

# Quarterly Activities Report

FOR THE PERIOD ENDING 30 JUNE 2023

## Key Highlights:

- Diamond drilling commenced at Sexton with two drillholes (23NRD028 and 23NDD030) intersecting massive sulphide mineralisation in the Lower Mineralised Horizon.
- Reverse Circulation (“RC”) drill program tested high priority targets at B1 (seven holes) and Serendipity (three holes).
- RC drilling at B1 confirmed and extended the area of known historical nickel sulphide intercepts.
- Drilling grant of up to \$220,000 secured under the WA Government’s Exploration Incentive Scheme (“EIS”) to further explore RAVD120 target.
- Completed a non-renounceable fully underwritten entitlement offer to raise \$2.4m.
- Appointment of independent Non-Executive Chair, Mark Connelly and Non-Executive Director, Lynda Burnett effective 3 April 2023.

NickelSearch Limited (ASX:NIS) (“NickelSearch” or “the Company”) is pleased to present its Quarterly Report for the period 1 April 2023 to 30 June 2023 (the “Quarter”).

## Exploration Activities

### RC Drilling Completed at B1 & Serendipity <sup>1 2</sup>

The Company completed 10 RC drill holes for 1,564m across two high priority target areas B1 (seven holes) and Serendipity (three holes) (see Figure 1) at the Carlingup Nickel Project.

<sup>1</sup> Refer to ASX Announcement dated 26 April 2023 – Drilling Commences on Greenfield Nickel Targets at Carlingup

<sup>2</sup> Refer to ASX Announcement dated 25 May 2023 – Nickel Sulphides Intersected at B1

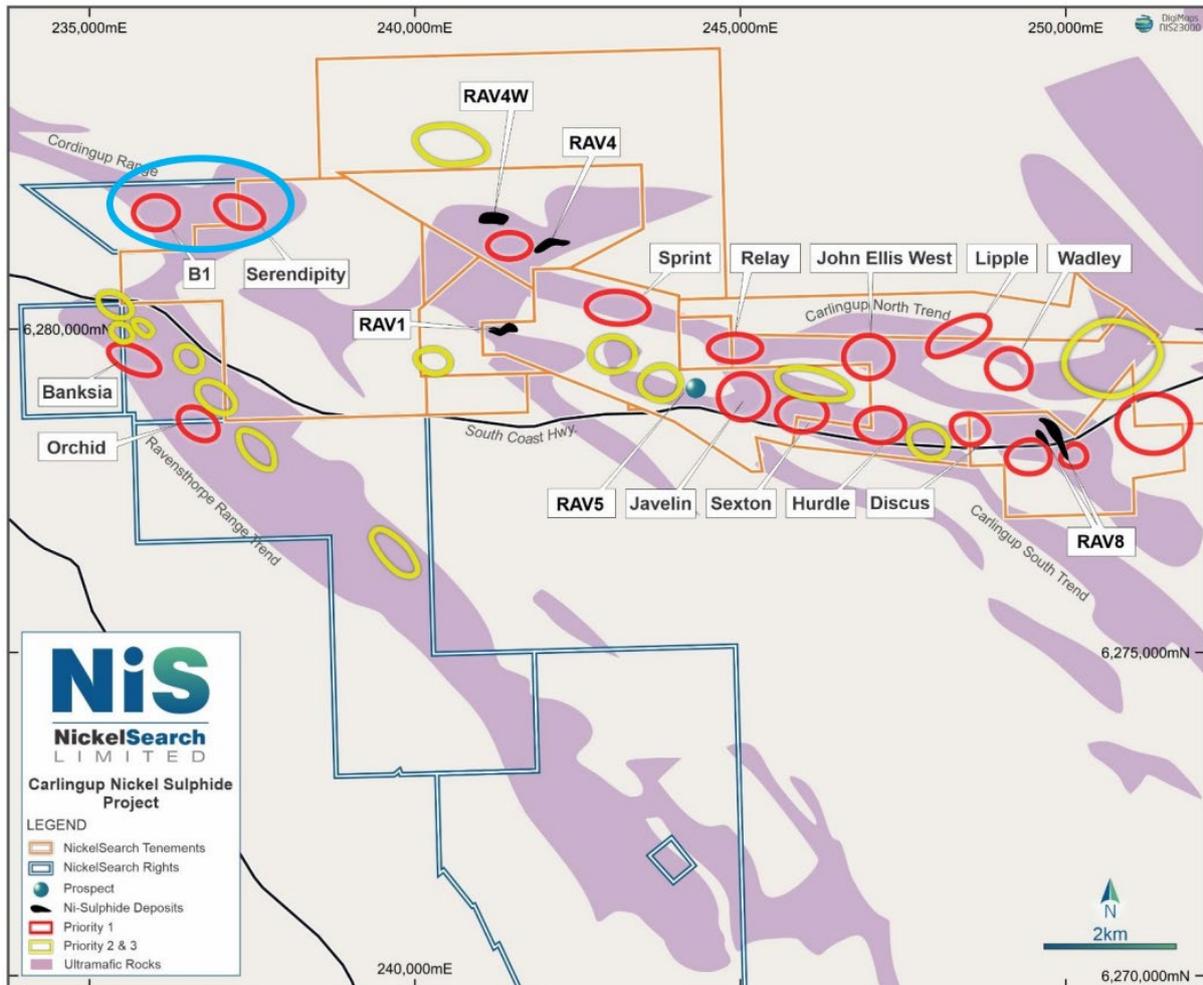


Figure 1: Location of B1 and Serendipity, in the Carlingup Range, within the Company's tenement package

At B1, NIS drilled seven holes during the Quarter for a total of 1,108m. Drilling has confirmed and extended the area of known historical nickel sulphide intercepts with sulphidic komatiites and cumulate ultramafics logged.

In addition to Sexton, B1 is the second regional target at Carlingup to deliver nickel sulphide intersections that warrant immediate follow up. Downhole electromagnetic survey ("DHEM") of selected holes commenced during the Quarter, to locate conductors that may indicate the presence of matrix or massive sulphides. The results of the DHEM will allow an improved understanding of the direction of the mineralisation.

The results confirm the continuation of mineralisation from historic intercepts at B1 (see Figure 2), which include:

- DDHB1001 - 9.1m @ 0.7% Ni, 0.1% Cu from 19.8m;
- DDHB1001 – 4.6m @ 0.8% Ni, 0.1% Cu from 35.0m;
- RAVC0162 - 7.0m @ 1.0% Ni, 0.09% Cu from 157.0m; and
- DDHB1010 - 6.1m @ 1.0% Ni, 0.08% Cu from 192.6m.

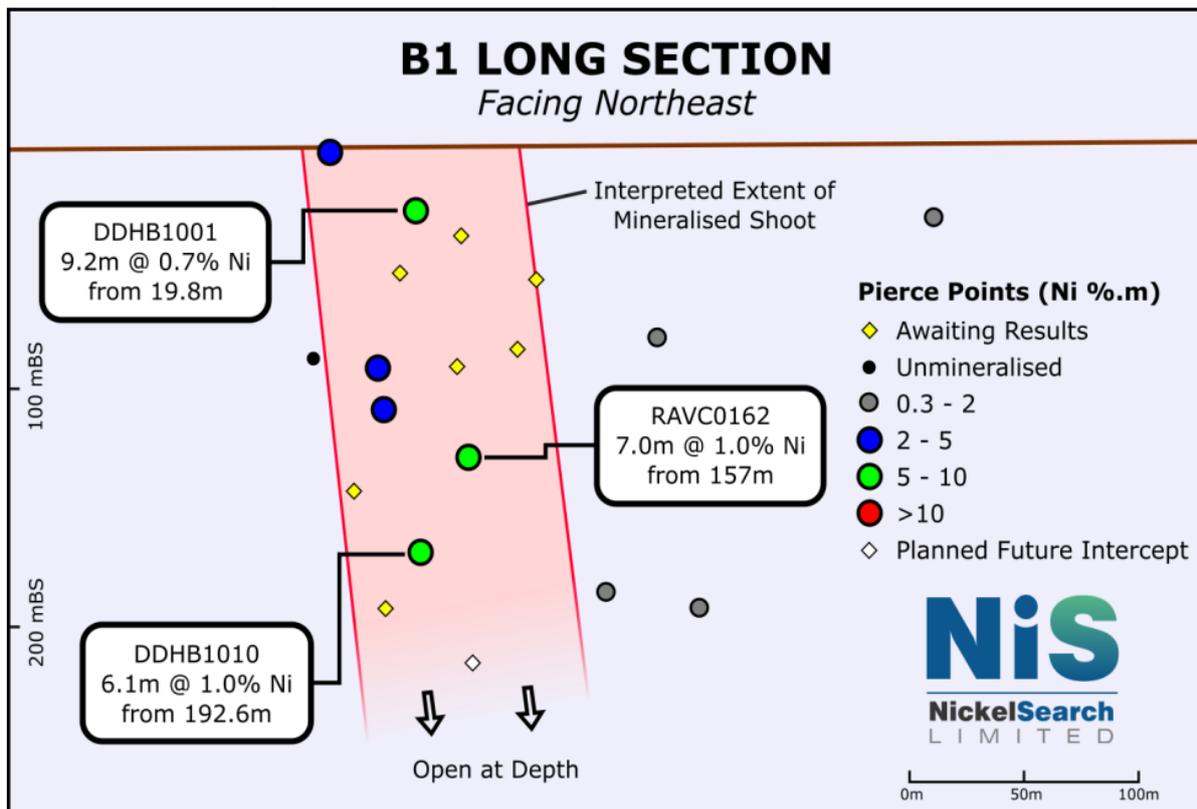


Figure 2: Long section of the NIS and historical drilling at B1 high priority target

Further afield, the B1 mineralised horizon appears to stretch hundreds of metres, particularly to the southeast where weak mineralisation is observed on the contact along strike. This suggests that the fertile flow is extensive, and the location of a further shoot (or channel) on this horizon where sulphides can accumulate may yield further exploration targets.

At Serendipity, NIS drilled three holes during the Quarter for a total of 456m to test the ultrafine soil sampling anomalies (see Figure 3). The holes intersected very thick flows of cumulate ultramafic (between 50 and 60m thick) in holes 23NRC015 and 23NRC016. The cumulate ultramafic was the prime target for the drilling, and DHEM surveys were completed as a critical next step to identify off-hole conductors for nickel sulphides. Drillhole samples from B1 and Serendipity are with the laboratory for assay.

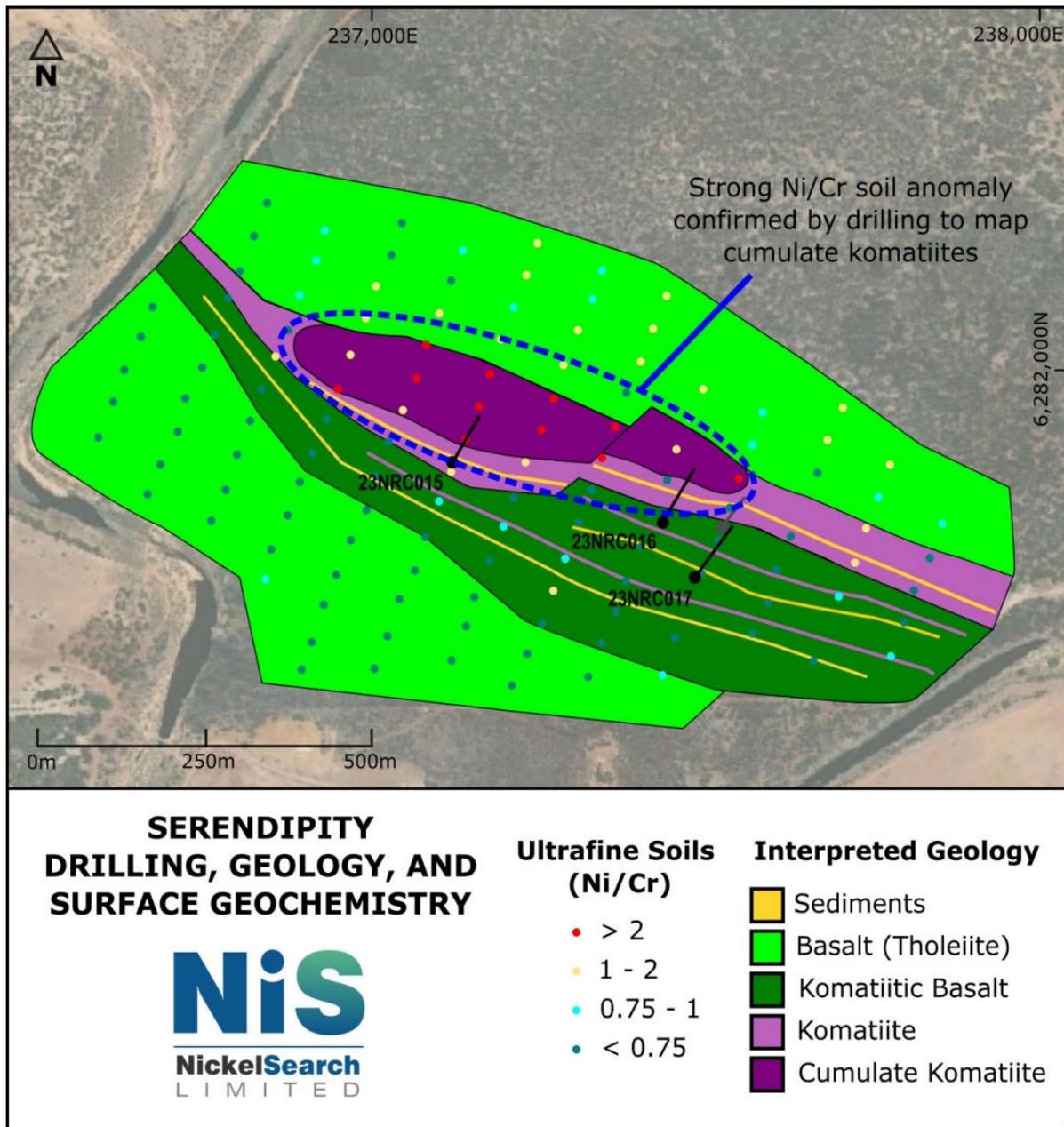


Figure 3: Plan view at Serendipity showing NIS drilling, geology and results from ultrafine soil sampling

### Diamond Drilling at Sexton<sup>3 4 5</sup>

Diamond drilling commenced at Sexton in June 2023 to test the strong DHEM conductor down-plunge of where the January 2023RC drilling results show continuity of mineralisation over 150m of plunge and increasing width.

The diamond drilling program completed during the Quarter was designed to test two distinct bodies of mineralisation encountered in earlier drilling and corroborated by DHEM surveys. The primary aim for this diamond drilling campaign was the massive sulphides associated with the Lower Mineralised Horizon (“LMH”), with the holes designed to test the potential for further nickel sulphide mineralisation within the Upper Mineralised Horizon (“UMH”) (see Figure 4).

<sup>3</sup> Refer to ASX Announcement dated 6 June 2023 – NickelSearch - Diamond Drilling Sexton & B1

<sup>4</sup> Refer to ASX Announcement dated 13 June 2023 – NickelSearch – Visual Sulphide in Diamond Core

<sup>5</sup> Refer to ASX Announcement dated 14 June – NickelSearch Massive Visual Sulphide Intersected at Sexton

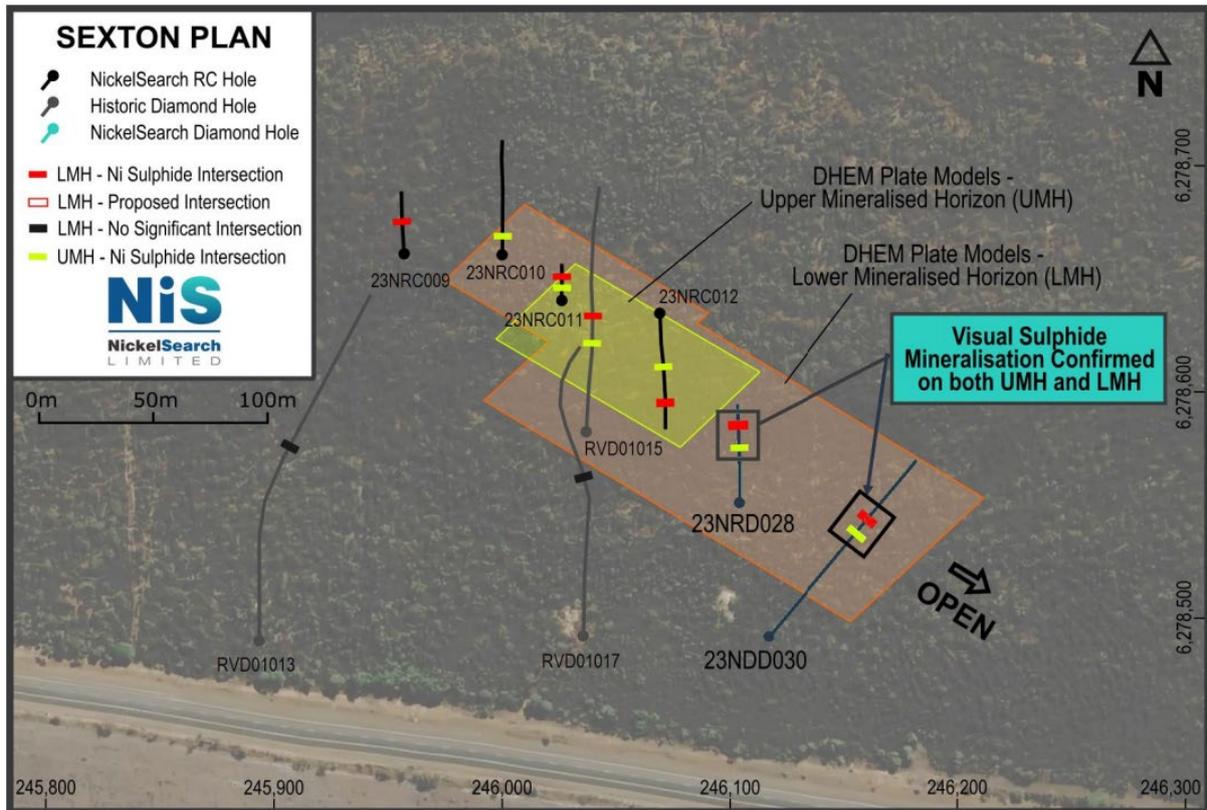


Figure 4: Plan of the Sexton area. The DHEM plate models, associated with the massive sulphide intersections, plunge shallowly to the east-southeast.

The first of two diamond drillholes at Sexton intersected further visual sulphides in the deeper target of the LMH (see Figure 5).

Observations from the diamond hole completed confirm the  $-68^\circ$  overall plunge length of Sexton mineralisation to extend to 190m and remains open both up- and down-plunge, with logged results showing an increasing thickness of nickel mineralisation down-plunge.



Figure 5: Lower Mineralised Horizon intersection of nickeliferous sulphides

Subsequent to the Quarter, the Company reported that Diamond drill hole 23NDD030 intersected massive sulphides in both the UMH and the LMH<sup>6</sup> (see Figure 6), with both horizons intersected at shallower depths than expected. This demonstrates the nickel mineralisation continues 60m further along strike, extending the total strike length to 250m.

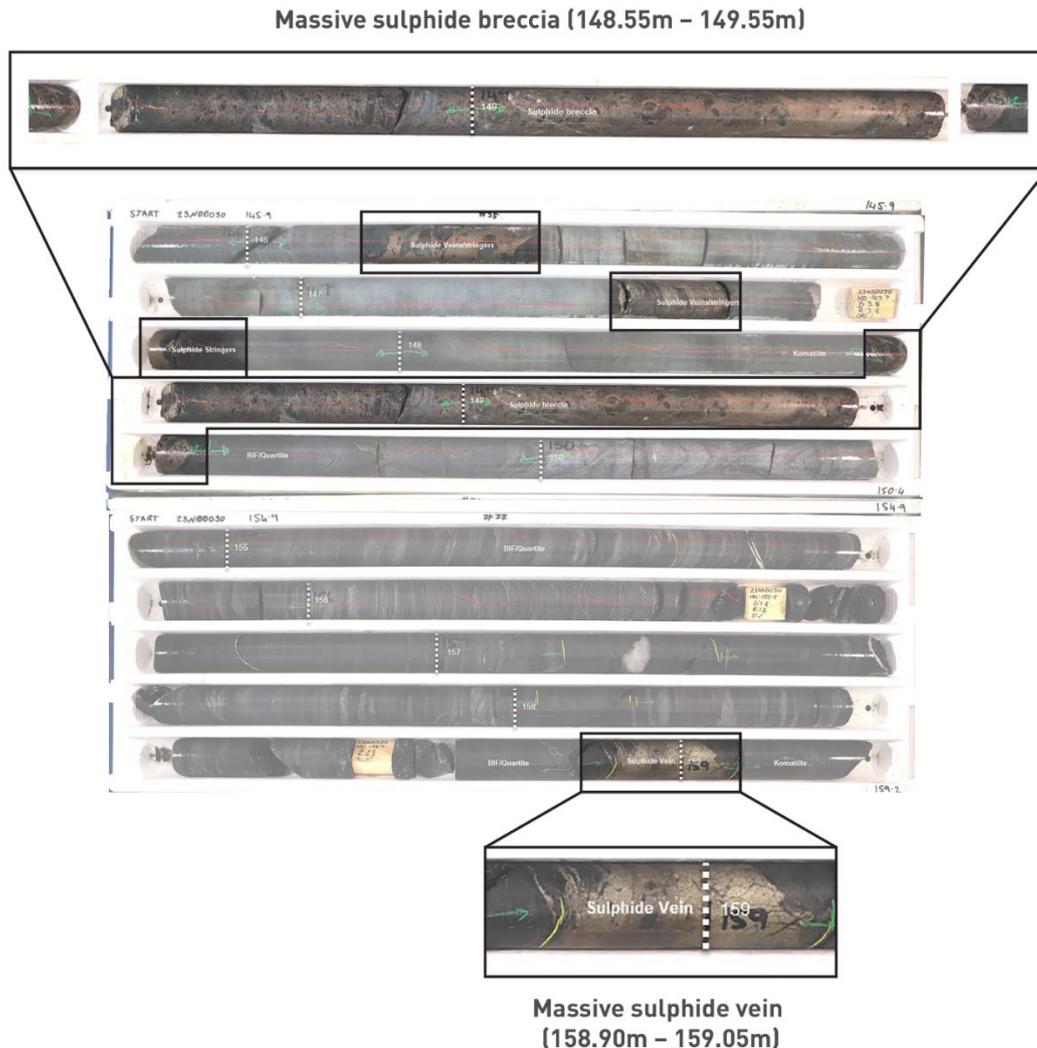


Figure 6: Intersection of nickeliferous sulphides in drillhole 23NRD030, with some massive sulphide intersections highlighted

### Cautionary Statement

*\*Certain information in this announcement may contain references to visual results. The Company draws attention to the inherent uncertainty in reporting visual results. Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.*

<sup>6</sup> Refer to ASX Announcement dated 12 July 2023 – Massive Nickel Sulphide Mineralisation Extended at Sexton

The two holes successfully intersected sources of the DHEM plates modelled from the previous RC drilling. DHEM surveys have been completed to allow for more constrained models and in conjunction with assay results allow for the generation of follow up drill targets to extend mineralisation and vector in on higher grade zones.

The third diamond hole has been drilled at the B1 Target, where in May 2023<sup>7</sup>, intercepts confirmed and extended the area of known historical nickel sulphide intercepts with sulphide-bearing komatiites and cumulate ultramafics logged.

### Lithium & VHMs Potential Identified<sup>8</sup>

An independent geochemistry review was conducted on available soils data (see Figure 7) from the Carlingup Project and has highlighted the exceptional multi-commodity potential. The review, which focused only on part of the tenements, has flagged potential for lithium and Volcanogenic Hosted Massive Sulphides (“VHMS”) mineralisation in addition to the nickel sulphide prospectivity already being investigated.

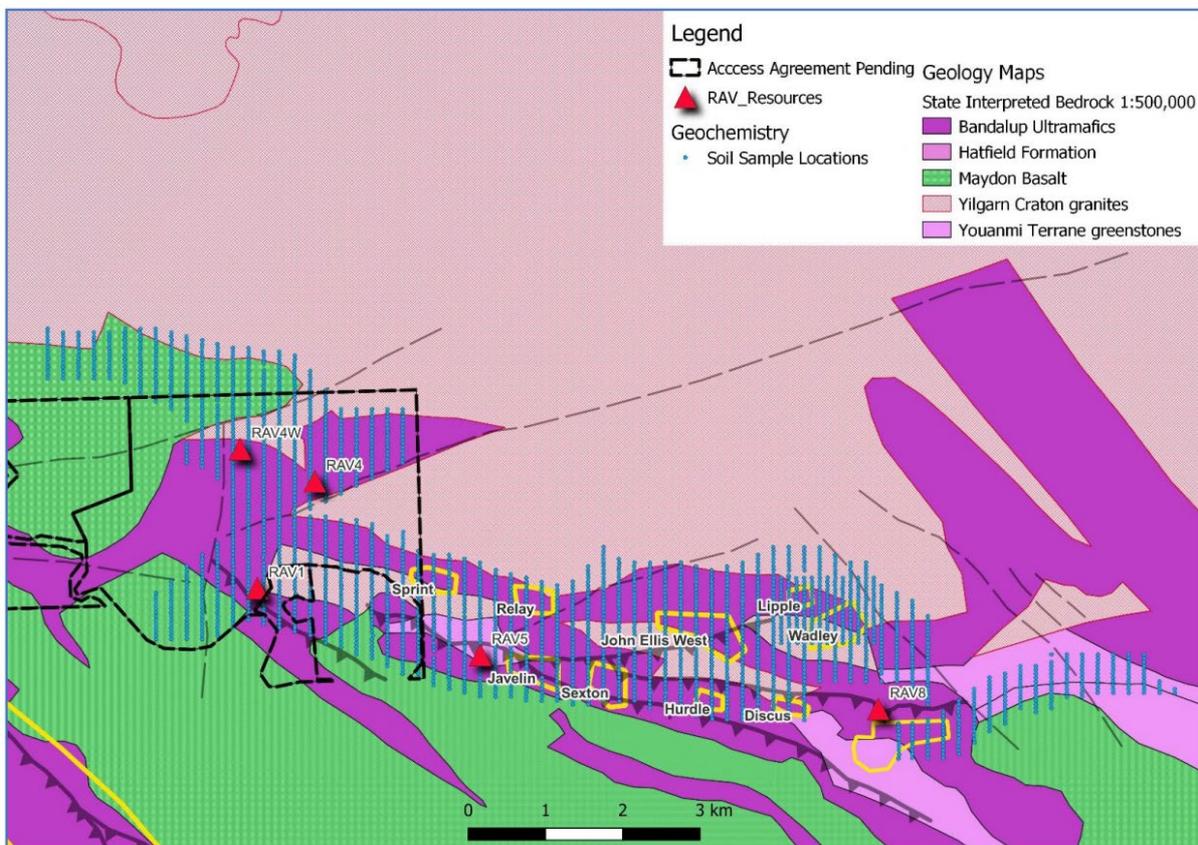


Figure 7: Soil sampling locations used for this analysis in the Carlingup project area

*Future Access Note: The dotted black line above denotes the area the subject of the LCT pegmatites, nickel and VHMS results, which area has also been subject to a change of land ownership. Future access and exploration of that area requires consent from, and a new agreement of access arrangements, with the new registered holder, as required under the Mining Act 1978 (WA). While the Company is currently negotiating these matters, there is no guarantee that agreement will be reached. Where agreement is reached, the Company will plan further exploration activities in relation to that area.*

<sup>7</sup> Refer to ASX Announcement 25 May 2023 – Nickel Sulphides intersected at B1

<sup>8</sup> Refer to ASX Announcement dated 5 April 2023 - Lithium and VHMS Potential Identified at Carlingup

With a total of 22 areas of interest, five high priority Lithium-Caesium-Tantalum (“LCT”) pegmatite target areas have been identified:

- Four priority areas extend over 800m strike length.
- The Carlingup Project is 10km away from Allkem’s (ASX:AKE) Mt Cattlin lithium mine that produced ~194kt of spodumene concentrate in FY22.

Four high priority VHMS targets have been identified, prospective for base metals such as copper, lead, zinc and associated gold and silver.

Five additional nickel sulphide targets were identified near existing targets Sprint, Relay, John Ellis West, Lipple and Wadley.

### WA Government Exploration Incentive Scheme (EIS) Grant<sup>9</sup>

After a competitive application process, NickelSearch was awarded a co-funded EIS grant of up to \$220,000 for exploration drilling at the Carlingup Project.

The EIS scheme funds applications for high quality and technically sound proposals that help explorers drill and discover new mineral deposits in Western Australia. The successful application submitted by NickelSearch allows further drilling to test the historical diamond drillhole of RAVD120 at Carlingup (Figure 8, with the location of RAVD120 highlighted by the yellow star).

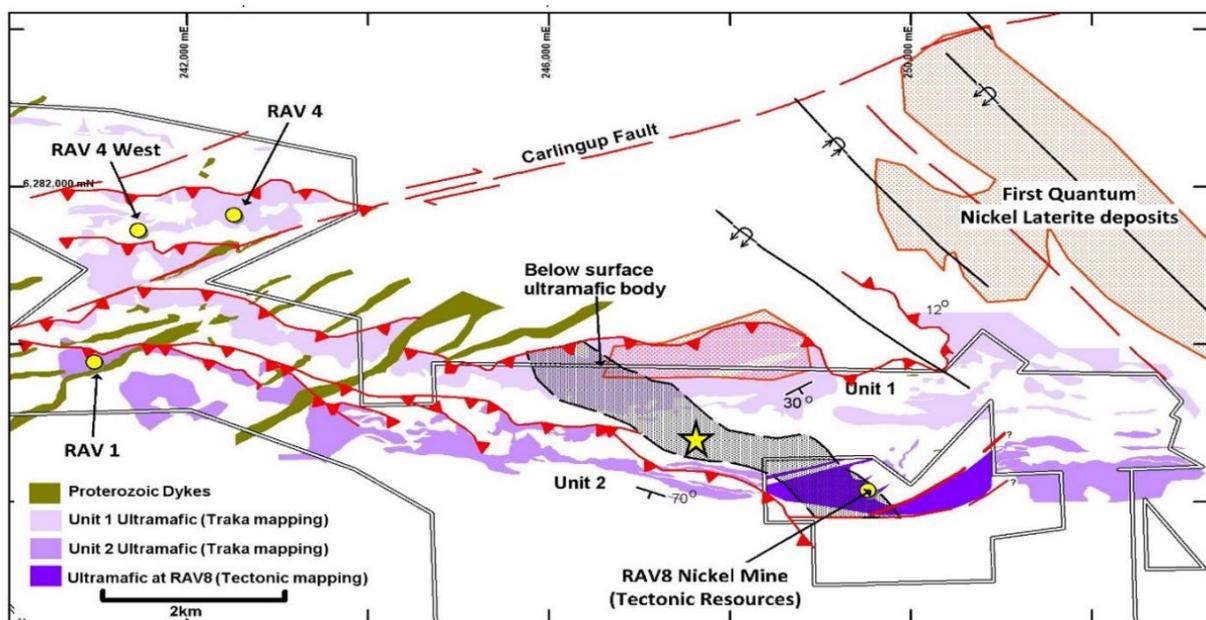


Figure 8: Carlingup nickel deposits, ultramafic units, structural interpretation, and location of EIS drillhole RAVD0120 (yellow star)

<sup>9</sup> Refer to ASX Announcement dated 27 April 2023 – NIS Awarded Co-funding of \$220,000 for Greenfield Target

## Appointment of Non-Executive Directors<sup>10</sup>

Following the retirement of David Royle and the resignation of Donald James, the Company appointed Mark Connelly as the Company's new independent Non-Executive Chair and Lynda Burnett as Non-Executive Director, both effective 3 April 2023.

Mark is an experienced listed-company Chair and brings a wealth of leadership experience in the resources industry. He has direct operational and capital markets experience in various jurisdictions, including Australia, North America, South America, Africa, and Europe.

Lynda is a geologist with over 30 years' experience in the mining industry. She has held a variety of roles with major and junior mining companies and is currently a Non-Executive Director of Regis Resources Limited and a Member of the Australian Government's Advisory Panel for Critical Minerals. Until recently, Lynda was Chair of the Strategic Advisory Board of the Centre for Exploration Targeting based at the University of WA.

## Corporate

### Securities Information

As at 30 June 2023, the Company had approximately 139.4M Ordinary fully paid shares on issue and 88.3M unquoted options granted at various vesting and expiration dates.

### Non-Renounceable Entitlement Offer<sup>11 12</sup>

During the Quarter, NickelSearch completed a one (1) for three (3) non-renounceable pro-rata entitlement offer at \$0.07 per Share, together with one (1) free attaching unquoted option ("Options") for every one (1) New Share subscribed for and issued ("Entitlement Offer"), exercisable at \$0.07 on or before 30 November 2023.

The Entitlement Offer was fully underwritten by Discovery Capital Pty Ltd and raised \$2.4M (before costs from the Offer and Underwriting).

### Financial

As at 30 June 2023, NickelSearch held approximately \$1.9 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 has been approved for release by the Board of NickelSearch Limited.**

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<sup>10</sup> Refer to ASX Announcement dated 3 April 2023 – High Calibre Appointments in Board Succession

<sup>11</sup> Refer to ASX Announcement dated 3 May 2023 – NickelSearch Launches Fully Underwritten \$2.4m Rights Issue

<sup>12</sup> Refer to ASX Announcement dated 22 June 2023 – Non-renounceable Rights Offer Results

## Competent Persons Statement

### Mineral Resource Estimate

The information contained within this announcement on the Nickel Sulphide Resources at Carlingup is extracted from the ASX announcement titled “Significant Upgrade of Nickel Sulphide Indicated Resources” released 30 March 2023, which is available to view on [www.nickelsearch.com](http://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 market announcements and that all material assumptions and technical parameters underpinning the Resource estimates in the market 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 market announcements.

### Exploration and Targeting

The information in this report is extracted from the ASX Announcements listed in the table below, which are also available on the Company’s website at [www.nickelsearch.com](http://www.nickelsearch.com) and the ASX website [www.asx.com](http://www.asx.com) under the code NIS.

12 July 2023	Massive Nickel Sulphide Mineralisation Extended at Sexton
14 June 2023	Massive Visual Sulphide Intersected at Sexton
13 June 2023	Visual Sulphide In Diamond Core
6 June 2023	Diamond Drilling Sexton & B1
25 May 2023	Nickel Sulphides Intersected at B1
26 April 2023	Drilling Commences on Greenfield Nickel Targets at Carlingup
5 April 2023	Lithium and VHMS Potential Identified at Carlingup

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.

## 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 \$1,128,000. 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 \$119,000. 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	4.00	(2.12)
Nickel Sulphide Drilling	4.14	2.19	1.95
Technical & Metallurgical Studies	1.31	0.93	0.38
Transaction Costs	0.21	0.05	0.16
Expenses of Offers and Listing Costs	1.08	1.24	(0.16)
Working Capital	2.18	2.28	(0.10)
Proceeds from subsequent Entitlement Offer (net of costs)	-	(2.20)	2.20
<b>TOTAL</b>	<b>10.80</b>	<b>8.49</b>	<b>2.31</b>

The table above includes the impact of funds received from the Entitlement Offer completed in June 2023 which was not contemplated at the time of the initial listing.

**Notes:**

- (i) Use of Funds table as detailed in the Prospectus.
- (ii) Explanation of Material Variances:
  - a. 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 2023 represents 20.4 months post listing.
  - b. During the Quarter, the Company advanced its detailed and methodical exploration and evaluation program. 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.
  - c. The exploration and drilling programme as outlined in the Prospectus has been underway since listing date and NickelSearch 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.

- d. Metallurgical studies and other processing test work is underway, and the Company intends to continue these studies to determine the optimum processing methodology.
- e. Transaction costs only include fees paid to the Lead Manager for the pre-IPO seed capital raising.
- f. 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.
- 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.
- h. During the Quarter, the Company successfully completed a capital raising to fund further exploration at its wholly owned Carlingup project. Funds received from the capital raising have been partially utilised during the Quarter and resulting expenditure is included in the table above.

## 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) below	0%
E74/602	Carlingup Project (WA)	Granted	See note(iii) below	0%
E74/638	Carlingup Project (WA)	Granted	See note(iii) below	0%
E74/656	Carlingup Project (WA)	Granted	See note(iii) below	0%
E74/683	Carlingup Project (WA)	Granted	See note(iii) below	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.

### About NickelSearch

NickelSearch Limited [ASX: NIS] is a dedicated nickel sulphide explorer focused on advancing its flagship Carlingup Nickel 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 adjacent to First Quantum Minerals' Ravensthorpe Nickel Operation.

**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%**

**Significant, shallow resource  
base open in most directions**

### Directors and Management

Mark Connelly  
Non-Executive Chair

Nicole Duncan  
Managing Director

Paul Bennett  
Non-Executive Director

Lynda Burnett  
Non-Executive Director

Norm Taylor  
Non-Executive Director

