

Kolosori Nickel Project Achieving Two Nickel Ore Shipments Per Month

Pacific Nickel Mines Limited (ASX Code: PNM) (“**Pacific Nickel**” or “**the Company**”) is pleased to announce that mining operations at the Kolosori Nickel Project (“**Kolosori Nickel Project**” or “**the Project**”), in the Solomon Islands has achieved a significant milestone. The Project is now achieving a throughput of two ships per month, with ramp-up to full production of 1.5mtpa nearing completion, equivalent to three ships per month during the dry season.

Highlights:

- The ramp up to full ore production at a rate of around 1.5mtpa is continuing, with a throughput of two ships per month now being achieved. Vessel MV Servette departed the site on the 26 May and the MV Eaubonne arrived on the 5 June with loading now in progress. A further ship is scheduled to arrive on 16 June.
- Despite unseasonal rainfall exceeding 700mm in May (compared to the average dry season rainfall of ~200mm/month), mining operations and production efficiencies have continued to improve.
- Ore production throughout May was less than forecast due to heavy rainfall however improvements to the haul-road have been made to enable trucks to operate better in all conditions.
- Additional articulated dump trucks have been sourced to facilitate the ramp-up to the forecast three shipments per month. This additional equipment is expected to begin arriving in early July and by August the mining operation should achieve the forecast full production rate.
- In preparation of the ramp-up to three ships per month, the Company has been expanding the stockpile area to accommodate approximately 180,000 tonne of nickel ore which is equivalent to the capacity of three ships. The expansion is expected to be completed by the end of July, enabling nameplate production to commence in August.
- An average grade of approximately 1.7% Ni is anticipated over the next nine months which is in line with the geological model used for the Project Feasibility Study.
- The Company continues to work closely with Glencore International AG (“**Glencore**”) who have provided support to the Project through the ramp-up period.

Pacific Nickel Mines Chief Operating Officer, Willem Dique commented:

“The on-site team is making great progress in improving mining operations and production efficiencies, most notably on reducing wet weather recovery time and increasing ore hauling average speeds. At this stage, we have two shipments per month planned for June and July, with three in August. Once we receive the additional articulated dump trucks from HBS, our mining contractor, we will be well positioned for the life of mine operation.”

“We are currently mining ore grades in excess of 1.75% Ni and reconciliations between block model, mining and site shipping grades are well within specification. We have been working very closely with Glencore along with local stakeholders to ensure that the Project delivers as expected at the earliest opportunity.”

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Kolosori Nickel Project – Mining Developments:

Under the leadership of the new Chief Operating Officer (“COO”), Willem Dique, the Kolosori Nickel Project has made significant changes to the mining methodology to better suite nickel laterite mining and increase production efficiencies. This progress has culminated in the project reaching a significant production milestone as it progresses towards its full production capacity of 1.5 million metric tonnes per annum (mtpa).

Presently, the Project has achieved a throughput of two ships per month, with the MV Servette departing on 26th May and the MV Eaubonne arriving for loading on the 5 June. The Company has coordinated the next shipment with Glencore, which is expected to arrive on 16 June. The Company anticipates achieving a further two shipments in July (approximately 120kt) before reaching three shipments from August onwards (approximately 180kt).



Photo 1 – MV Eaubonne arriving 5 June with two pre-loaded barges preparing to offload nickel ore.

Despite unseasonal rainfall amounting to 700mm in May, substantial enhancements have been achieved in both mining operations and production capabilities. To provide perspective, the average monthly rainfall during the dry season is approximately 200mm. The team now expects that it will be possible to sustain operations throughout the wet season and uphold reasonable throughput levels without incurring demurrage.

The Company is collaborating with mining contractor HBS to procure additional articulated dump trucks to increase productivity. This additional equipment is expected to arrive on site in July and be fully operational during the course of August. This aligns with the aim of achieving three shipments per month. Concurrently, the expanded stockpile area, capable of accommodating 180,000 tonnes, equivalent to three shipments of nickel ore, is expected to be completed by the end of July.

The mining operations are currently delivering ore to stockpiles at the rate necessary to supply sufficient ore to load two shipments per month and building to three shipments per month from August. An average grade of approximately 1.7% Ni is anticipated over the next nine months from the Block 11 grade control model, which is in line with the resource model used for the Project Feasibility Study.



Photo 2 – Mining of Nickel Ore (1.7%) from Kolosori Nickel Project

Glencore Financing:

Glencore provided a US\$22m secure loan facility for the development of the Kolosori Nickel Project. Pacific Nickel has worked in close collaboration with Glencore since the commencement of production in late December 2023. Pacific Nickel has not yet commenced repayment of the Glencore loan as originally anticipated. Whilst reserving their rights, Glencore has maintained a constructive relationship with Pacific Nickel to date and remains engaged with the Project.

Jejevo Nickel Project – Mining Licence Update

The Company has finished on-site environmental work for the Jejevo Nickel Project ("**Jejevo Project**") and anticipates completing a revised Environment Impact Statement ("**EIS**") in June 2024. The COO is presently developing a revised mine plan for the Jejevo Project that aligns with the ongoing mining operations at Kolosori. The Jejevo development plan anticipates the sharing of technical resources and key management from the Kolosori Nickel Project which will generate capital and operating cost efficiencies. The completion of the EIS is anticipated to fulfill one of the final requirements of the Government for obtaining a Mining License.

This announcement has been authorised by the Board.

Further information on Pacific Nickel is available at www.pacificnickel.com. For further information please contact:

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