

Pacific Nickel Mines Limited (*Pacific Nickel or the Company*) (ASX: PNM) provides an update on its activities for the December 2025 Quarter.

ASX Code: PNM

ABN: 86 075 613 268

Issued Shares: 420,993,105

Directors

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December 2025 QUARTER

Kolosori Nickel Project (PNM 80% owned)

- The local mining contractor employed by PNM subsidiary in the Solomon Islands continues to operate on site to ensure compliance of the operation under its mining licence and to continue mining and stock piling of ore for shipment.
- Glencore has provided stockpile finance of nickel ore in the quarter to fund the site activities.

Corporate

- The Company is currently suspended from quotation by the ASX under listing rule 17.3.1. The suspension will remain in place until the ASX is satisfied that PNM complies with the listing rules and that it is appropriate for the Company's securities to be reinstated to quotation.
- On 4 November 2025, Pacific Nickel International Pty Ltd (PNI), a wholly owned subsidiary of Pacific Nickel Mines Limited (PNM), entered into a Share Sale and Purchase Agreement (SPA) to sell 100% of its interest in Pacific Nickel Mines (SI) Ltd, a wholly owned subsidiary of PNI that holds 80% of the Jejevo and Kolosori Projects in the Solomon Islands, to Green Rock Limited (Buyer). G.R.P. & Associates Limited has agreed to guarantee the obligations of Green Rock under the SPA.
- The sale, for nominal consideration of A\$1.00, is subject to several conditions precedent including PNM shareholder approval and receipt of several regulatory approvals in the Solomon Islands. As part of the transaction, PNI will enter into a Royalty Agreement with the Buyer, under which PNI may receive royalties on ore shipped from the Kolosori Nickel Project when certain condition is met. PNM and PNI will also enter into a Deed of Release with Glencore International AG, the financier of the Kolosori Nickel Project, releasing PNM, PNI and their respective associated persons from all liability, obligations and claims under the Glencore Secured Facility Agreement.
- On 25 February 2026, PNI and the Buyer agreed to extend the conditions precedent end date to 3 March 2026. Subsequently, on 13 March 2026, the Company announced that PNI and the Buyer had formally agreed to a further extension of the conditions precedent end date to 27 May 2026. Details of the conditions precedent are set out in the Company's announcement dated 4 November 2025.
- The Company continues to review a number of other business opportunities presented to it.

KOLOSORI NICKEL PROJECT (PNM 80%)

The Kolosori Nickel Project (“Project”) is a direct shipping ore nickel laterite operation located on Isabel Island in the Solomon Islands.

After a review of the Kolosori operation in early July, 2024 the Company in consultation with its Kolosori project financier Glencore International AG (“Glencore”) agreed that the best course of action in the short term was to limit operations and review the project in light of operational issues and weak nickel price.

The Company is currently working with Glencore to address the impact on creditors and working capital.

In the December quarter, the contractor continues operations on site, with stockpiled nickel ore being used to finance ongoing activities. This finance has been provided by Glencore. The local contractor is being paid from the proceeds of each shipment. One shipment of nickel ore was completed.

GLENCORE FINANCING

Glencore provided a US\$22 million secure loan facility (“Loan Agreement”) 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. As disclosed on 13 June 2024, Pacific Nickel has not yet commenced repayment of the Glencore loan as originally anticipated and Glencore has reserved its rights with regard to the project debt. During the period August to October 2024, the Group made additional drawdowns totalling A\$4.517 million (US\$2.950 million) under the same facility.

During the quarter, Glencore advanced further funds to PNM of A\$0.289 million to the Company. The company expects further funding from Glencore.

TRADING HALT AND SUSPENSION ON THE ASX

The Company entered into a trading halt on the ASX on 16 July 2024, followed by a voluntary suspension on 18 July 2024, while it held discussions with Glencore regarding project financing in light of operational challenges and a weak short- to medium-term nickel price outlook. On 23 June 2025, the securities of PNM were suspended from quotation by the ASX under Listing Rule 17.3.1. The suspension will remain in place until the ASX is satisfied that PNM complies with the Listing Rules, including Rules 12.1 and 12.2, and that it is otherwise appropriate for the Company’s securities to be reinstated to quotation.

The ongoing liquidity, working capital and continued financial viability of the Company (and the Project) is dependent on completion of the Share Sale and Purchase Agreement with Green Rock Limited, which remains subject to conditions precedent. It is also dependent on Glencore subsequently releasing PNM, PNI and their respective associated persons from all liability, obligations and claims under the Glencore Secured Facility Agreement, the debt facility relating to the Kolosori Project.

The timetable for coming out of suspension is predicated on the outcome of the matters noted above.

CORPORATE

There were no payments to related parties of the Company and their associates. There were no payments for Executive and Non-Executive management or Director fees.

The Company is reviewing a number of other business opportunities presented to it.

TENEMENTS

Project	Tenement Number
SOLOMON ISLANDS - <i>Kolosori</i>	ML 02/22
SOLOMON ISLANDS - <i>Jejevo</i>	PL 01/18 (mining lease application in Dec 2022)

No Exploration/Mining Tenements were Acquired/Disposed of during the Quarter.

No Beneficial Interest in Farm-In or Farm-Out were Acquired/Disposed of during the Quarter.

– END –

This report is dated 26 May 2026 and has been authorised by the Board.

Further Information

For further information, please contact the Company by email at info@pacificnickel.com or visit the Company's website at www.pacificnickel.com