

31 October 2022

QUARTERLY REPORT

KEY HIGHLIGHTS:

Operational

- During the Quarter, NickelSearch continued its exploration targeting process and expanded its portfolio of nickel sulphide targets with two additional high priority exploration sites
- The Sprint and Relay targets have been classified as highly prospective greenfield exploration sites while the John Ellis West target has been upgraded and added to the extensive portfolio of exploration targets
- The Company secured a drilling contractor to commence a program of drilling in Q4-2022 to test a selection of well-defined high priority targets at Carlingup
- The Company progressed land access, approvals for upcoming programs of work and a heritage survey with traditional owners at the Carlingup tenements

Corporate

- 30 September 2022 cash balance of \$3.6 million

December quarter outlook

- Undertake a drilling program to test high priority nickel sulphide targets
- NickelSearch has engaged Compass Geological to conduct regional geological mapping on the Carlingup tenements

NickelSearch Limited (ASX:NIS) (“NickelSearch” or “the Company”) is pleased to present its Quarterly Report for the period 1 July 2022 to 30 September 2022 (the “Quarter”)

NEW GREENFIELD TARGETS

As announced to the market on September 21, 2022, the Company has continued its systematic targeting analysis aimed at the discovery of high-grade Komatiite-hosted nickel sulphide deposits. During the Quarter, NiS received the results of 2,715 assays for multi-element, ultra-fine soil geochemical samples recovered from the majority of the Company’s tenement package, in addition to the results of the recent ground gravity survey. All new data has been integrated with other primary targeting criteria and has identified two new greenfield exploration targets being Sprint and Relay. In addition the analysis has further enhanced an existing known target at John Ellis West (Figures –1-3 below).

The three priority greenfields targets occur in the Carlingup North Trend which also hosts the Lipple and Wadley targets (previously called John Ellis North and John Ellis South, respectively). This highly prospective corridor has a strike extent of 6km and is characterised by high-Mg komatiites with anomalous Kambalda (Ni/Cr*Cu/Zn) and Ni/Cr fertility ratio responses and PGMs, indicative of nickel sulphides at depth (Figure 1) (see NIS Announcement 28 February 2022 and 16 May 2022). Earlier exploration of the area has been restricted to search for nickel laterite only and the few fences of drill holes that cross parts of the target areas were shallow, generally less than 30m in depth.

ASX ANNOUNCEMENT

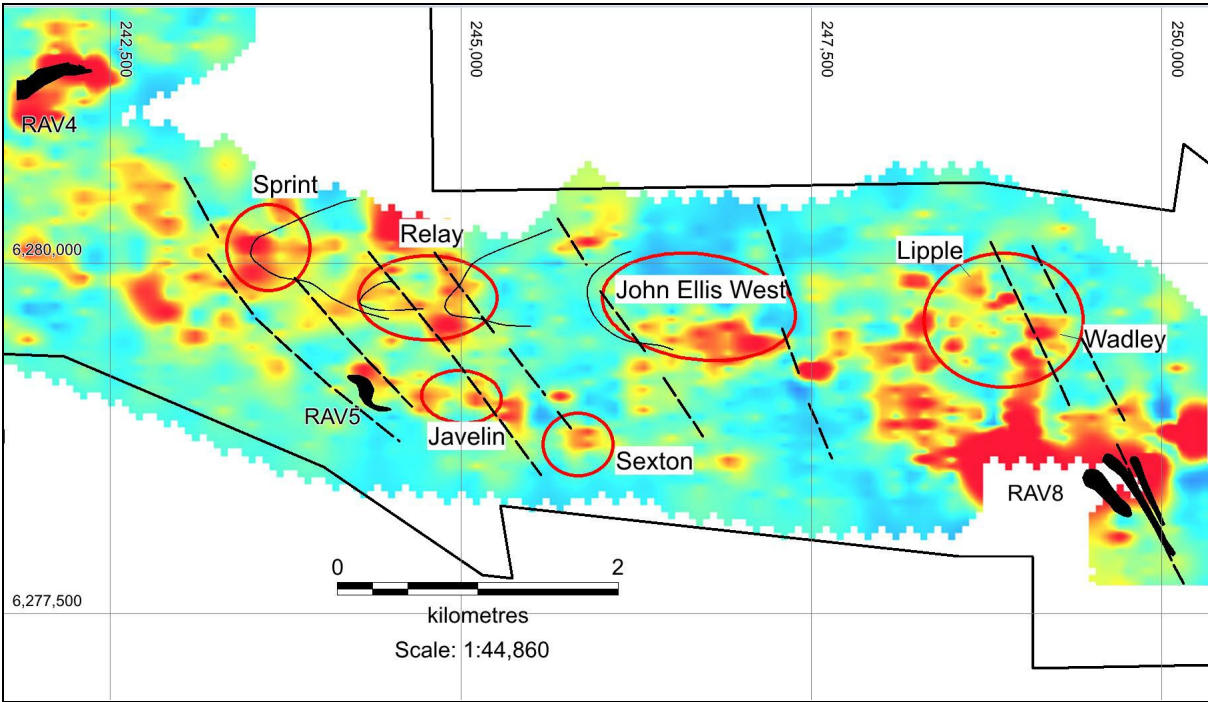


Figure 1: Carlingup Project – new exploration targets on Kambalda Ratio soil geochemistry with gravity lineaments (dashed black lines) and antiform hinges (thin black lines)

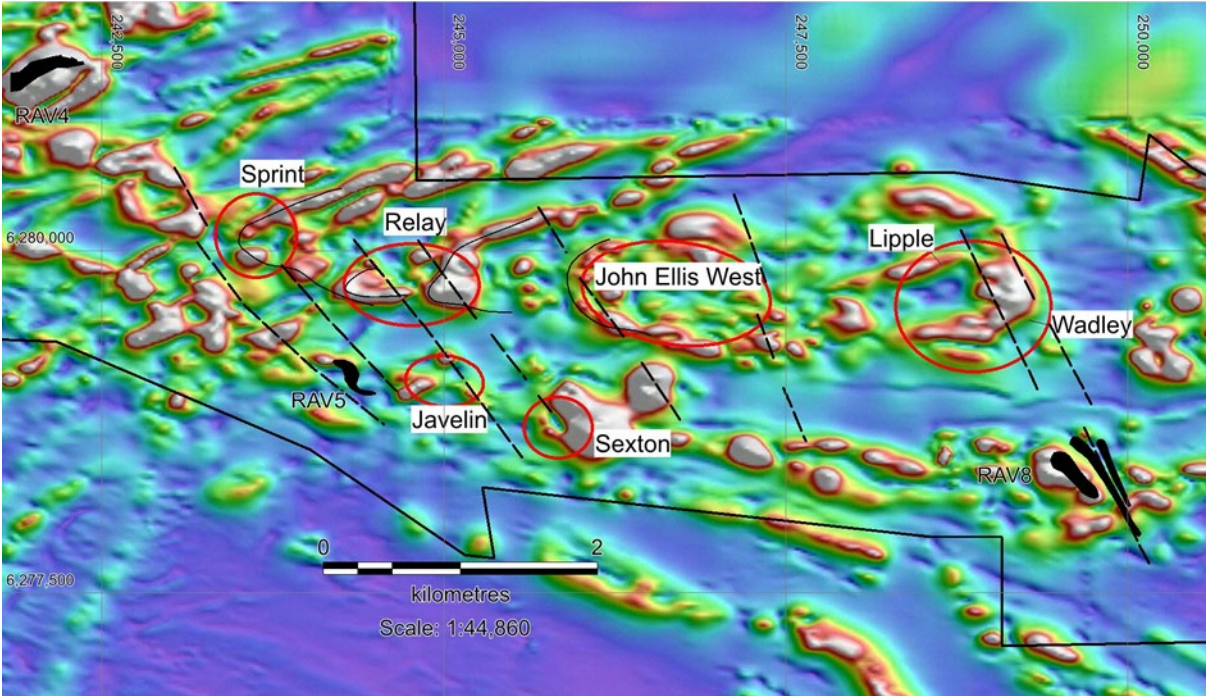


Figure 2: Carlingup Project: new exploration targets on aeromagnetic image with gravity lineaments (dashed black lines) and antiform hinges (thin black lines)

ASX ANNOUNCEMENT

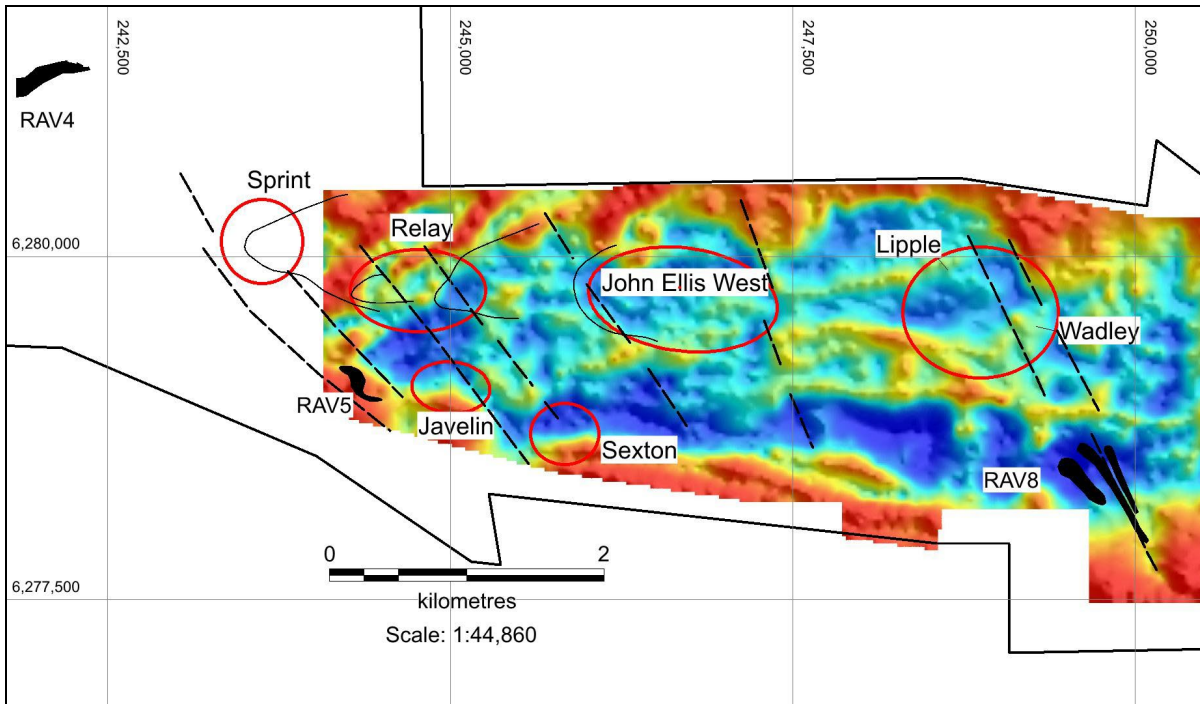


Figure 3: Carlingup Project: new exploration targets on Bouguer gravity image with gravity and magnetic lineaments (dashed black lines) and antiform hinges (thin black lines)

CARLINGUP GRAVITY SURVEY

During the Quarter, NiS engaged Atlas Geophysics Pty Ltd to perform a detailed ground gravity survey across the project tenements to better understand the regional geology and fundamental structures controlling nickel sulphide mineralisation. In total, 2,268 gravity stations were acquired, plus 719 stations from a survey by Traka Resources in 2005 for a total of 2,987 stations covering an area of 14km². The stations were spaced 50m apart along 100m spaced N-S survey lines.

Data gathered from the ground survey has been integrated into the results from reprocessing detailed airborne magnetic data. Analysis of the compiled results has uncovered a striking feature in that several southeast-trending structures interpreted across the area in the ground survey are supported by similar features on the airborne magnetic imagery (Figure 3 above). Interestingly, the southeast-plunging nickel sulphide deposit at RAV8 and RAV5 prospect occur closely associated with these structures. This relationship suggests the southeast structures are fundamentally important for the formation of nickel sulphide orebodies.

EXPLORATION OUTLOOK

Applications and permits required to commence an initial drilling program to test high priority exploration targets were progressed and a Reverse Circulation (RC) drill rig secured and mobilised ready to undertake the next round of drilling in Q4-2022. This program will test high priority anomalies within the Sexton, Javelin and RAV8 target areas that have been defined through the completion of geochemical and geophysical exploration analysis.

ASX ANNOUNCEMENT

Corporate

As at 30 September 2022, NickelSearch held approximately \$3.6 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

Enquiries:

Nicole Duncan

Managing Director

NickelSearch Limited

Suite 14, 92 Walters Drive

OSBORNE PARK WA 6017

info@nickelsearch.com

+ 61 8 6184 4983

Competent Persons Statement

The information contained within this announcement on the historic massive sulphide intersection at Sexton is extracted from the announcement titled "Multiple Exploration Targets Prioritised" released 16 May 2022, which is available to view on www.nickelsearch.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to exploration targeting and results is based on, and fairly represents, information compiled and reviewed by Mr Andrew Pearce, who is an employee of NickelSearch, and is a Member of The Australian Institute of Geoscientists. Mr Pearce has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is 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' (the JORC Code 2012). Mr Pearce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

References in this announcement may have been made to certain ASX announcements, including exploration results or Mineral Resources. 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, 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.

ASX 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 \$651,000. 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.

ASX Listing Rule 5.3.5, the Company confirms payment to Directors of NickelSearch during the Quarter totalled approximately \$132,000. 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	2.38	(0.50)
Nickel Sulphide Drilling	4.14	1.39	2.75
Technical & Metallurgical Studies	1.31	0.35	0.96
Transaction Costs	0.21	0.05	0.16
Expenses of Offers and Listing Costs	1.08	1.24	(0.16)
Working Capital	2.18	1.24	0.77
TOTAL	10.80	6.81	3.99

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 September 2022 represents 11.6 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 surveys, EM, FLEM and DHEM surveys, and drilling campaigns using aircore, reverse circulation and diamond drilling, as outlined in this report and other ASX announcements during the current and prior Quarters.
 - Metallurgical studies including heap leach and other metallurgical test work are in progress and the Company intends to continue these studies to determine the optimum processing methodology.
 - Transaction costs only include fees paid to the Lead Manager for the pre-IPO seed capital raising.
 - 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

ASX ANNOUNCEMENT

- g. 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.

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
RAV1, RAV4, RAV4 West (i)				
M74/82	Carlingup Project (WA)	Granted	100%	100%
M74/84	Carlingup Project (WA)	Granted	100%	100%
M74/106	Carlingup Project (WA)	Granted	100%	100%
RAV8 (i)				
M74/13	Carlingup Project (WA)	Granted	100%	100%
John Ellis (ii)				
M74/107	Carlingup Project (WA)	Granted	100%	100%
M74/85	Carlingup Project (WA)	Granted	100%	100%
M74/104	Carlingup Project (WA)	Granted	100%	100%
Other (i)				
E74/657	Carlingup Project (WA)	Granted	100%	100%
E74/675	Carlingup Project (WA)	Granted	100%	100%
E74/685	Carlingup Project (WA)	Granted	100%	100%
Mineral Rights Tenements (iii)				
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