

Early Option Exercise and Underwriting to Fund Lithium Exploration

Key Highlights:

- Notices received from holders of 28,767,131 options for early exercise; and underwriting of 5,987,815 options at a price of \$0.07 to raise approximately \$2.43M in total in new lithium exploration funding.
- Together with existing cash reserves and the recent placement of \$1.2M¹, NIS is well funded to aggressively explore the lithium prospectivity across the Carlingup tenement package.
- Assays are pending for rock chip sampling and soil sampling from the newly identified outcropping pegmatites mapped within five areas of interest.
- New mapped outcropping pegmatites increases the prospectivity of the broader Carlingup Project, as work progresses at the quarry that previously delivered exceptional rock-chip results, including:
 - **5.19% Li₂O, 4.99% Li₂O, 1.92% Li₂O and 1.27% Li₂O.**²
- Strong endorsement of the Company's revitalised lithium exploration focus in collaboration with Allkem Limited (ASX:AKE), the owner and operator of the Mt Cattlin lithium mine, 10km from NickelSearch's Carlingup Project.

NickelSearch Limited (ASX: NIS) (NickelSearch, NIS or the Company) is pleased to announce that it has received early exercise notices to date from the holders of 28,767,131 options and entered into an underwriting agreement (**Underwriting Agreement**) with Discovery Capital Pty Ltd (**Underwriter**) pursuant to which the Underwriter has agreed to underwrite the exercise of the remaining 5,987,815 options exercisable at \$0.07 on or before 30 November 2023 (**Underwritten Options**) to raise total new funds of \$419,147.05 (**Underwritten Amount**).

NickelSearch Managing Director, Nicole Duncan, commented:

"The support from our shareholders for NIS' pivot to focus on our lithium exploration strategy has been fantastic, and we are excited to continue to build our understanding of the extensive lithium potential at the Carlingup Project."

¹ NIS ASX Announcement 16 October 2023 - "Assays over 5% Lithium Oxide (Li₂O) at Carlingup"

² NIS ASX Announcement 16 October 2023 - "Assays over 5% Lithium Oxide (Li₂O) at Carlingup"

We have been extremely active over the last quarter in ramping up lithium exploration and intend to keep the momentum into CY2024.”

Underwriting of Options

Any Shares to be issued to the Underwriter pursuant to the Underwriting Agreement are expected to be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought. The Underwriting Agreement contains indemnities and warranties usual for an agreement of this nature.

The Underwriter may nominate sophisticated or professional investors to sub-underwrite the exercise of the Underwritten Options.

A summary of the significant events that could lead to the Underwriting Agreement being terminated are set out in the Annexure to this announcement.

In accordance with ASX Listing Rule 3.11.3, the Company advises that the Underwriter is not a related party of the Company, and no underwriting fee is payable by the Company to the Underwriter.

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

Enquiries:

Nicole Duncan
Managing Director
NickelSearch Limited
E: information@nickelsearch.com

Broker & Media Enquiries:

Fiona Marshall
Senior Communications Advisor
White Noise Communications
T: 0400 512 109

About NickelSearch

NickelSearch Limited [ASX: NIS] is a dedicated nickel sulphide and lithium explorer focused on advancing its flagship Carlingup Project in Western Australia.

The Project has an existing mineral resource base totalling 155kt contained nickel and is strategically located in the same greenstone corridor as IGO’s Forrestania nickel mining complex, and only 10km from Allkem’s Mt Cattlin Lithium Mine

**Highly Prospective Tenure
Covering +10km Strike**

**Multiple high priority, drill-ready
greenfield nickel sulphide targets**

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

**Technical collaboration with Allkem
Limited on lithium potential**

Directors and Management

Mark Connelly
Non-Executive Chair

Nicole Duncan
Managing Director

Lynda Burnett
Non-Executive Director

Annexure – Underwriting Agreement – Termination Events

The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: the S&P ASX 200 or the S&P ASX 300 Index closes on any Business Day from the date of the Underwriting Agreement at a level that is 10% or more below the level of the Index at the close of trading on the Business Day before the date of the Underwriting Agreement;
- (b) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B or Appendix 2A in relation to any Shares with ASX by the times required by the Listing Rules, the Corporations Act or any other regulations;
- (c) **(No Official Quotation)**: ASX has advised the Company that it will or may not grant official quotation to any Shares on or prior to the Shortfall Notice Deadline Date;
- (d) **(Proceedings)** ASX, ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Company, or publicly foreshadows that it may do so; or
- (e) **(Unable to issue Shares)** the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (f) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (g) **(Authorisation)**: any authorisation which is material to the Company is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (h) **(Cleansing Statement)**: the Company ceases to be capable of issuing, at the date of issue of any Shortfall Securities, a notice under section 708A(5)(e) of the Corporations Act to allow secondary trading of any Shortfall Securities;
- (i) **(Indictable offence)**: a director of the Company is charged with an indictable offence; or
- (j) **(Termination Events)**: subject always to clause 10.3, any of the following events occurs:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, Ukraine, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
 - (ii) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;

- (iii) **(COVID-19)**: the Underwriter believes (acting reasonably) that a materially adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of any Relevant Company (insofar as the position in relation to any Relevant Company affects the overall position of the Company) has occurred as a direct or indirect result of the coronavirus disease 2019 (**COVID-19**) or the transmission of the severe acute respiratory syndrome coronavirus 2 (**SARS-COV-2**). This includes, without limitation, a materially adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-COV-2 at any of the mine sites owned or operated by any Relevant Company, or the temporary, complete or partial closure of or disruption to any of those mine sites due to an outbreak of COVID-19, a transmission of SARS-COV-2, a direction of a Government Agency, or otherwise;
- (iv) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (v) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (vi) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (vii) **(Error in information or materials)**: it transpires that any information released to ASX prior to the date of the Underwriting Agreement or disclosed to the Underwriter pursuant to the Underwriting Agreement was materially false, misleading or deceptive or that there was a material omission from them;
- (viii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Underwriting Agreement, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act;
- (ix) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified)**: the official quotation is qualified or conditional other than as set out in clause 1.3;
- (xi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xii) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xiii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;

- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company;
- (xvii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the issue of Shares) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **(Timetable)**: there is a delay in any specified date in the Timetable due to the neglect or default of the Company which is greater than 5 Business Day (unless consented to or requested by the Underwriter, such consent not to be unreasonably withheld);
- (xx) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the document lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Underwriting Agreement;
- (xxiii) **(Breach of Material Contracts)**: any of the Contracts are terminated or substantially modified; or
- (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.