

3 May 2023

Cross Release: MM8

NICKELSEARCH LAUNCHES FULLY UNDERWRITTEN \$2.4M RIGHTS ISSUE TO FUND NICKEL & LITHIUM EXPLORATION

KEY HIGHLIGHTS:

- NIS to raise c.\$2.43M (before costs) via a fully underwritten Entitlement Offer.
- The fully underwritten pro-rata non-renounceable entitlement offer is made on the basis of one (1) New Share for every three (3) Shares held by Eligible Shareholders on the Record Date of 11 May 2023 at a price of \$0.070 per New Share (Entitlement Offer).
- Participants in the Entitlement Offer will receive 1 free attaching Option for every New Share subscribed for under the Entitlement Offer, with an exercise price of \$0.070 and expiry date of 30 November 2023, providing up to an additional \$2.43M if exercised.
- NIS Board & Management, including Managing Director Nicole Duncan, intend to participate for c.\$115,000.
- Funds will be used for high impact exploration across the Carlingup Nickel Project (Carlingup) located in Ravensthorpe, Western Australia including RC drill programs underway at four high-priority greenfields nickel sulphide targets, early exploration at the newly defined high-priority lithium target areas (located c.10km from Allkem's Mt Cattlin lithium mine) and diamond drilling to test the strong electromagnetic conductor at the Sexton nickel sulphide discovery.
- RC drilling is ongoing at Carlingup and is expected to provide solid near term newsflow.
- Discovery Capital and Cumulus Wealth are Joint Lead Managers to the Capital Raise and the Entitlement Offer is fully underwritten by Discovery Capital.
- The Company intends to shortly lodge with ASIC its Prospectus in respect of the Entitlement Offer and various additional offers.

NickelSearch Limited (ASX: NIS) (NIS or the **Company**) is pleased to announce that it is undertaking the fully underwritten non-renounceable pro-rata Entitlement Offer on the basis of one (1) new fully paid ordinary share (**New Share**) for every three (3) Shares held on Wednesday, 11 May 2023 (**Record Date**) at an issue price of \$0.07 per New Share to raise \$2,432,827 (before costs), together with one (1) free attaching unquoted option for every one (1) New Share subscribed for and issued, exercisable at \$0.070 on or before 30 November 2023 (**Option**). The Company expects to lodge a prospectus for the purpose of the Entitlement Offer (**Prospectus**) with ASIC on or about Friday, 5 May 2023.

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NickelSearch's Managing Director, Nicole Duncan commented:

"NickelSearch has an exciting pipeline of greenfield exploration targets to pursue and this capital raising enables us to proceed with the RC drilling program currently underway at Carlingup and plan for the next diamond drilling campaign to follow up the exciting nickel sulphide intersections at Sexton. With the drilling crew currently on the ground at Ravensthorpe, we look forward to providing positive newsflow from those campaigns in the very near future.

Alongside our nickel sulphide exploration, the Company is planning for early-stage target identification and geological mapping to follow up our recent announcement regarding the prospectivity for lithium on our tenements.

This is a pivotal time for the Company as knowledge gained during our period of exploration targeting and planning is put into action, and we look forward to sharing the results when received. We appreciate the ongoing support of our existing shareholders and encourage all to review the offer documentation and participate in the Entitlement Offer."

Use of Funds

The fully underwritten Entitlement Offer will raise approximately \$2.43 million (before costs) and will be used to fund the RC drill programs underway at four high-priority greenfields exploration targets (Serendipity, B1, Lipple and Wadley) and follow up drilling at the recent Sexton nickel sulphide discovery, where downhole electromagnetic surveys have identified a very strong off-hole conductor (see NIS Announcement 21 February 2023).

The Company will undertake detailed mapping and rock-chip sampling across the five high-priority lithium target areas within Carlingup, recently identified through the results of multi-element analysis of previously completed soil sampling (see NIS Announcement 5 April 2023). Carlingup is located 10km away from Allkem's (ASX:AKE) Mt Cattlin lithium mine that produced ~194kt of spodumene concentrate in FY22.

As recently announced, NIS has received WA Government Co-Funding to drill one deep diamond hole at the RAVD120 target (see NIS Announcement 27 April 2023). Funds raised from this offer will go towards the Company's contribution for this campaign, expected to commence in Q2 FY2024.

Entitlement Offer

The Entitlement Offer is open to eligible shareholders who have a registered address within Australia, New Zealand, Singapore and the United Kingdom and who hold Shares on the Record Date. The Entitlement Offer is intended to close on Monday, 5 June 2023 (unless extended), and eligible shareholders can apply for any shortfall in excess of their entitlement. As the Entitlement Offer is non-renounceable, eligible shareholders cannot trade their rights under the Entitlement Offer.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares. The Company does not intend to seek quotation of the Options. The Company expects to lodge the Prospectus with ASIC on or about Friday, 5 May 2023 and will be dispatching personalised entitlement acceptance forms to eligible shareholders shortly after the Record Date.

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Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Entitlement Offer and will need to follow the instructions on the entitlement and acceptance form that will accompany the Prospectus. Eligible shareholders will also be given the opportunity to apply in excess of their entitlement through a shortfall offer, which may be allocated by the Company in its sole discretion.

Shareholders who participate in the Entitlement Offer will receive one (1) attaching Option for every one (1) New Share subscribed, resulting in the issue of 34.8M unquoted Options. The Options will have an exercise price of \$0.070 and will expire on 30 November 2023. If all Options are exercised prior to expiry, NIS may receive up to \$2.43M in additional funding that would be utilised to continue greenfields exploration at Carlingup.

Underwriting Agreement

The Entitlement Offer is fully underwritten by Discovery Capital Pty Ltd (the **Underwriter**). Pursuant to the Underwriting Agreement, the Underwriter (or its nominee(s)) will be entitled to the following fees:

- an underwriting fee of 4% of the underwritten amount;
- a management fee of 2% of the underwritten amount; and
- subject to shareholder approval, 34,754,673 unquoted options, exercisable at \$0.10 on or before 30 April 2024 (**Underwriter Options**).

Dependent upon prevailing market conditions, exercise of the Underwriting Options may provide additional funding of up to \$3.4M over the exercise period. If received, the funding will enable expansion of greenfields drilling campaigns to include the highly prospective targets of Sprint, Relay and John Ellis West.

Pursuant to the Underwriting Agreement, the Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer. A summary of the full terms and conditions of the Underwriting Agreement will be included in the Prospectus.

Director Participation

NickelSearch Managing Director, Nicole Duncan and the Board and management of NIS intend to participate for approximately \$115,000. Further details of each Director's intentions will be disclosed in the Prospectus.

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Indicative Timetable

The indicative timetable of the Capital Raising is set out below:

Key Events ¹	Date
Announcement of the Offers and release of Appendix 3B	Wednesday, 3 May 2023
Prospectus lodged with ASIC	Friday, 5 May 2023
Shares quoted on an "Ex" basis	Wednesday, 10 May 2023
Record Date	Thursday, 11 May 2023
Opening Date	Monday, 15 May 2023
Prospectus sent to Eligible Shareholders	Monday, 15 May 2023
Last date to extend Closing Date	Before 12:00pm (AEST) on Wednesday, 31 May 2023
Closing Date	Monday, 5 June 2023
Shares quoted on a deferred settlement basis	Tuesday, 6 June 2023
Shortfall announced to ASX	Friday, 9 June 2023
Securities issued and holding statements sent	Wednesday, 14 June 2023
Shares quoted on ASX	Friday, 16 June 2023

¹ The above timetable is indicative only and may be subject to change (in compliance with the Corporations Act and Listing Rules).

Lead Manager and Additional Offers

The Company has appointed Discovery Capital Pty Ltd and Cumulus Wealth Pty Ltd as Joint Lead Managers to the Entitlement Offer. The entitlement Offer is fully underwritten by Discovery Capital. In addition to the Entitlement Offer, the Prospectus will include various additional offers including the issue of Lead Manager Options to the Joint Lead Managers, the issue of Underwriter Options to the Underwriter and a Shortfall Offer. The full details of each additional offer will be disclosed in the Company's Prospectus.

This announcement has been approved for release by the Board of NickelSearch Limited. Enquiries:

Nicole Duncan

Managing Director

NickelSearch Limited

information@nickelsearch.com

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Competent Person Statement:

The information in this announcement that relates to exploration targeting and results is extracted from the ASX Announcements listed in the table below, which are also available on the Company’s website at www.nickelsearch.com and the ASX website www.asx.com under the code NIS.

21/02/2023	Outstanding Growth Potential Highlighted at Sexton
14/03/2023	Nickel Sulphides Confirmed at Sexton
20/03/2023	Strong 1km Nickel Anomaly at Serendipity
05/04/2023	Lithium and VHMS Potential Identified at Carlingup
27/04/2023	NIS Awarded Co-funding of \$220,000 for Greenfield Target

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the results and estimates in the market announcements 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 market announcements.

Forward Looking Statements:

This announcement contains certain forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “except”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility and potential development of NickelSearch’s exploration activities.

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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 155kt contained nickel.

Directors & Management

Nicole Duncan
Managing Director

Mark Connelly
Non-Executive Chairman

Norman Taylor
Non-Executive Director

Paul Bennett
Non-Executive Director

Lynda Burnett
Non-Executive Director

NickelSearch

ACN 110 599 650

Projects

Carlingup Nickel Project
(100%)

Shares on Issue

104,264,018

Options

13,250,817

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

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