

Nickel Projects and Corporate Update

Pacific Nickel Mines Limited (ASX Code: PNM) (“Pacific Nickel” or “the Company”) provides an update on its operations at the Kolosori Nickel Project (“Kolosori Nickel Project” or “the Project”) and the Jejevo Nickel Project in the Solomon Islands in which the Company holds an 80% interest in each project.

Kolosori Project Update

In the last two to three weeks, the operation has been affected by a combination of factors which together have impacted the mining schedule at the Kolosori Nickel operation. These include:

- Reduced machine availability of mining equipment (predominantly the articulated dump trucks where a number have broken down simultaneously),
- The lack of articulated dump trucks impacted on both the mining rate and haul road maintenance.
- Unseasonally heavy rainfall.

These issues are currently being resolved with an additional two new articulated dump trucks arriving on site this week and in mid-July. The net effect is that the next shipment is now not expected until late July as the operation builds up its ore stockpiles. The Company has also sourced an additional four articulated dump trucks which can be mobilised to site for August as planned to achieve the increased production for more than two ships per month.

The Company is working closely with Glencore International AG (“**Glencore**”) to address the impact on working capital due to the reduction in the shipment in July as previously planned.

The Company is also working with Glencore to address a nickel ore grade issue between that shipped and a lower nickel grade received at the discharge port in China. This impacted the third shipment (May 2024). Glencore has been actively working with the customer and has been in the process of re-assaying with an independent assay group.

Pacific Nickel Chief Operating Officer, Willem Dique commented:

“We are working closely with our contractor, HBS, to ensure a quick and sustainable outcome to have the existing mining fleet mechanical availability achieve the planned requirement while also mobilising the additional two articulated dump trucks early July. Despite the temporary reduction in ore delivery the Kolosori team has done well to get the current ship, the MV Diamond, fully laden. The vessel has now left Kolosori.

Importantly, mining has already commenced in the new Block 11 pit where we have in excess of one million wet metric tonnes (wmt) of high-grade nickel ore with an estimated average grade of 1.7% Ni. The mobilisation of the additional mining units will align current outputs back to the ramp up schedule of more than two ships from August onwards.”



Block 11 mining commencement at the Kolosori Project

Jejevo Project Update

The Company is pleased to report that the EIS for Jejevo has been lodged and that the Company is looking to achieve the development consent as soon as practicable so that it can meet a Solomon Islands Mineral Board meeting in early 4th quarter of 2024 for the granting of the mining lease.

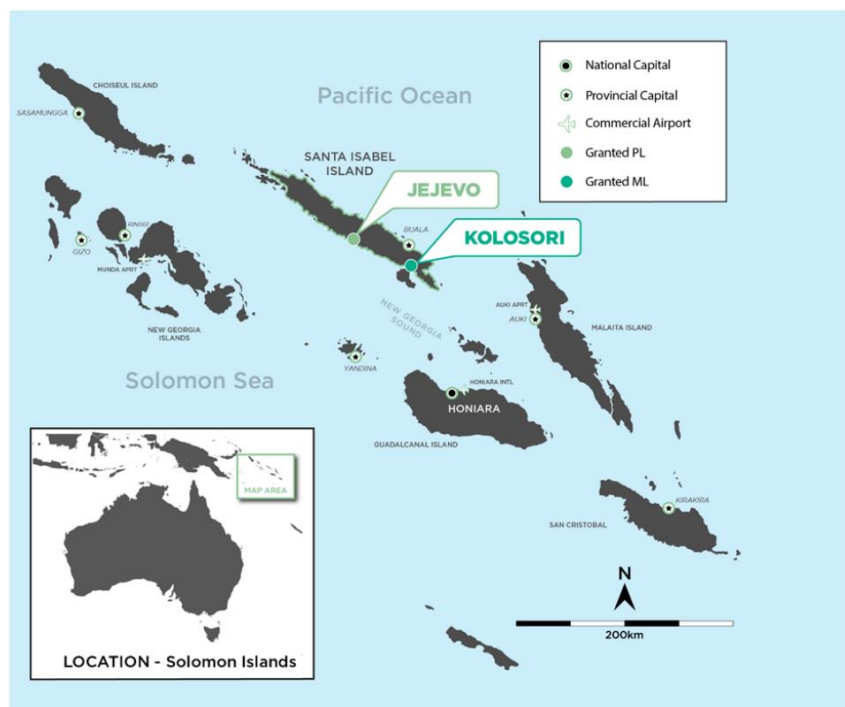


Figure 1 – Location of the Kolosori Nickel Project and the Company's Jejevo Nickel Project on Santa Isabel Island

Corporate Update

Mr Graham Frank has tendered his resignation as Chief Financial Officer of the Company after an extended period of sick leave. The Board thanks him for his services over the last financial year. The Company will revert to its prior accounting arrangements before he was appointed as part of corporate cost reduction measures.

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

Authorised by the Board.

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