

29 JULY 2022

## QUARTERLY REPORT

### KEY HIGHLIGHTS:

#### Operational

- During the Quarter, NickelSearch completed an integrated and systematic nickel sulphide targeting study to identify and prioritise over 30 greenfield exploration targets across the total Carlingup Nickel Project tenement package, with 11 Priority 1 targets.
- A large diameter diamond drill program at RAV8, RAV4 West and RAV1 was also completed, which will add significantly to our understanding of each deposit as well as providing critical samples of both high-grade massive sulphide and lower grade disseminated nickel to establish the best processing routes going forward.
- The Company also announced results from the maiden drilling program completed at the Carlingup Project, and is planning to issue an update to its Mineral Resource statement in Q3 CY2022.

#### Corporate

- NickelSearch Chair David Royle entered into an Executive Service Agreement to provide services as Technical Director for a fixed term concluding on 31 July 2022.
- Announced that a major funding milestone was achieved for its strategic downstream processing partner, Alpha Fine Chemicals Limited.
- Post Quarter end, NickelSearch appointed Andy Pearce to the position of Exploration Manager and Tanya Newby as Finance and Commercial Manager.
- Cash balance of \$4.6 million as at 30 June 2022.

NickelSearch Limited (ASX:NIS) ("NickelSearch" or "the Company") is pleased to present its Quarterly Report for the period 1 April 2022 to 30 June 2022 (the "Quarter")

### EXPLORATION TARGETING STUDY

During the Quarter, NickelSearch commenced a modern, rigorous, and comprehensive exploration program across the entire tenement package. This is the first time this land package has been consolidated under one company. The Company recently completed an integrated targeting study based on key ingredients for significant komatiite-hosted nickel sulphide deposits. This targeting work expands on the insights gained from an intensive nickel sulphide workshop conducted for NickelSearch by world renowned nickel specialist Tony Donaghy from CSA Global in late 2021.

Primary targeting criteria for identifying this specialised geological environment are:

- soil geochemistry that focuses on identifying magmatic nickel sulphide (i.e., Kambalda Ratio and PGMs)
- airborne electromagnetics (EM) to identify sulphide-bearing source rocks; and
- aeromagnetic data to identify channel facies in the ultramafic host units where sulphides might accumulate.

All available geological, geochemical, and geophysical data was used to compile a matrix which identified and prioritized over 30 greenfield exploration targets across the Carlingup tenement package (Figure 1). Of these, 11 targets are categorised as priority 1, and five are drill-ready including Sexton, Javelin, Discus, B1 and Serendipity (Figures 1 and 2).

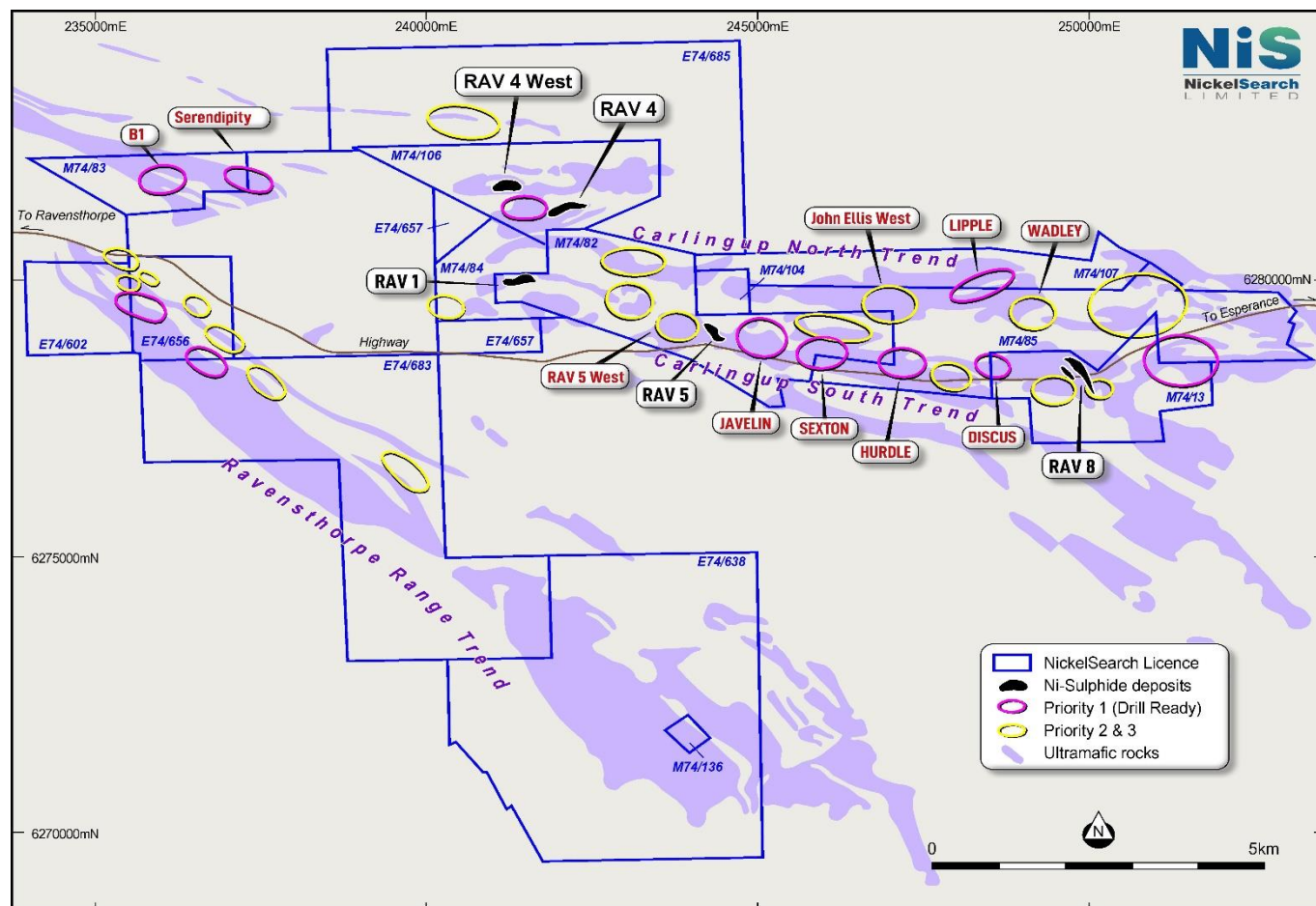


Figure 1. Carlingup Project: new exploration targets on summary geology.

Target	Zone	Ranking Score (max 15)	Next Phase
Sexton	Carlingup South	15	Drill ready
Javelin – RAV3	Carlingup South	15	Drill ready
RAV18 – CS1	Carlingup South	14	Mapping, reassess EM; drill
JEM3	Carlingup South	14	Mapping, reassess EM; drill
JEM2	Carlingup South	14	Drill ready
B1 Prospect	B1 - Serendipity	15	Drill ready
Serendipity	B1 - Serendipity	14	Drill ready
John Ellis North	Carlingup North	14	Magnetic interpretation; EM geophysics; drill
RAV11	RAV4-RAV4-West	15	Review historical drill data, reassess EM & UF soil results; drill
Cd4	Cordingup	13	Field check; more soil geochemistry
Cd7	Cordingup	13	Field check; more soil geochemistry

Figure 2. Carlingup Priority 1 Exploration Targets.

## CARLINGUP SOUTH TREND

Importantly, this work has highlighted a highly prospective mineralised corridor at Carlingup South between RAV8 and RAV5 over a strike extent of approximately 9km (Figure 3). Apart from the known nickel sulphide deposits, this mineralised corridor contains most of the Priority 1 targets hosted in ultramafic rocks prospective for channel style nickel sulphide mineralisation. Along this strike extent, within any 500m, there is typically an indication of nickel mineralisation, as suggested by the presence of gossans, geochemical anomalies, EM anomalies or historical drill intersections. The majority of the best Xcite EM anomalies were identified along this 9km trend (see NIS announcement 24 March 2022). The frequency of geochemical and geophysical anomalies indicative of sulphide channels has similar characteristics to well established komatiite-hosted nickel systems like Forresteria, Kambalda Dome and Perseverance in Western Australia.

Recently received assay results of ultra-fine soil geochemical sampling completed in Q1 CY2022 have further validated the prospectivity of the Carlingup South corridor with highly anomalous Kambalda (Ni/Cr\*Cu/Zn) and Ni/Cr fertility ratio responses and PGMs indicative of komatiitic nickel sulphides at depth (see Figure 4 and NIS Announcement 28 February 2022).

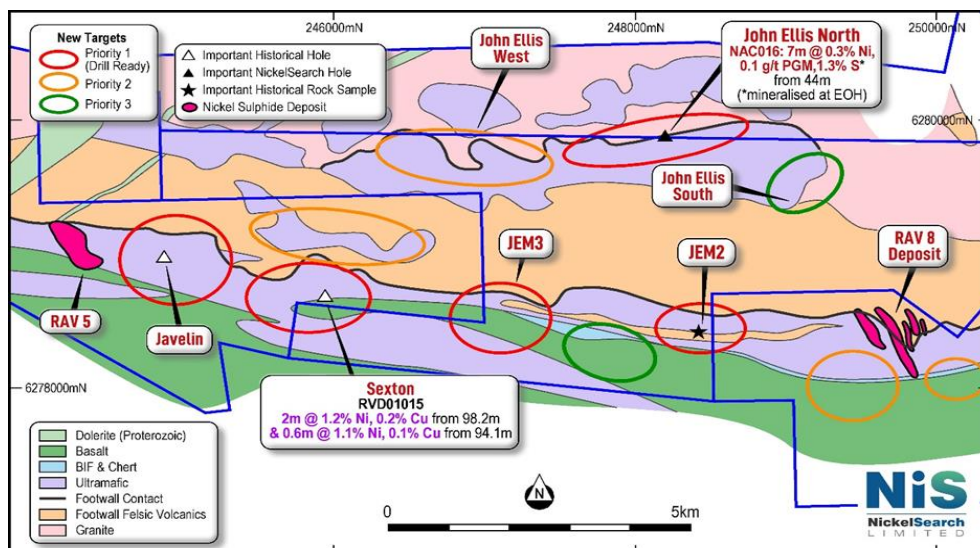


Figure 3: Carlingup South: showing exploration targets on geology.

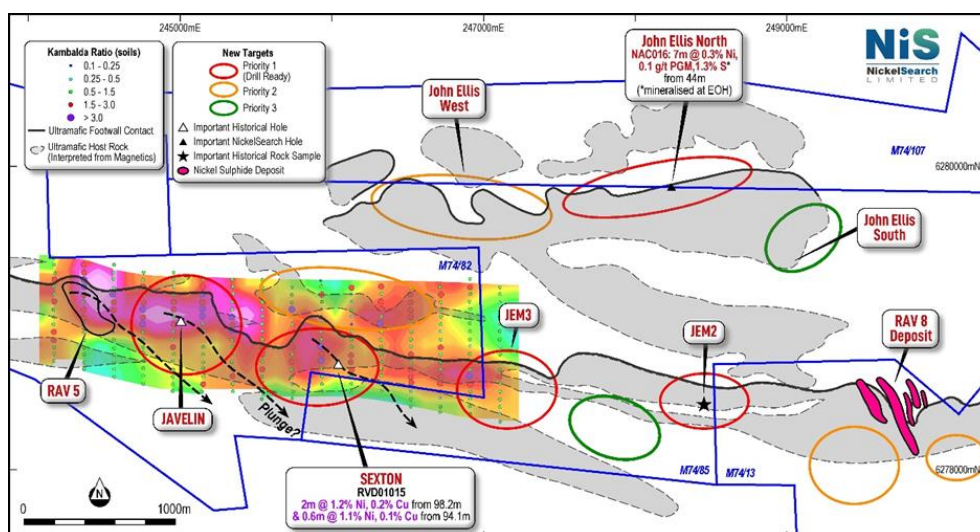


Figure 4. Carlingup South: showing soil Kambalda Ratio results on ultramafic host rocks.



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Within the Carlingup South Trend, two high priority standout drill-ready targets have been highlighted:

1. **Sexton:** A strong Kambalda ratio geochemical anomaly is located east of the historical massive sulphide intersection of **2m at 1.2% Ni and 0.2% Cu** from 98.2m and **0.6m at 1.1% Ni and 0.1% Cu** from 94.1m (see NIS announcement 28 February 2022). This prospective geological setting shows a thickening of the ultramafic stratigraphy, similar to RAV8, and may indicate an ultramafic channel facies (Figures 3 and 4).
2. **Javelin:** A very strong Kambalda ratio geochemical anomaly is associated with another interesting geological environment where a thickening of the ultramafic geology may indicate a channel embayment into the footwall quartzite sequence (Figures 3 and 4). Spectacular PGM-geochemistry was also returned from the soil data with results >10ppb PGM (Pt+Pd+Au) with anomalies that extend to the southeast in a very similar trend to the plunge of mineralisation at RAV8 (Figure 5).

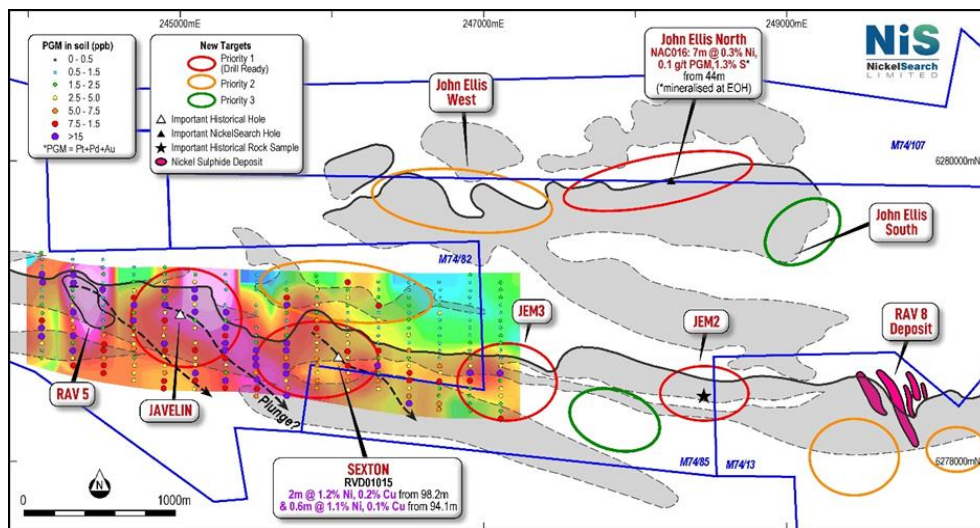


Figure 5. Carlingup South: showing PGM-in-soil results on ultramafic host rocks.

### Carlingup North Trend - John Ellis North

Preliminary assay results of the Aircore drilling program to test bedrock nickel sulphide targets at John Ellis North and John Ellis South completed in February 2022 (see NIS announcement 28 February 2022) have been received. Selected end of hole assays from fresh rock in 5 holes returned a best intersection of:

- **NAC016: 7m at 0.30% Ni and 0.08 g/t Pt + Pd** from 44m.

This intersection is associated with up to 3% visual sulphide which confirms the presence of magmatic sulphide in fresh rock below the nickel laterite mineralisation.

A review of the airborne magnetics in this area indicates drill hole NAC016 is located close to the northern contact of an ultramafic unit (Figure 3). The ultramafic stratigraphy dips primarily to the south and the contact is interpreted to represent the prospective base of the ultramafic sequence, which is the important contact for the targeted channel environment. Previously reported soil geochemistry indicated elevated Kambalda Ratio soil geochemistry for a strike length of about 2.2km to the east and west of NAC016 (see NIS announcement 28 February 2022). This 2.2km zone is now a high priority trend for ongoing exploration efforts based on the confirmation of magmatic nickel mineralisation at depth along a basal ultramafic contact that is concealed beneath cover and nickel laterite mineralisation (Figure 3).

### Other Target Areas

The targeting study has also confirmed the prospectivity of two other high priority areas:

## ASX ANNOUNCEMENT

1. **Serendipity:** Two priority targets have been identified along the Serendipity Belt, including the B1 Prospect where historical drill holes have intersected encouraging nickel sulphide mineralisation. Best results to date include intersections of:
  - RAVC0162: **6m at 1.0% Ni** and 0.05% Co from 157m and
  - DDHB1010: **4.57m at 1.1% Ni** and 0.06% Co from 193m (see NIS Prospectus, 2021).
 Further work is required to accurately define drill targets. Interpretation work is in progress.
2. **Cordingup:** Two priority targets have been identified along the Ravensthorpe Range Belt based on the recent airborne Xcite EM survey, historical geochemistry and recent follow up work (see NIS announcement 24 March 2022). Further mapping and geochemical information are required to better define drill targets along this exciting trend.

### Exploration Program – Next Steps

Several programs are in progress, including:

1. Ground-based EM is being planned at some of the Priority 1 greenfield targets.
2. Program of Work applications have been made for priority target areas where the Company intends to drill in the coming months.

## DRILLING AND OTHER EXPLORATION PROGRAMS

The Company's first drilling campaign commenced in Q4 2021 with the first RC drill program completed in December 2021, followed by a second phase of resource infill and extension drilling (air core (AC) and RC) and diamond drilling (DD) during Q1 of 2022. Assay results received from the maiden drilling programs were announced during the Quarter (refer to ASX Announcement 21 April 2022).

A downhole electromagnetic survey program was completed at RAV8, RAV5, RAV1 and RAV4 West. NickelSearch will investigate whether the identified anomalies extend known Ni-Cu-Co-PGM bearing sulphide mineralisation through a follow-up drill program.

The Company is planning to issue an update to its Mineral Resource statement in Q3 CY2022.

### RAV8 DEPOSIT

In Q4 CY2021, 10 RC holes were completed at RAV8 for a total of 1,650m. All assays have been received and results announced to the ASX on April 21, 2022. Figure 6 below shows hole locations.

In addition to previously reported remnant extensions to massive sulphide at *Shoot 3: 5m at 2.5% Ni* and *Shoot 1: 5m at 1.0% Ni* (see NIS ASX announcement 6 December 2021) it was confirmed that a very wide zone of disseminated nickel sulphide occurs to the west of Shoot 1 and the existing pit and increase the known mineralisation (see Figures 6 and 7).

The best intersections, occurring in drill holes NIS006 and NIS005, were **76 and 56 metre thick intervals** respectively of multiple stacked zones of nickel mineralisation, demonstrating bulk tonnage potential including (see Figure 7):

- NIS006: **22m at 0.6% Ni** from 85m, incl. **5m at 1.1% Ni**; and **25m @ 0.5% Ni** from 112m and
- NIS005: **15m at 0.8% Ni** from 79m, incl. **12m at 0.9% Ni**; and **10m at 0.7% Ni** from 112m.

For details of all the additional intersections refer to Table 2, ASX Announcement 21 April 2022.

## ASX ANNOUNCEMENT

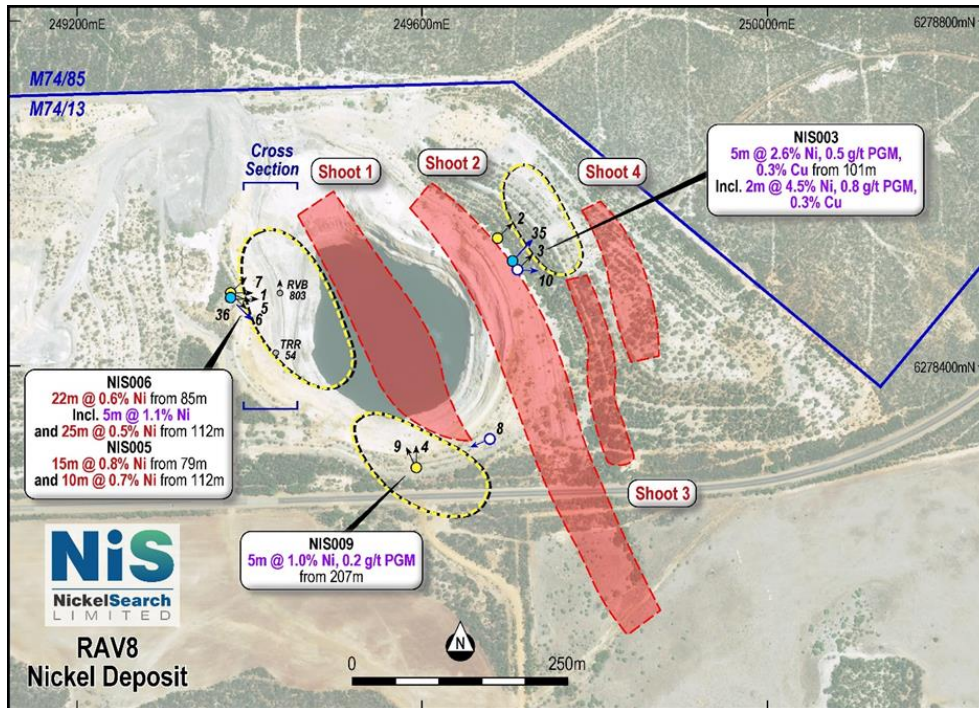


Figure 6. RAV8 Deposit showing RC and DD drilling by NiS and location of historic holes sampled by NiS.

In addition to the results of the RC drilling, NickelSearch cut and resampled 8 historical diamond core holes stored at RAV8 to establish confidence in the current resource through new assays and density measurements. The sampling exercise had the added advantage to help establish the potential grades of lower grade disseminated nickel sulphide mineralisation that the Company believes is located on various stockpiles at the RAV8 mine site and available for early production. Locating and quantifying stockpile material will be undertaken in Q3 CY2022.

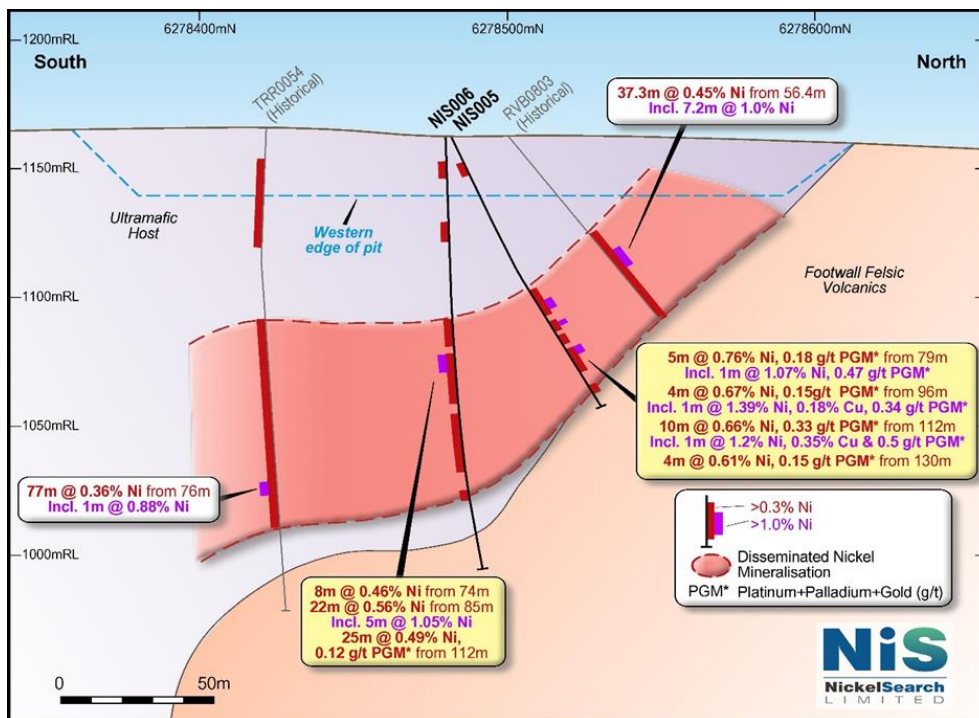


Figure 7. RAV8 drill section showing thick disseminated nickel sulphide mineralisation along the basal ultramafic contact.



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Diamond drilling at RAV8 has been completed during the Quarter, where the Company drilled three holes for 377m. Analysis of core, including scanning by Minalyze Pty Ltd, is in progress and will provide density, structural, and additional resource data prior to metallurgical sample selection.

### RAV5 PROSPECT

In Q4 CY2021, 11 RC holes were completed for a total of 1,200m. The assay results from the program were received in the Quarter and have clearly defined a nickel sulphide orebody >0.7% Ni that is 50-200m wide, 300-400m long and is open to the west and down plunge to a vertical depth of 150m (Figure 8). Thickness of mineralisation varies from 1m and up to 8m as previously reported in NIS004: **8m at 1.0% Ni, 0.6 g/t PGM and 0.2% Cu** (see ASX announcement 9 February 2022 and 21 April 2022). Recent assays indicate two additional massive sulphide nickel intersections that are open to the west including **3m at 1.1% Ni, 0.3 g/t PGM and 0.4% Cu** in NIS012. For details of all the additional intersections refer to Table 2, ASX Announcement 21 April 2022.

Overall, the drill results at RAV5 strongly support the potential to release a maiden resource. Strategically, RAV5 lies on the same ultramafic unit as RAV8 and about half the distance from that deposit as RAV1, RAV4 and RAV4-West, making it a strategic development option to support early years of a mining operation.

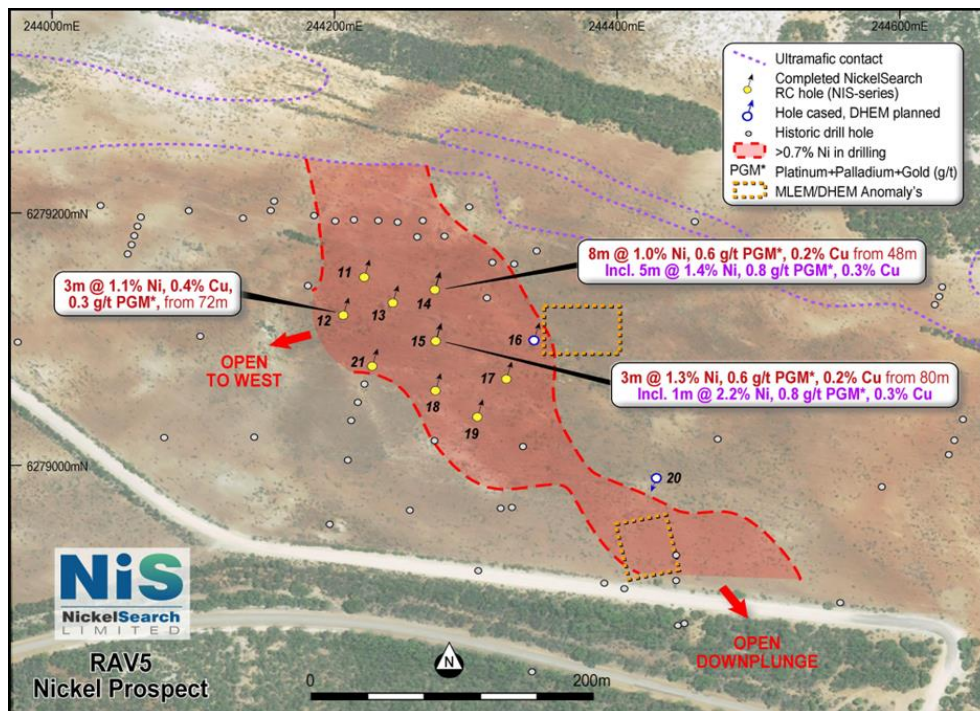


Figure 8. RAV5 showing the location of completed RC holes and highlighted nickel intersections

### RAV4-WEST DEPOSIT

In Q4 CY2021, NickelSearch drilled 12 RC holes for a total of 827m. The results meet the Company's expectations of the mineralization at the deposit and work towards converting Exploration Targets to Mineral Resources. The results also confirm extensions to the massive sulphide mineralisation to the east as well as significant additional credits for copper, cobalt and PGMs (see ASX Announcement 9 February 2022 and 21 April 2022). Importantly, encouraging broader **10-20m intersections of disseminated nickel sulphides that range in grade from 0.4-0.7% Ni** form in the hanging wall of narrow higher-grade nickel intersections (Figure 9). For details of all the additional intersections refer to Table 2, ASX Announcement 21 April 2022.

## ASX ANNOUNCEMENT

In February 2022, the Company completed 21 AC holes for 599m and 7 RC holes for 438m in the area defined in the Exploration Target (Figure 9). In addition, diamond drilling at RAV4-West is now also complete, where 3 holes for 191.4m were drilled and will be subject to analysis of core, Minalyze Pty Ltd scanning, density, structural, and additional resource data prior to metallurgical sample selection.

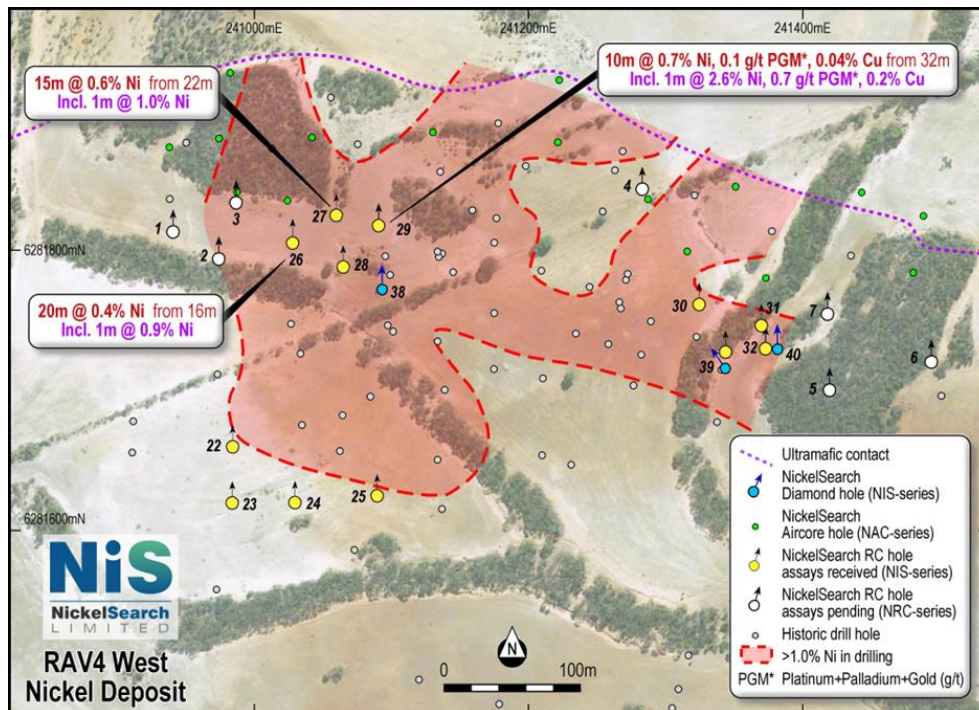


Figure 9. RAV-4 West Deposit showing the completed drill holes and highlighted assay intersections.

## Corporate

NickelSearch announced that its strategic partner, Alpha Fine Chemicals (AFC) achieved a major funding milestone and advanced the development of its Thailand based Nickel Sulphate Plant. AFC are initially targeting the production of 40,000 tonnes of Nickel Sulphate to service the growing battery market. To fund the development, AFC is working towards securing a significant funding package of circa US\$100m from a consortium of high calibre and globally significant investors, including German KfW-IPEX Bank, Traxys Group, CIGP and a Tier 1 miner. (Refer to ASX announcement dated 7 April 2022 for details).

AFC has a right of first refusal on the potential intermediate mixed hydroxide precipitate (MHP) product from NickelSearch's flagship Carlingup Nickel Sulphide Project to supply feed to the proposed Nickel Sulphate Plant. This strategic partnership confirms a pathway to market for a potential MHP product from Carlingup.

## Executive Team

The Company entered into an Executive Service Agreement for the appointment of Mr David Royle, NickelSearch Chair, to the position of Technical Director for a fixed term ending 31 July 2022. The purpose of the Agreement was to provide oversight and management of the Company's exploration activities at the Carlingup Nickel Project for an interim period while recruiting for an Exploration Manager to fill the role on a permanent basis.

Subsequent to the Quarter end, NickelSearch announced the appointment of Andy Pearce to the role of Exploration Manager and David Royle will resume the role of Non-Executive Chair. Mr Pearce is an experienced geologist and



## ASX ANNOUNCEMENT

Exploration manager with significant knowledge of nickel sulphide exploration that will be integral to advancing the Company's greenfield exploration program.

During Quarter, incumbent CFO Peter Evans stepped down from the role to pursue other opportunities and Ms Tanya Newby was appointed Financial and Commercial Manager, assuming responsibility for the financial function. Ms Newby is a dedicated finance professional with more than 25 years' experience in the prudent financial and commercial management of listed mining companies.

### Cash Position

As at 30 June 2022, NickelSearch held approximately \$4.607 million in cash.

The Company's cash movements during the Quarter can be found in the Company's Appendix 5B. Additional ASX Listing Rule disclosure matters are also detailed in Appendix 1 attached.

This announcement is authorised for release by the Board of NickelSearch Limited.

For further information, please visit the Company's website [www.nickelsearch.com](http://www.nickelsearch.com)

#### Enquiries:

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#### Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is the Senior Technical Advisor (Exploration) for NickelSearch Limited and a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr Horn holds an interest in the Company's securities.

#### Disclaimer

References in this announcement may have been made to certain ASX announcements, including exploration results, Mineral Resources and Ore Reserves. For full details, refer to said announcement on said date, together with the Company's prospectus dated 23 August 2021. The Company is not aware of any new information or data, as at the date of this announcement, that materially affects this information. Other than as specified herein and any other announcement referred to, the Company confirms it is not aware of any new information or data that materially affects the information include in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcement.

### APPENDIX 1 – ADDITIONAL ASX LISTING RULE DISCLOSURES

**ASX Listing Rule 5.3.1**, the Company advises that payments for exploration, evaluation and development during the Quarter totalled approximately \$947,000. Material developments, changes in exploration activities and details of exploration activities undertaken during the Quarter are described above and in this section.

**ASX Listing Rule 5.3.2**, the Company confirms there were no mining production and development activities undertaken during the Quarter.

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**ASX Listing Rule 5.3.5**, the Company confirms payment to Directors of NickelSearch during the Quarter totalled approximately \$155,000. The payments were in respect of Directors salaries, fees and superannuation.

**ASX Listing Rule 5.3.4**, the Company provides below its actual expenditure on the individual items in the 2 year “Use of Funds” statement in the IPO prospectus (dated 23 August 2021) (Prospectus) since the date of its admission to the ASX’s Official List (being 18 October 2021) against the estimated expenditure on those items and an explanation of any material differences.

Use of Funds	Prospectus estimate (2 years) (i) \$ million	Actual use from 18 October 2021 to Quarter end \$ million	Variance (ii) \$ million
Nickel Sulphide Exploration	1.88	1.81	0.07
Nickel Sulphide Drilling	4.14	1.39	2.75
Technical & Metallurgical Studies	1.31	0.27	1.04
Transaction Costs	0.21	0.05	0.16
Expenses of Offers and Listing Costs	1.08	1.24	(0.16)
Working Capital	2.18	1.03	1.15
<b>TOTAL</b>	<b>10.80</b>	<b>5.78</b>	<b>5.02</b>

**Notes:**

(i) Use of Funds table as detailed in the Prospectus.

(ii) Explanation of Material Variances:

- The Use of Funds detailed in the Prospectus provided estimated expenditure for items in the above table, over the two-year period. NickelSearch was admitted to the ASX Official List on 18 October 2021. The expenditure for the period 18 October 2021 to 30 June 2022 represents 8.6 months post listing.
- During the Quarter, the Company advanced its exploration, evaluation and development program. Exploration requires a methodical, detailed and consistent approach. Activities undertaken by the Company are subject to continuous review and refinement as new data and information is returned from the most recent exploration programs. Certain exploration programs have been accelerated during the Quarter while other proposed work has been deferred due to either the emergence of new information or depending upon the timing of approvals, availability of drill rigs and other resources.
- The exploration and drilling programme as outlined in the Prospectus has been underway since listing date and has now completed various soil geochemical, EM, FLEM DHEM and other techniques including aircore, reverse circulation and diamond drilling campaigns, as outlined in this report and other ASX announcements during the Quarter.
- Metallurgical studies including bio-leach and other metallurgical test work will continue and utilise the fresh core samples obtained from recent drilling at the Carlingup Nickel Project.
- Transaction costs only include fees paid to the Lead Manager for the pre-IPO seed capital raising and does not include the stamp duty levied on the transfer of acquisition tenements and land acquired pursuant to the MM8 transaction. The stamp duty assessment was finalised and paid during the Quarter.
- Included in the “Expenses of Offers and Listing Costs” line item are costs incurred and paid prior to the date of admission to the Official List (being 18 October 2021). These were necessarily incurred to facilitate the preparation of the Prospectus, the due diligence process and ASX quotation
- The working capital variance results from the undrawn allowance for corporate operating costs and includes items such as: wages, office rent, consultant fees, audit and accounting fees, investor relations and marketing fees, amongst other administrative costs and other corporate overheads.

## ASX ANNOUNCEMENT

### Tenement Summary

The following information is provided pursuant to **ASX Listing Rule 5.3.3** for the Quarter.

Tenement	Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of the Quarter
<b>RAV1, RAV4, RAV4 West (i)</b>				
M74/82	Carlingup Project (WA)	Granted	100%	100%
M74/84	Carlingup Project (WA)	Granted	100%	100%
M74/106	Carlingup Project (WA)	Granted	100%	100%
<b>RAV8 (i)</b>				
M74/13	Carlingup Project (WA)	Granted	100%	100%
<b>John Ellis (ii)</b>				
M74/107	Carlingup Project (WA)	Granted	100%	100%
M74/85	Carlingup Project (WA)	Granted	100%	100%
M74/104	Carlingup Project (WA)	Granted	100%	100%
<b>Other (i)</b>				
E74/657	Carlingup Project (WA)	Granted	100%	100%
E74/675	Carlingup Project (WA)	Granted	100%	100%
E74/685	Carlingup Project (WA)	Granted	100%	100%
<b>Mineral Rights Tenements (iii)</b>				
M74/83	Carlingup Project (WA)	Granted	See note(iii)	0%
E74/602	Carlingup Project (WA)	Granted	See note(iii)	0%
E74/638	Carlingup Project (WA)	Granted	See note(iii)	0%
E74/656	Carlingup Project (WA)	Granted	See note(iii)	0%
E74/683	Carlingup Project (WA)	Granted	See note(iii)	0%

### Notes to Tenement Summary Schedule

- (i) The RAV1, RAV4, RAV4 West, RAV8 and Other tenements are all held by the Company's wholly owned subsidiary – AML (Ravensthorpe) Pty Ltd. The Mineral Rights (see note (iii) below) are also being exercised by AML (Ravensthorpe) Pty Ltd.
- (ii) The John Ellis tenement package is all held by the Company's wholly owned subsidiary – Phanerozoic Energy Pty Ltd.
- (iii) The Company (via its wholly owned subsidiary, AML (Ravensthorpe) Pty Ltd) secured an exclusive sub licence from MM8 to explore for and mine nickel, cobalt and platinum element group metals (being platinum, palladium, ruthenium, rhodium, osmium, and iridium) on all these tenements pursuant to a Mineral Rights Deed. Details of the Mineral Rights Deed are disclosed in the Prospectus.
- (iv) The Company did not enter into any farm-in or farm-out agreements during the Quarter.
- (v) The Company did not dispose of any tenements during the Quarter.

END.



## COMPANY OVERVIEW

### About NickelSearch

NickelSearch Limited (ASX code: NIS) is a dedicated WA nickel sulphide explorer focused on advancing its flagship Carlingup Nickel Project. The asset has an existing resource base of 171kt contained nickel.

### Directors & Management

**Nicole Duncan**  
Managing Director

**David Royle**  
Non-Executive Chairman

**Norman Taylor**  
Non-Executive Director

**Paul Bennett**  
Non-Executive Director

**Donald James**  
Non-Executive Director

### NickelSearch

ACN 110 599 650

### Projects

Carlingup Nickel Project  
(100%)

### Shares on Issue

104,064,018

### Options

8,600,000

### ASX Code

NIS



Highly prospective tenure covering +10km strike



Multiple high priority, drill-ready resource extension targets



Proven high grade nickel production of 16.1kt Ni at 3.45%



Significant, shallow resource base open in most directions



Strategically positioned next to major nickel mining & processing hubs