

Kolosori Nickel Project - Barging and Ship Loading Meet Ramp Up Levels

Pacific Nickel Mines Limited (ASX Code: PNM) (“Pacific Nickel” or “the Company”) is pleased to confirm that its March Nickel DSO shipment was completed as anticipated. Mining, stockpiling, loading and barging capacities were all advanced in line with the planned ramp up to full ore production of around 1.5mtpa from the 80%-owned Kolosori Nickel Project (“Kolosori Nickel Project” or “the Project”) in the Solomon Islands.

Highlights:

- Loading of a third 60,000 tonne bulk carrier was completed in less than six days with the ship departing site on 24 March. Initial payment has been received for this shipment from Glencore International AG (“Glencore”) (85% of the FOB value of the nickel ore).
- This brings total ore shipped to date at around 184,000 tonnes at a grade of approximately 1.66%, in line with earlier projections.
- Importantly, ship loading rates were in line with that required for full ore production. In one 24 hour period some 16,000t of ore were loaded into the ship from barges.
- The ramp up to full ore production at a rate of around 1.5mtpa is proceeding as previously announced and is expected to be finalised during May.
- The focus on the site is on ore production and lowering site unit operating costs. Improved production rates are expected as the region moves away from the wet season.
- The mine plan has been adjusted in order that a 1.7% Ni product is forecast to be mined for the remainder of the year.
- Nickel prices for benchmark 1.5% DSO nickel ore into China increased by around 10% to US\$46/wet metric (CIF) tonne recently.

Pacific Nickel CEO Geoff Hiller commented:

“Operations during March have given the Company confidence that the ramp-up to full ore production of around 1.5mtpa is achievable in drier conditions than that we have experienced in the last couple of months. It is anticipated that full production of 1.5 wet mtpa will be achieved by the time we get to the dry season from April/May onwards.

The focus for the operations is now getting ore onto stockpiles given the ability of barge and ship loading have met our forecasts.

“The Company is pleased with the ongoing Project improvements and a slight improvement in global nickel markets.”

Kolosori Nickel Project Developments:

Loading of the third 60,000 tonne bulk carrier (*Figures 1, 2 and 3*) for the shipping of DSO nickel to Glencore commenced on 18 March and was completed on 24 March 2024. Initial payment has been received for this shipment from Glencore (85% of the FOB value of the nickel ore).

This takes total tonnes shipped to approximately 184,000 tonnes at an average grade of 1.66% Ni.

The site achieved the ship loading of some 62,000 tonnes in 5 and half days with one 24 hour period of 16,000 tonnes being loaded. This is at the rate which has met our expectations and demonstrates that barge and ship loading have now achieved full production levels. The ramp up to full ore production at a rate of around 1.5mtpa is proceeding as previously announced and is expected to be finalised during May.

The focus on the site is now to ensure that ore mining operations can deliver ore onto stockpiles to match the required rate of ship loading. Heavier than expected rainfall over the last three months has been a severe impediment to reaching the required production rate. The Company expects that ore mining will improve in April/May as the region enters the dry season. The revised mine plan has ore being delivered onto the stockpiles at the required rate at an average of around 1.7% Ni for the next nine months.

The Company is working with the mining contractor, HBS, to improve mining equipment availability which has been lower than required over the last three months. As part of ensuring that the ore production can be delivered as forecast, the Company is in the process of looking at additional mining equipment for May/June to lower unit mining operating costs and generate additional ore stockpiles.

The Company anticipates that upcoming national elections on 17 April in the Solomon Islands will impact the shipping schedule for April as the majority of the local workforce have chosen to go to their home villages to vote. (There is no absentee voting system in the Solomons). The next shipment has therefore been deferred until immediately after the election.

As at 31 March 2024, there was approximately 35,800 tonnes of shippable ore on the stockpile. By the time the next shipment is planned, following the election, there will be more ore stockpiled at the wharf to assist the management of future shipping schedules.

The company is still planning for two shipments over the next 4-6 weeks, ramping up to full production rates (3 shipments) in May/June.



Figure 1 – Delivery of DSO nickel onto the third bulk carrier.

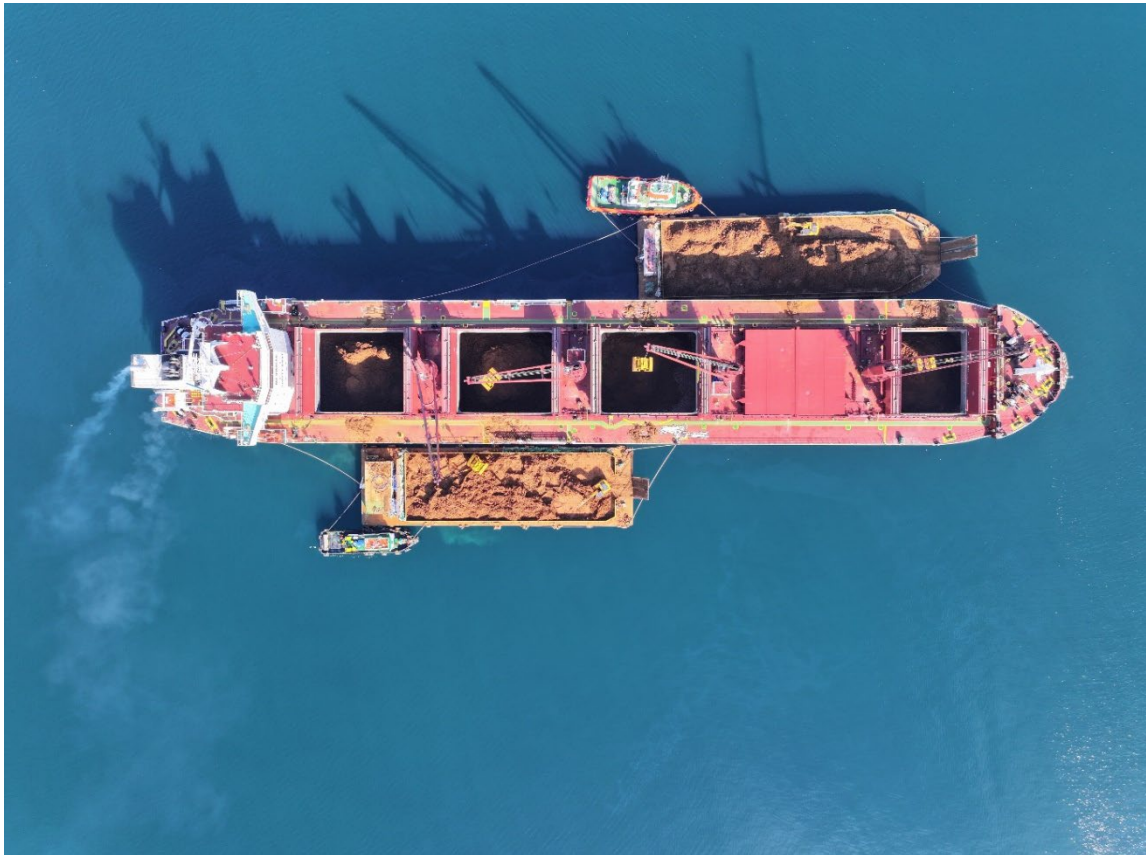


Figure 2 – Ship loading of DSO nickel with barges either side.



Figure 3 – Barge loading at the Kolosori project wharf.

Further information on Pacific Nickel is available at www.pacificnickel.com.

Authorised by the Chief Executive Officer.

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