- 2 **Expanded Case** with the mine schedule representing 68% from Ore Reserves and 32% from Inferred Mineral Resources.

Both cases assume an on average 1.4 Mtpa operation.



NPV Post-Tax	
Base	Expanded
US\$64m	US\$83m

Operating Margin	
Base	Expanded
US\$22_{per WMT}	US\$18_{per WMT}

Payback	
Base	Expanded
< 1 year	< 1 year

Ore Mined	
Base	Expanded
3.8 Mwmt @ 1.57% Ni	6.1 Mwmt @ 1.51% Ni

Mine Life	
Base	Expanded
3 years	5.8 years

CAPEX	
Base	Expanded
US\$21.3m	US\$21.3m

This section presents the financial outcomes of the Kolosori Project Definitive Feasibility Study. This evaluation considers the Project on a 100% basis.

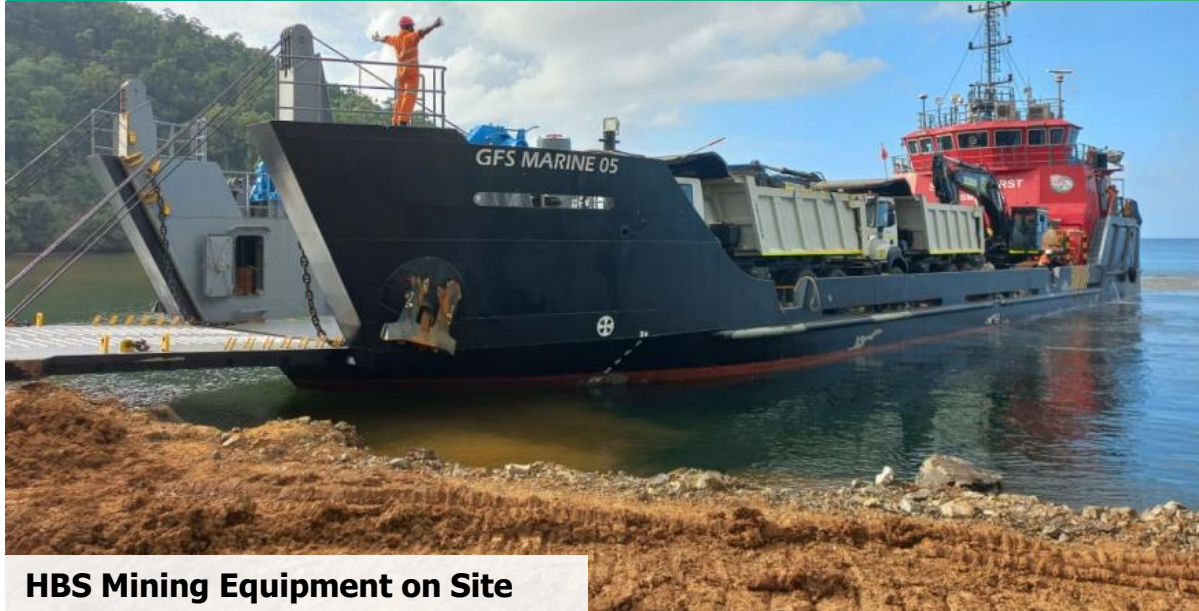
Straightforward DSO Nickel Operation

Simple Barging and Transshipping Operation

- Shallow open pit mining operation.
- No processing or tailings dams required.
- Barging 800m to 50,000 – 55,000 tonne geared ships for export.
- Production of up to 1.5 wet mtpa based on port throughput (~20,000t contained nickel).
- Saprolite shipped to Chinese RKEF plants for the production of nickel-in-pig iron for the stainless steel industry.
- Low environmental impact.



Development Activities



HBS Mining Equipment on Site



Camp and Project Offices



Mining Contractor Workshop



Sheet Piling for Wharf

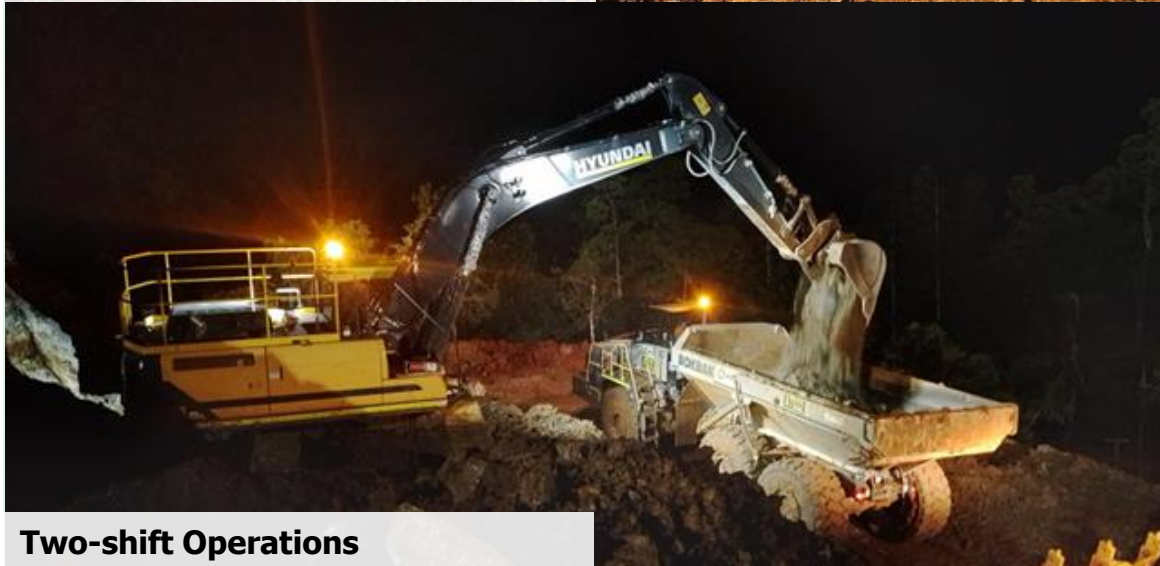
Mining and Stockpiling of Nickel Ore



Mining Saprolite Nickel Ore



Construction of Ore Stockpile Pads



Two-shift Operations



Nickel Ore Stockpiles

Operations



Tugboat "Riverside 1" with Barge



Site Inductions and Training



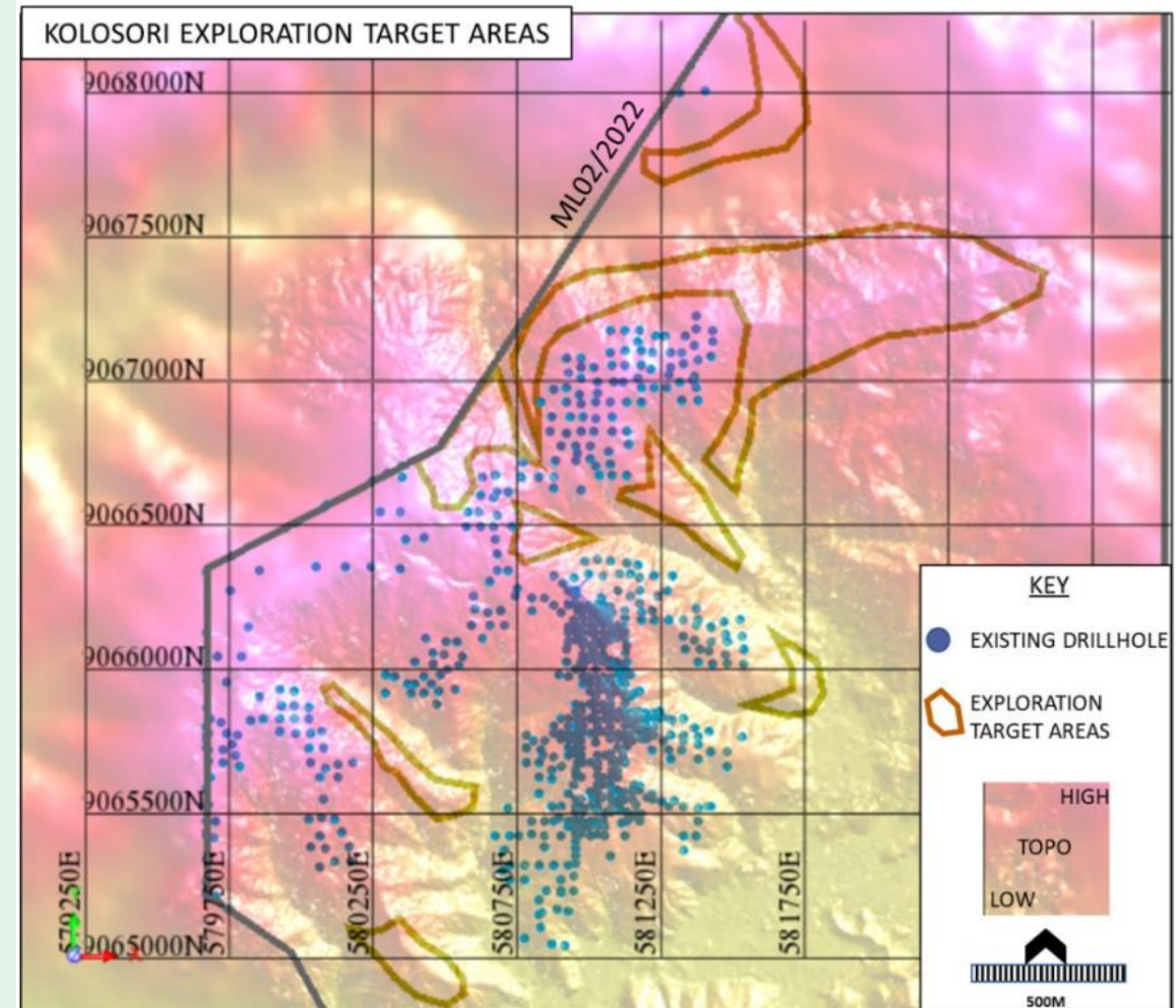
Plant Nursery Established



Training Staff in Laboratory

Kolosori Exploration Targets – Additional Resource Potential

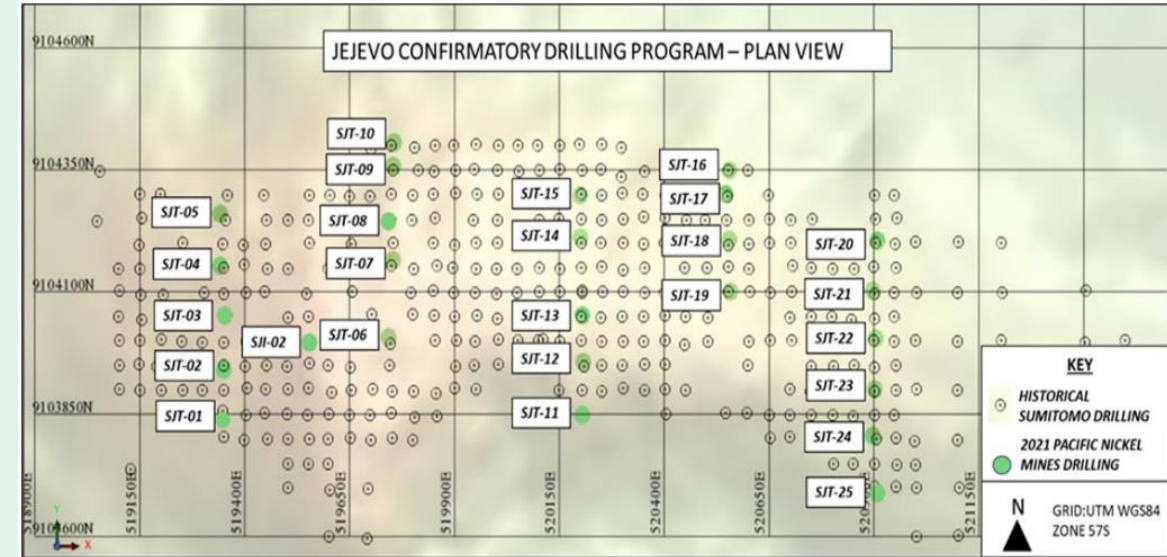
- High priority exploration targets have been identified in the proximity of the current Mineral Resource envelope.
- Exploration target of **2.5Mt to 4.0Mt at 1.2% - 1.6% Ni.¹**
- Drilling to targeting extensions to known nickel mineralisation.
- Potential to significantly increase Life of Mine for the Kolosori Nickel Project.



Jejevo Nickel Project (PNM 80%) – Our Second Nickel Operation

Following the same development blueprint as Kolosori

- Large high-grade saprolite MRE of **7.51Mt at 1.46% Ni (1.2% Ni cut-off). Similar to Kolosori.**
- Conceptual resource extension target at Jejevo of a further **3.0 - 5.0 Mt at 1.2% to 1.6% Ni.**
- Mining Lease application submitted in December 2022 and progressing through regulatory processes.
- Landowner surface access agreement executed October 2023
- DFS being progressed simultaneously with an Environmental and Social Impact Study.
- Similar size and development approach to Kolosori.
- Construction due to commence in 2024, subject to permitting and finance.



Significant high-grade intervals (>1.9% Ni) returned from the 26-hole program include:

- 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**

Major Milestones for Kolosori Completed in 2023

Finance



**Export Permit Granted
from the Solomon
Islands Government**



**Glencore Financing Executed
and Fully Drawn**

Construction



**Contracts with a mining
and barging contractor**



**Camp, Haul Road and
Wharf Completed**



**Mining of Ore
and Stockpiling**



**First shipment in
Nov 2023**

Pacific Nickel: inexpensive, low capex nickel projects moving into production

DEVELOPMENT



Kolosori Project Attractive DFS Project Economics

Expanded Case post-tax NPV for Kolosori of US\$83m (A\$118m).

Capital payback less than 1 year.

First shipments due from the project this year

Excellent exploration upside

MANAGEMENT



Quality Technical Development Team

Glencore debt financing and off-take.

HBS contract involvement.

Experienced Management Team.

Successful implementation of the first DSO nickel project in the Solomons

GROWTH



Jejevo DSO Nickel Project and Quality Exploration Targets for Growth

Jejevo Project to follow same blueprint as Kolosori development

Mining Lease application lodged

DFS to be completed in 2024

Exploration targets to be tested in 2024



Contact Us

Geoff Hiller
Director & CEO

E: info@pacificnickel.com

Rob Thomson
Technical Director

E: info@pacificnickel.com

