NickelSearch Limited

(Formerly Australasian Mining Limited)

ABN 11 110 599 650

Consolidated Financial Statements

For the Year Ended 30 June 2021

NickelSearch Limited

ABN 11 110 599 650

Contents

NickelSearch Limited

ABN 11 110 599 650

Corporate Information

30 June 2021

Directors

Names	**Position**	**Appointed/Retired**
David Royle	Non-Executive Chairman	
Craig Moulton	Managing Director	Appointed 26 July 2021
Norman Taylor	Non-Executive Director	
Donald James	Non-Executive Director	Appointed 11 June 2021
Richard Hill	Non-Executive Director	Retired 16 October 2020
John Riordan	Non-Executive Director	Retired 14 June 2021
Paul Bennett	Non-Executive Director	Appointed 19 July 2021

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Joint Company Secretaries

Jessamyn Lyons (Appointed 1 July 2021) and Danielle Muto.

Registered Office

Suite 14, 92 Walters Drive
Osborne Park WA 6017
Telephone +61 8 6184 4983
Email: information@nickelsearch.com
Website: www.nickelsearch.com

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

Auditors

Nexia Brisbane Audit Pty Ltd
Level 28, 10 Eagle Street
Brisbane QLD 4000

Stock Exchange Listing

NickelSearch Limited has applied for admission on the Australian Securities Exchange and is currently allocated a provisional listing code.

ASX Code: NIS

NickelSearch Limited

ABN 11 110 599 650

Directors' Report

30 June 2021

Your Directors' present their report on NickelSearch Limited (**NickelSearch** or the **Company**) and its controlled entities, together (**the Group**) for the financial year ended 30 June 2021.

On 23 August 2021, post year end, the Company changed its name from Australasian Mining Limited to NickelSearch Limited.

1. Principal Activities

The principal activities of the Group during the financial year were:

- maintaining the Carlingup Project tenements in good standing;
- Successfully applying for additional tenements to increase the area covered by the Carlingup Project;
- Pursuing corporate activities culminating in the Medallion Metals Limited (**MM8**) agreements;
- Pursuing the listing on Australian Securities Exchange (**ASX**); and
- Completing the Pre-Initial Public Offer (**IPO**) funding round.

On 23 August 2021, NickelSearch lodged a prospectus with ASIC seeking to raise a minimum of $7,000,000 and a maximum of $10,000,000 via the issue of Shares at an issue price of $0.20 per Share under an Initial Public Offer (**Prospectus**). The Initial Public Offering to list on the ASX, will be subject to the conditional approval of ASX, and the Company's ability to satisfy a number of conditions precedent as set out in the Prospectus. Subject to the Company satisfactorily meeting these conditions precedent, the Official Listing of the Company on ASX is anticipated to occur in the second quarter of financial year 2022.

2. Location of Projects

The Company's flagship Carlingup Project is located approximately 500km south of Perth, Western Australia (WA), and is situated in the Ravensthorpe Greenstone Belt, which is highly prospective for nickel sulphide deposits. As shown below, this belt occurs on the southern margin of the Archaean Yilgarn Craton and is situated adjacent to the First Quantum Minerals Ltd (**FQM**) laterite mine - the Ravensthorpe Nickel Operations (**RNO**).

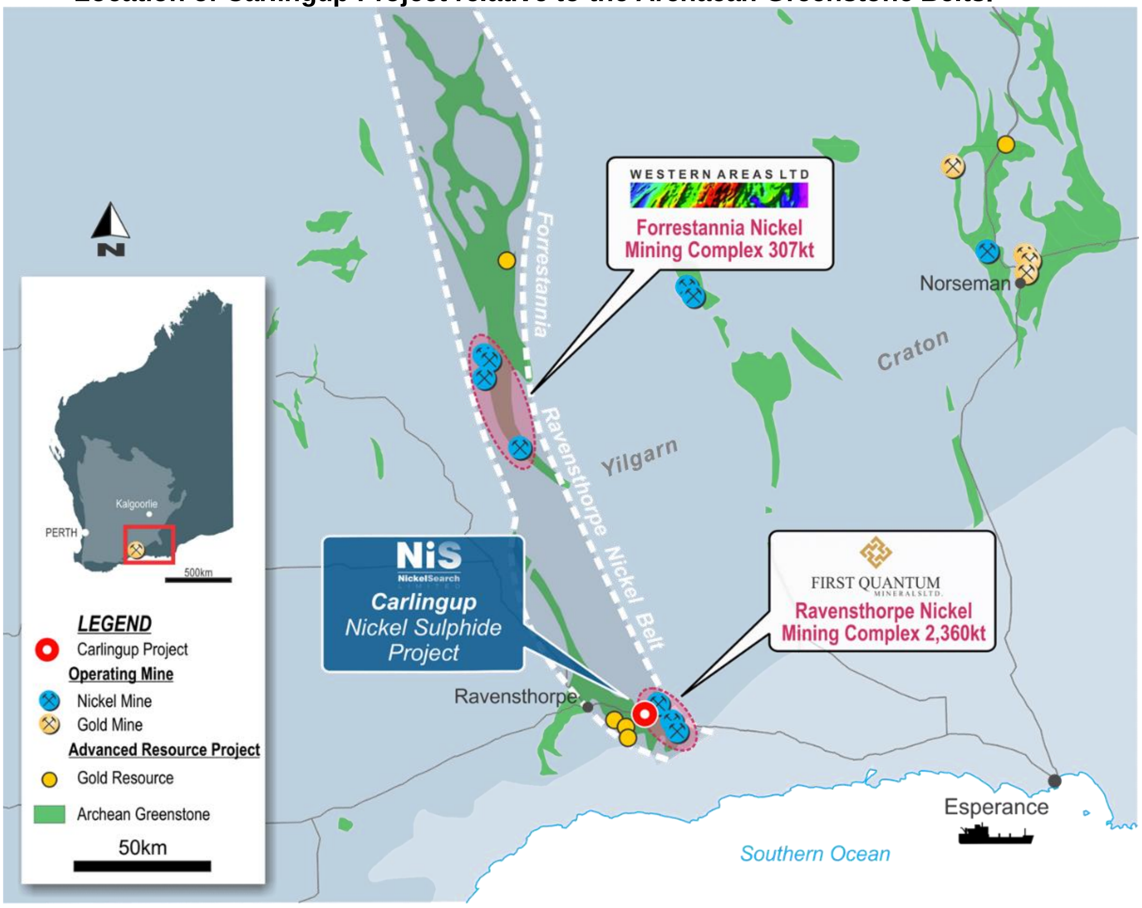
NickelSearch Limited

ABN 11 110 599 650

Directors' Report

30 June 2021

Location of Carlingup Project relative to the Archaean Greenstone Belts.



Despite the long history of exploration for nickel in the Carlingup area, apart from the known shallow sulphide deposits, there has been remarkably little deep drilling below 100m elsewhere targeted at the prospective basal ultramafic contact. Recent experience, particularly with high-grade nickel sulphide deposits on the basal contacts of komatiitic flows, has identified a large number of exploration targets that remain untested or poorly explored and are good opportunities for further high-grade nickel sulphide mineralisation.

The Board is optimistic about the exploration potential of these tenements and have set a target of proving up a significant total resource of contained nickel in the coming years which will provide a solid foundation for future mining operations.

3. Review of Operations

Nickel Sulphide Deposits

The Carlingup Project includes three currently known nickel sulphide deposits at RAV1, RAV4, and RAV4 West, spread along about 10 kilometres of strike length. These deposits contain shallow mineralisation open in most directions and do presently contain a small JORC Code (2012) compliant resource.

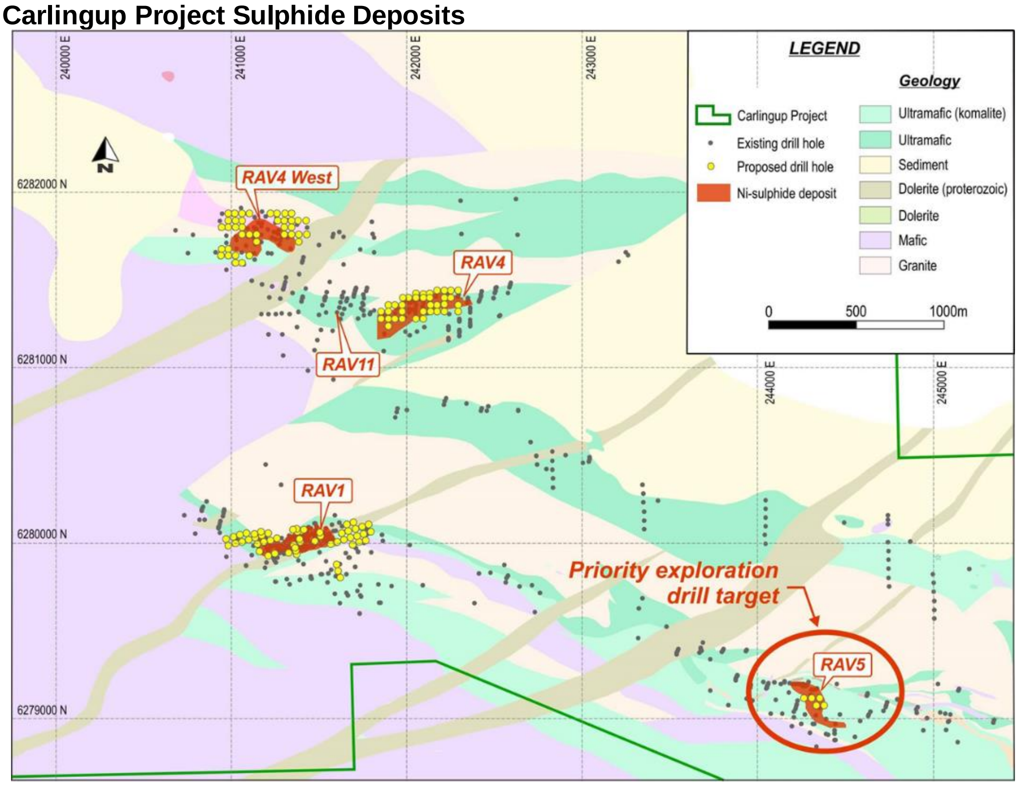
NickelSearch Limited

ABN 11 110 599 650

Directors' Report

30 June 2021

Carlingup Project Sulphide Deposits



It is possible that the RAV4 mineralisation may be the faulted offset of the RAV1 deposit. If this is the case it indicates that the RAV1 and RAV4 prospects combined, lie within a continuously mineralised nickel sulphide zone extending over a 3km distance.

The host and style of mineralisation is similar for each resource. Wide spaced drilling, gossans and geochemical surveys confirm that mineralisation extends west from the RAV4 prospect across to the RAV11 target and RAV4 West deposit. The drill spacing through most of this zone is too wide spaced to allow proper assessment of the geological setting or mineralisation potential. However, there is sufficient anomalism and some drill hole intersections that are encouraging. Systematic staged drill programs are warranted, and any measure of success should allow a rapid build-up of the resource position.

The RAV5 prospect was discovered by Pickands Mather and Co International (PMI), who conducted wide spaced drilling to a maximum depth of 135m. Nickel mineralisation in drill holes and gossans extend over a 700m corridor on this target. There are several geophysical targets associated with the nickel mineralisation that are yet to be drill tested. The known nickel mineralisation at RAV5 lies on the basal contact of a south dipping ultramafic body. Infill drilling to locate a high-grade core of mineralisation on the basal contact is the primary objective for the Company.

The RAV1, RAV4 and RAV4 West nickel sulphide deposits at Carlingup are expected to be amenable to open pit mining.

Nickel Laterites

Lateritic nickel mineralisation is formed via concentration from supergene groundwater processes in a weathering profile formed over areas of the ultramafic host unit.

NickelSearch Limited

ABN 11 110 599 650

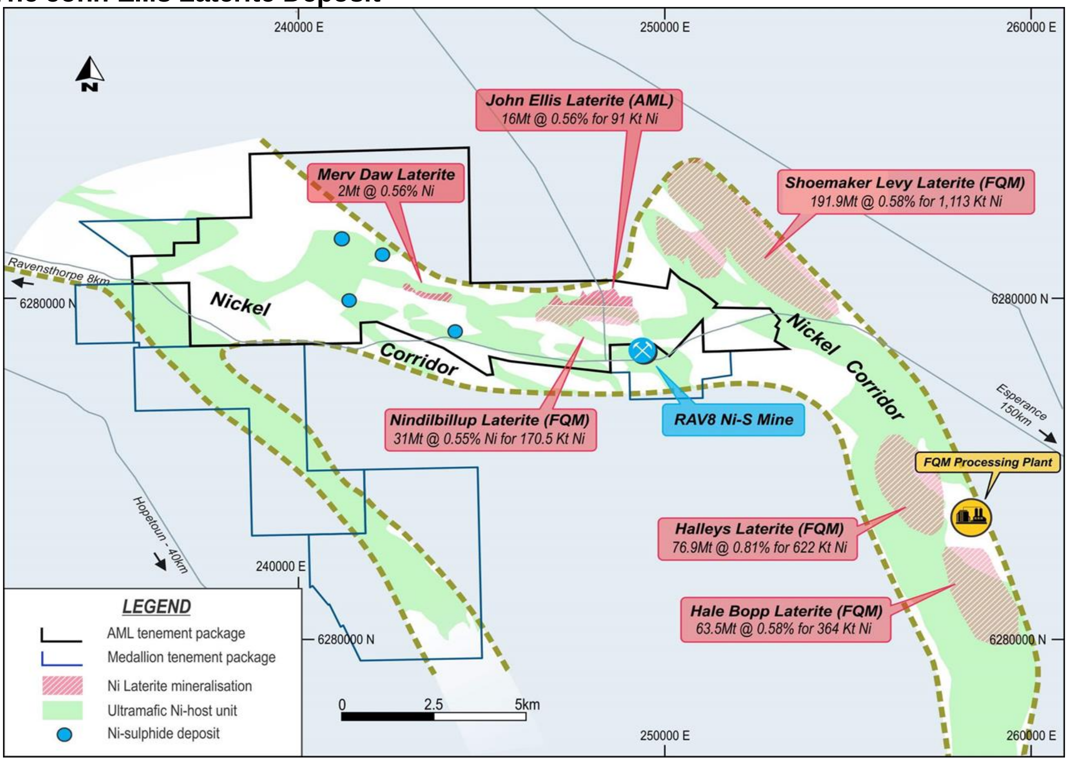
Directors' Report

30 June 2021

The Company is the 100% beneficial owner of the John Ellis Deposit, which is a laterite nickel project and has a historical JORC (2004) total inferred mineral resource of 16.0 million tonnes at 0.56% Ni for 90,300 tonnes of Ni.

This deposit is contiguous with FQM's Nindilbillup deposit and has a significant infrastructure advantage due to its location adjacent to FQM's Ravensthorpe Nickel Operation (RNO) and nickel laterite resources.

The John Ellis Laterite Deposit



Ravensthorpe Laterite Nickel Royalty
FQM holds the rights to any lateritic nickel on a number of tenements owned by third parties, including the Company, in the Ravensthorpe region. Should any lateritic nickel be mined on these tenements then a royalty is payable to the Company.

FQM's lateritic nickel resource that has been identified and published to date in the area is 25.3 million tonnes @ 0.53% Ni on M74/85. This resource is the southern portion of the John Ellis deposit, known as the Nindilbillup deposit by FQM. The Company will receive royalty payments when FQM mines the Nindilbillup deposit.

Development Options
The Company is looking to develop the Carlingup nickel sulphide deposits as a heap bioleaching operation to produce either an intermediate mixed hydroxide precipitate (**MHP**) or an intermediate mixed sulphide product (**MSP**).

Previous historic test work completed by the Company has confirmed the amenability of Carlingup nickel sulphide ores to bioleaching and the potential for very good recoveries of nickel and other valuable co-products which will make an important contribution to project economics.

Mineral Tenements

The Company currently has a 100% owned tenement package covering 64km² and includes six granted Mining Licences and two recently granted Exploration Licences (E74/675 and E74/685) which covers over 10km strike of the prospective Ravensthorpe ultramafic host sequence.

The Company has received the following historic and current exemptions, in the form of a granted waiver of expenditure commitment, from the Department of Mines, Industry Regulation and Safety (DMIRS):

- M74/82 - for 3 years ending 18 August 2022
- M74/84 - for 3 years ending 18 August 2022
- M74/106 - for 3 years ending 1 July 2022
- M74/85 - for 2 years ending 18 August 2021.
- M74/104 - for 1 year ending 29 January 2021
- M74/107 - for 1 year ending 7 April 2021

Minimum expenditure obligations for these tenements are set out below (note waivers do not affect tenement rents and shire rates which continue to be payable):

Tenement Schedule

Tenement Number	Registered Holder	Date Expiry	Application Date	Hectares	Annual Expenditure	Annual Rent	Estimated Annual Rates
M74/0104	Phanerozoic Energy Pty Ltd	29/01/2039	12/08/1996	64.75	$10,000.00	$1,430.00	$621.97
M74/0107	Phanerozoic Energy Pty Ltd	07/04/2030	25/09/1996	408.85	$40,900.00	$8,998.00	$3,469.05
M74/0082-I	AML (Ravensthorpe) Pty Ltd	18/08/2034	11/03/1992	766.10	$76,700.00	$16,874.00	$6,432.00
M74/0084-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	219.50	$22,000.00	$4,840.00	$1,904.81
M74/0085-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	990.05	$99,100.00	$21,802.00	$8,285.91
M74/0106-I	AML (Ravensthorpe) Pty Ltd	01/07/2029	25/09/1996	511.50	$51,200.00	$11,264.00	$4,321.52
E74/0675	AML (Ravensthorpe) Pty Ltd	21/04/2026	12/11/2020	1215.42	$15,000.00	$730.00	$320.00
E74/0685	AML (Ravensthorpe) Pty Ltd	10/06/2026	05/05/2021	1404.42	$20,000.00	$1,022.00	$320.00
				5,580.59	**$334,900**	**$66,960**	**$25,675.26**

Notes to the Tenement Schedule:
(i) All tenements are located in Western Australia.
(ii) All tenements are owned 100% by the NickelSearch (Group) The wholly owned subsidiary owning each tenement is shown in the above table.
(iii) All tenements have been granted.

Mineral Resources and Ore Reserves

Resources and Reserves Statement

The Company's Mineral Resources Statement as at the 30 June 2021 are as follows:

Mineral Resources for the Carlingup Nickel Project

Nickel Sulphide Resources as at 30 June 2021 - JORC (2012)

Deposit	Ore Type	Class*	Cut-off (% Ni)	Tonnes (Mt)	Grade (% Ni)	Metal (Kt Ni)
RAV1	Disseminated	Ind	0.7	0.37	1.09	4.1
RAV4	Disseminated	Inf	0.7	0.02	0.8	0.2
RAV4-West	Disseminated	Inf	0.7	0.13	1.08	1.4
RAV1 to 4W	***Subtotal***	***All***	***0.7***	***0.52***	***1.08***	***5.6***
Total Sulphide			***-***	***0.52***	***1.08***	***5.6***

* Inf = Inferred Resources, Ind = Indicated Resources. Note: The figures in the tables have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

Nickel Sulphide Exploration Target as at 30 June 2021 - JORC (2012)

Deposit	Low Range			High Range		
	Tonnes (Mt)	Grade (% Ni)	Metal (kt Ni)	Tonnes (kt)	Grade (% Ni)	Metal (kt Ni)
RAV1	0.03	0.8	0.2	2.0	0.4	8.6
RAV4	0.15	0.8	1.2	4.8	0.4	21.1
RAV4-West	0.12	1.2	1.4	3.0	0.4	12.0
Total	**0.30**	**0.9**	**2.8**	**9.8**	**0.4**	**41.7**

Note: The figures in the tables have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

These exploration targets are based on information that is conceptual in nature noting that there has been insufficient exploration to estimate a mineral resource and that it is not certain if further exploration will result in the estimation of a mineral resource. Exploration Targets have been derived by applying industry standard grade estimation techniques to historical, unvalidated drilling data.

Historical John Ellis Laterite JORC (2004 edition) Resource as at 30 June 2021

Zone	Tonnes (Mt)	Grade (% Ni)	Grade (% Co)	Metal (kt Ni)	Metal (kt Co)
Limonite	9.95	0.60%	0.03%	59.2	2.9
Saprolite	6.06	0.51%	0.02%	31.1	1.2
Total	16.01	0.56%	0.03%	90.3	4.1

Competent Person Statement

The information in this Annual Report relating to the Historic JORC (2004 edition) Mineral Resources for the John Ellis laterite deposit has been compiled by Mr. David Reid who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the AusIMM. Mr. Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they have undertaken to qualify as a Competent Person as defined in the JORC Code (2004 Edition). Mr. Reid has given prior consent to the inclusion in the Annual Report of the matters based on their information in the form and context in which it appears. A copy of the Mineral Resource statement and JORC Table 1 checklist is detailed within the Independent Geologists Report within the Company's prospectus lodged with ASIC on 23 August 2021 and available on the Company website www.nickelsearch.com

The Exploration Targets, Exploration Results, and Mineral Resources (excluding the John Ellis laterite deposits) are based on information compiled by Mr. David Reid who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the AusIMM. Mr. Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they have undertaken to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Mr. Reid consents to the inclusion in the annual report of the matters based on their information in the form and context in which it appears. A full copy of the Golder Associates Pty Ltd report is detailed within the Independent Geologists Report within the Company's Prospectus lodged with ASIC on 23 August 2021 and available on the Company website www.nickelsearch.com

Financial Position

The consolidated loss of the Group amounted to $433,301 (2020: loss of $168,136). No dividends have been paid or declared.

On 21 June 2021 shareholders of NickelSearch approved the Company to split its fully paid ordinary share capital (**Share**) on a 1.33 for 1 basis, such that shareholders would hold the equivalent of 1.33 Shares for every 1 pre share split NickelSearch Share held.

The Group had net assets at 30 June 2021 of $1,649,996 including a cash balance of $620,856.

The Company issued a total of 10,883,949 Shares, post-split, during the year in a range of $0.0563 and $0.14 per share. Of these 10,883,949 Shares issued, 1,419,208 Shares were issued in lieu of non-executive directors' remuneration and 9,464,741 Shares were issued for cash.

Dividends paid or declared

No dividends were paid or declared since the start of the financial year.

4. Director Information

David Royle	**Non-Executive Chairman**
Experience	Over 40 years of international experience in mineral exploration and project feasibility including extensive experience at the senior level. Previous positions have included Business Unit Manager, Asia-Pacific Region for Eurasian Minerals Inc., Vice President Exploration and Business Development, East Asia Mineral Corporation; Managing Director, Kentor Gold Limited: General Manager, MIM Exploration Pty ltd: General Manager Exploration, Latin America and Exploration Manager Americas, Newcrest Mining Limited.
Interest in Shares and Options	Ordinary shares – 1,230,604; Options – 500,000[1]
Norman Taylor	**Non-Executive Director**
Experience	Over 30 years of experience in business development after qualifying as a Chartered Accountant with Price Waterhouse. Business development career commenced with The Bell Group Ltd followed by Normandy Mining Limited and Santos Limited. With these groups Norm had senior roles in numerous corporate acquisitions (both on market and off market), capital raisings and corporate restructuring with experience gained in Australia, UK and USA. Norm subsequently established his own corporate advisory business concentrating on the resources industry providing advice on acquisitions, fund raising and corporate strategy to a range of listed and unlisted companies before establishing Core Resources, an entity that preceded the establishment of Australasian Mining Limited.
Interest in Shares and Options	Ordinary shares – 5,292,283; Options – 500,000[1]
Richard Hill	**Non-Executive Director (Retired 16 October 2020)**
Experience	Over 40 years of experience in mining and related industries. His roles have ranged from the operation and maintenance of mining and processing plant through mining development and management to executive management. He has worked principally in the mining of diamonds, gold base metals and light metals. Employment includes positions with Anglo American and DeBeers. This was followed by several years in the mining service industry supporting the development of large mines - particularly Jwaneng Diamond, Argyle Diamond and Fimistion/Super-pit. Richard has worked principally in Zambia, South Africa, Botswana, Australia, Indonesia, Philippines, France, Uganda, Turkey and Romania and has undertaken assignments in several other countries.
Interest in Shares and Options	Ordinary shares – 792,692; Options – Nil

John Riordan	**Non-Executive Director (Retired 14 June 2021)**
Experience	John has more than 30 years' experience in the mining and resources industry and has held senior positions in mineral processing and base metal refining operations. John has successfully filled roles in business and project development, and corporate and technical management. He has an in-depth knowledge and understanding of the extractive metallurgical industry from a technology, design, operations and management perspective. John is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a member of the Institution of Chemical Engineers (MIChemE), a graduate of the Australian Institute of Company Directors (GAICD) and a Registered Professional Engineer of Queensland (RPEQ).
Interest in Shares and Options	Ordinary Shares – 984,644; Options – Nil
Donald James	**Non-Executive Director (Appointed 11 June 2021)**
Experience	Mr James has over 20 years of senior executive experience in a career based on strong commercial, financial, corporate, strategic and operational leadership in the mining and industrial services sectors. Mr James has operated at corporate (head office), operational and non-executive director level gaining experience in leadership and management in both for profit and not for profit enterprises. During his career, he has been responsible for capital management, business start-up, turnaround, stabilising and high growth mandates including scaling business revenue from $1.3Bn to $2.9Bn within two years. Previously held positions include CEO – Investments and Executive General Manager at Perenti Global (formerly Ausdrill) and Group CFO and COO at WesTrac (a Seven Group Holdings subsidiary). Mr James started his career with 6 years at PwC and holds a Bachelor of Commerce degree (UWA), is a Fellow of Chartered Accountants – ANZ, is a Graduate Member of the Australian Institute of Company Directors, an Associate of the Governance Institute of Australia and is a Certified (Snr) Finance & Treasury Professional with the Australian Corporate Treasury Association.
Interest in Shares and Options	Ordinary Shares – Nil; Options – 500,000[1]
Paul Bennett	**Non-Executive Director (Appointed 19 July 2021)**
Experience	Mr Bennett is a Mining Engineer with an MBA who has extensive experience in the operation, development and financing of resource companies and projects over a 25-year period. He has worked in technical, management and business development roles for Newcrest, Western Metals and Panoramic Resources and holds a WA First Class Mine Manager's Certificate. For nine years, Mr Bennett was a senior executive at RMB Resources, the resources investment banking business of Rand Merchant Bank, where he specialised in the provision of equity, quasi equity/mezzanine and debt

	financing for small to mid-sized resource companies across a range of commodities and jurisdictions.
Interest in Shares and Options	Ordinary Shares – 15,713,662[1,2]; Options – 500,000[1]
Craig Moulton	**Managing Director (Appointed 26 July 2021)**
Experience	Mr Moulton is a Geologist / mineral economist with over 25 years of global experience in the mining industry, including with Rio Tinto, Cliffs & Wood Mackenzie. He has broad commodity experience, with diverse project experience including within Australia, Mongolia, USA and Indonesia, and he holds a Bachelor of Science (Honours) in Geology from the University of Western Australia and a Masters in Mineral and Energy Economics (Distinction) from Curtin University. Mr Moulton's strong commercial and technical background is drawn from a career in exploration, production and resource development, including strategic mine option analysis, scenario planning and structured due diligence of greenfield and brownfield projects
Interest in Shares and Options	Ordinary Shares – 200,000; Options – 2,000,000[1]

1. Denotes the number of securities which the directors will hold directly, indirectly or beneficially upon settlement of the Offers under the Prospectus dated 23 August 2021.

2. The Company has agreed to issue 15,713,662 Shares to Medallion Metals Limited (**MM8**) as consideration for the acquisition of the MM8 Acquisition Tenements pursuant to the MM8 Acquisition Agreement, concurrently with the IPO. Mr Paul Bennett is Managing Director of MM8 and has a relevant interest in the shares by virtue of his appointment to MM8.

Meetings of Directors

During the financial year the board held meetings, with attendance as follows:

	Number eligible to attend	Number attended
David Royle	9	9
Norman Taylor	9	9
John Riordan	6	6
Richard Hill	0	0
Donald James	3	3

Company Secretaries

Jessamyn Lyons — **Joint Company Secretary**

Experience

Ms Lyons is a Chartered Secretary, a Fellow of the Governance Institute of Australia, and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance, and Marketing. Ms Lyons is also a Director of Everest Corporate, Company Secretary of Dreadnought Resources Limited, Lunnon Metals Limited, Doriemus Plc, Ragnar Metals Limited, Alchemy Resources Limited, Stealth Global Holdings Ltd, and Joint Company Secretary of Los Cerros Limited. Jess also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London), and more recently Patersons Securities.

Danielle Muto — **Joint Company Secretary**

Experience

Danielle Muto is a Chartered Accountant and holds a Bachelor of Business from Edith Cowan University. Ms Muto is an experienced financial accountant with 20 years' experience both in Australia and overseas. Ms Muto's early career included working with RSM Bird Cameron and Abbott Business Consultants where she qualified as a Chartered Accountant. After this, Ms Muto switched to the industry side gaining experience as a financial accountant with Mitsui E&P Australia and the Ontario Medical Association. Ms Muto has been responsible for financial reporting and corporate administration at the Company over the past 10 years. Ms Muto holds a Bachelor of Business in Accounting and is a Chartered Accountant.

5. Other items

Significant Changes in State of Affairs

As set out in item 3 above, the Company issued 10,883,949 Shares during the year. The Company is now in the final stages of completing an Initial Public Offering (**IPO**) and has been allocated a provisional listing code (''NIS'') on the Australian Securities Exchange (**ASX**).

Capital raised included $800,000 from a "seed raise'' of 5,714,286 (post-split) shares. The Company also issued 4,000,000 options to the Lead Manager at $0.00001 per option pursuant to the Seed Raising Mandate as partial consideration for lead manager services with respect to the seed raising (**Lead Manager Offer**).

On 20 May 2021, the Company entered into conditional agreements with Medallion Metals Limited to acquire tenements M74/13 and E74/657 and secure rights to explore for nickel, cobalt and platinum group elements on the following tenements: M74/83, E74/656, E74/638, E74/602 and E74/683, for the consideration of 15,713,662 Shares (post share split), to be issued concurrently with the IPO (**MM8 Acquisition Agreement**).

After Balance Date Events

In the period since 30 June 2021:

- The Company lodged a prospectus with ASIC dated 23 August 2021 for an initial public offer of securities (**Prospectus**) and has applied to ASX for admission to the Official List and for its Shares to be granted quotation on ASX.
- Pursuant to the Prospectus, the Company is offering 35,000,000 Shares for subscription at an issue price of $0.20 each to raise $7,000,000 (before costs), with the ability to accept oversubscriptions of up to a further 15,000,000 Shares at an issue price of $0.20 each to raise up to a further $3,000,000 (before costs), being a maximum raising of $10,000,000 (before costs).
- Subject to the completion of a number of conditions precedent, as detailed within the Prospectus, including ASX granting the Company approval to admit its Shares to the Official List of the ASX, the Company intends to issue:

  I. 15,713,662 Shares to MM8 (or its nominee(s)) for the acquisition of Tenements and Mineral Rights pursuant to the MM8 Acquisition Agreement.

  II. 5,000,000 New Options to Directors and Consultants pursuant to their respective Service Agreements and part of their respective remuneration packages and/or to incentivise performance (**Management Offer**), and

  III. 1,330,000 Shares to the Lead Manager in respect of services rendered for the IPO and related transactions.

- On 5 July 2021 (as amended on 19 July 2021), the Company and Craig Moulton entered into an executive services agreement pursuant to which Mr Moulton was appointed as the Managing Director of the Company, with effect on and from 26 July 2021.

There are no other significant after balance date events.

Future Developments, Prospects & Business Strategies

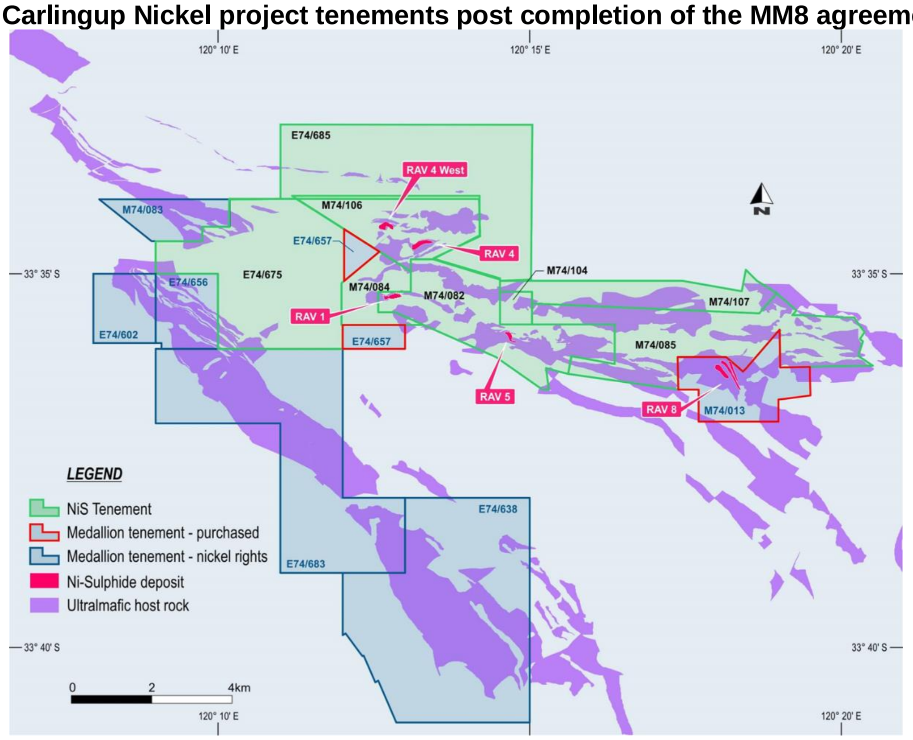
As outlined above, the Group has lodged a Prospectus with ASIC and is seeking to raise a minimum of $7,000,000 and a maximum of $10,000,000 via the issue of Shares at an issue price of $0.20 per Share under an Initial Public Offer. At the date of this report the maximum amount of $10,000,000 had been raised, however IPO Offer Securities have not yet been issued.

The purpose of the Initial Public Offer is to provide funds to implement the Company's business strategies and increase Shareholder value through:

- executing a systematic exploration program on the Carlingup Project for the discovery and delineation of economic mineral resources;
- developing the Company's nickel, cobalt and PGM database and prospectivity model to generate further drill targets;
- conducting metallurgical test work and studies into the potential economic development of mineral deposits within the Carlingup Project; and
- continuing to pursue other strategic project acquisitions and earn-in opportunities within the resources sector which its Directors consider have the potential to create value for Shareholders.

The success of exploration activities will be a key determining factor for the future allocation of funds towards the Carlingup Project. The following diagram shows the location of the Company's Carlingup tenements, including those intended to be acquired from MM8 as a pre-condition to the Company's admittance to the Official List of ASX.

The Carlingup Nickel project tenements post completion of the MM8 agreement



6. Environmental Issues

The Group's operations are subject to the laws and regulations pertaining to mining exploration operations in Australia. As at the date of this Report the Group has not been notified of any breach of any such laws or regulations.

7. Remuneration Report - Audited

This report details the nature and amount of remuneration for each Director and other key management personnel (**KMP**).

Remuneration Policy

The remuneration policy of NickelSearch has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term options with an exercise price set at a premium to the Company's IPO offer share price. The Board of NickelSearch believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create alignment between directors, executives and shareholders.

In the year under review, the Group's policy has been to minimise director fee costs and remuneration paid to directors for undertaking executive responsibilities in the interests of all shareholders. Furthermore, the policy has been to pay any remuneration for such services in equity. As the Company's IPO is completed, the policy will change to remunerate non-executive Directors in cash at the lower end of market rates for comparable companies for time, commitment and responsibilities.

The maximum aggregate annual amount of fees that can be paid to non-executive Directors is subject to approval by shareholders and is not linked to the performance of the Group. Non-executive Directors may also be awarded equity-based performance remuneration. The maximum aggregate annual amount of fees that can be paid to non-executive Directors approved by shareholders is currently $250,000.

The Group's remuneration policy provides for long-term incentives through participation in the Company's Incentive Awards Plan which allows the Company to issue a range of securities including shares, options or performance rights (**Awards**). The Group's Securities Trading Policy adopted post year end prohibits holders of such Awards from entering hedge arrangements on any unvested Awards. Further details on Options to be issued under the Plan are set out in Note 17 in the financial statements. The Group currently does not have any other performance-based incentive component built into Director and executive remuneration.

The Group may engage remuneration consultants from time to time to provide independent external advice. During the financial year it engaged an independent remuneration consultant to establish the Company's Incentive Awards Plan. The Board of Directors is responsible for determining and reviewing the Group's remuneration policy, remuneration levels and performance of both executive and non-executive Directors.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase alignment between shareholders, directors and executives. For the year ended 30 June 2021, the Company has been working towards the planned capital raising, the acquisition of assets from MM8 and the planned Initial Public Offering of Shares.

NickelSearch Limited

ABN 11 110 599 650

Directors' Report

30 June 2021

The remuneration of each Director and KMP of the Group during the year was as follows:

2021	Short Term Benefits			Post-	Equity-settled Share-based Payments		Long Term Benefits	
Key Management Personnel	Salary & Fees	Non-Cash Benefits	Termination Benefits	employment Superannuation	Shares/ Units	Options/ Rights		Total
David Royle	-	-	-	-	43,656	-	-	43,656
Norman Taylor	-	-	-	-	43,656	-	-	43,656
John Riordan	-	-	-	-	15,000	-	-	15,000
Richard Hill	-	-	-	-	4,397	-	-	4,397
Donald James	2,121	-	-	-	-	-	-	2,121
	2,121	-	-	-	106,709	-	-	108,830

2020	Short Term Benefits			Post-	Equity-settled Share-based Payments		Long Term Benefits	
Key Management Personnel	Salary & Fees	Non-Cash Benefits	Termination Benefits	employment Superannuation	Shares/ Units	Options/ Rights		Total
David Royle	-	-	-	-	15,000	-	-	15,000
Norman Taylor	-	-	-	-	15,000	-	-	15,000
John Riordan	-	-	-	-	15,000	-	-	15,000
Richard Hill	-	-	-	-	15,000	-	-	15,000
	-	-	-	-	60,000	-	-	60,000

Securities Received that are not Performance–related

KMP are not entitled to receive securities that are not performance-based as part of their remuneration package, although it is open to any KMP to salary sacrifice.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

There were no cash bonuses, performance-related bonuses paid by the Group during the year (2020: NIL).

During the year ended 30 June 2021, the Company issued shares to KMP in lieu of fees as indicated above and for management services. Further details are contained in Note 15 of the financial statements.

KMP Shareholdings and Option Holdings

a) Number of shares held by Key Management Personnel

In June 2021, shareholders approved a share split of 1.33 Shares for each Share held. The shareholding table below for 2021 is post spilt. The 2020 comparative table is reported post-split.

2021	Balance at the Beginning of Year	Granted as Remuneration during the Year	Options Exercised	Purchased / (Sold)	Balance at End of Year
David Royle	649,990	580,614	-		1,230,604
Norman Taylor	3,304,705	580,614	-	1,406,964	5,292,283
John Riordan	736,072	199,500	-	49,072	984,644
Richard Hill	734,212	58,480	-		792,692
Donald James	-	-	-	-	-
	5,424,979	1,419,208	-	1,456,036	8,300,223

2020	Balance at the Beginning of Year	Granted as Remuneration during the Year	Options Exercised	Purchased / (Sold)	Balance at End of Year
David Royle	450,490	199,500	-		649,990
Norman Taylor	2,916,038	199,500	-	189,167	3,304,705
John Riordan	506,762	199,500	-	29,809	736,072
Richard Hill	505,005	199,500	-	29,707	734,212
	4,378,295	798,000	-	248,683	5,424,979

(b) Number of Options Held by Key Management Personnel

2021	Balance at Beginning of Year	Options Granted	Options Exercised	Options Lapsed	Balance at End of Year
David Royle	-	-	-	-	-
Norman Taylor	-	-	-	-	-
John Riordan	-	-	-	-	-
Richard Hill	-	-	-	-	-
Donald James	-	-	-	-	-
	-	-	-	-	-

2020	Balance at Beginning of Year	Options Granted	Options Exercised	Options Lapsed	Balance at End of Year
David Royle	-	-	-	-	-
Norman Taylor	125,000	-	-	(125,000)	-
John Riordan	-	-	-	-	-
Richard Hill	-	-	-	-	-
	125,000	-	-	(125,000)	-

There were no options over ordinary shares in the Company granted as compensation to key management personnel during the current year or prior year.

5,000,000 options are intended to be issued to Directors and Consultants upon the Company receiving conditional approval to be admitted to the Official List of ASX, pursuant to the Management Offer, as detailed in the Company's Prospectus dated 23 August 2021. On completion of the Management Offer and IPO, the Directors and Consultants will hold the Shares and Options as detailed in the Directors Report.

No options have been exercised in the current or prior years that were granted as compensation.

Employment Details of Key Management Personnel

Following are employment details of persons who were KMP of the Group during the financial period.

Key Management Personnel	Position held at 30 June 2021	Contract Details	Proportion of Remuneration:		Total
			Related to performance	Not related to performance	
			Incentives	Fixed	
David Royle	Non-executive Chairman	No fixed term, termination as provided by the Corporations Act	0%	100%	100%
Norman Taylor	Non-executive Director	No fixed term, termination as provided by the Corporations Act	0%	100%	100%
Donald James	Non-executive Director	No fixed term, termination as provided by the Corporations Act	0%	100%	100%
Richard Hill	N/A Retired 16 October 2020	N/A	0%	100%	100%
John Riordan	N/A Retired 14 June 2021	N/A	0%	100%	100%

The employment terms and conditions of all KMP are formalised in director service agreements, or contracts of employment.

Non-executive directors' engagements are subject to the Corporations Act 2001, ASX Listing Rules, the Company's constitution and terms of their contract. Subject to the Corporations Act 2001, termination payments are at the discretion of the Board.

Other transactions with Key Management Personnel

Refer to Note 15 for details of advances by KMP to the Group.

8. Indemnifying Officers

Insurance premiums paid for directors

The Group paid a premium in respect of insurance cover for the directors and officers of the Group. The Group has not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' liability and legal expense insurance contracts, as such disclosure is prohibited under the terms of the insurance contract.

The Group has in place Deeds with each of the Directors and Company Secretaries whereby the Group has agreed to provide certain indemnities to each Director and Company Secretary to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain Directors' and Officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

No indemnification has been given, or insurance premiums paid, for any person who is or has been an auditor of the Group.

9. Options

At the date of this report, the unissued ordinary shares of NickelSearch Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
25 June 2021	3 years from date of admission to the Official List of ASX	$0.25	4,000,000
			4,000,000

An additional 5,000,000 options are intended to be issued to Directors and Consultants upon the Company receiving conditional approval to be admitted to the Official List of ASX, pursuant to the Management Offer

There were no options issued to Directors or executives as remuneration during the year. No options have been exercised during the year. No options have been issued over any Group entities.

No person entitled to exercise any option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

10. Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

11. Non-audit Services

The Board of Directors, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

(a) all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

(b) the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no non-audit services rendered by the auditor in the year, except for assurance work relating to the Company's IPO.

12. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001, for the year ended 30 June 2021 has been received and can be found on page 21 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors:

Director: David Royle..................................

Dated: 28 September 2021

Nexia Australia

Auditor's Independence Declaration
Under S307C of the Corporations Act 2001

To the Directors of NickelSearch Limited

As the lead auditor for the audit of the financial statements of NickelSearch Limited (formerly Australasian Mining Limited) for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NickelSearch Limited and the entities it controlled during the year.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 28 September 2021

Nexia Brisbane Audit Pty Ltd
Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

NickelSearch Limited

ABN 11 110 599 650

Directors' Declaration

30 June 2021

In accordance with a resolution of the directors of NickelSearch Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 23 to 48, are in accordance with the *Corporations Act 2001* and:
   a. comply with Australian Accounting Standards applicable to the Entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Consolidated Group;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer.

Director …………………………………………………………………………………………………….

David Royle

Dated this 28th day of September 2021

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year end 30 June 2021

	Note	2021 $	2020 $
Total Revenue	2	**3**	65
Exploration Expenditure		**(39,473)**	(6,579)
Consulting Fees		**(71,350)**	(7,847)
Corporate and Administrative costs		**(72,251)**	(3,915)
Directors Fees	18	**(108,830)**	(60,000)
Expiry of remuneration options		**-**	3,750
Interest Expense		**(888)**	(1,432)
Legal Expenses		**(54,265)**	(4,174)
Native Title Fees		**-**	(5,000)
Tenement Fees		**(86,247)**	(83,004)
Loss before income taxes		**(433,301)**	(168,136)
Income tax expense	4	-	-
Loss for the year		**(433,301)**	(168,136)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		**(433,301)**	(168,136)
Loss Per Share			
Basic loss per share (cents)	19	**(1.48)**	**(0.89)**
Diluted loss per share (cents)	19	**(1.48)**	**(0.89)**

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	5	620,856	1,675
Trade and other receivables	6	26,689	895
Other assets	7	109,157	-
Total current assets		**756,702**	2,570
Non-current assets			
Mineral exploration tenements	7	1,063,000	1,063,000
Other assets		3,720	-
Total non-current assets		**1,066,720**	1,063,000
TOTAL ASSETS		**1,823,422**	1,065,570
LIABILITIES			
Current liabilities			
Trade and other payables	9	173,426	35,000
Borrowings	10	-	15,104
Total current liabilities		**173,426**	50,104
TOTAL LIABILITIES		**173,426**	50,104
NET ASSETS		**1,649,996**	1,015,466
EQUITY			
Issued Capital	11	1,824,784	973,753
Reserves	12	216,800	-
(Accumulated losses) / Retained Earnings		(391,588)	41,713
TOTAL EQUITY		**1,649,996**	1,015,466

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Option Reserve	Total
Balance at 30 June 2019		**827,997**	**209,849**	**3,750**	**1,041,596**
Loss for the year		-	(168,136)	-	(168,136)
Options lapsed during the year	12	-	-	(3,750)	(3,750)
Total comprehensive loss for the year		-	**(168,136)**	**(3,750)**	**(171,886)**
Transactions with owners, in their capacity as owners, and other transfers					
Issue of Shares		145,756	-	-	145,756
Total transactions with owners and transfers		**145,756**	-	-	**145,756**
Balance at 30 June 2020		**973,753**	**41,713**	-	**1,015,466**
Loss for the year		-	(433,301)	-	(433,301)
Total comprehensive loss for the year		-	(433,301)	-	(433,301)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of Shares		1,117,031	-	-	1,117,031
Share issue costs	11	(266,000)	-	-	(266,000)
Issue of options	12	-	-	216,800	216,800
Total transactions with owners and transfers		**851,031**	-	**216,800**	**1,067,831**
Balance at 30 June 2021		**1,824,784**	**(391,588)**	**216,800**	**1,649,996**

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Cash from operating activities:			
Payments to suppliers and others		(321,914)	(106,342)
Interest paid		(888)	-
Interest received		3	65
Net cash used in operating activities	**14**	**(322,799)**	(106,277)
Cash flows from financing activities:			
Proceeds from issue of Shares (net of costs)		960,803	84,430
Funds received (sale of AML Pty Ltd)		1	-
Borrowings received		90,000	55,104
Borrowings repaid		(105,104)	(40,000)
Net cash provided by financing activities		**945,700**	99,534
Cash flows from investing activities:			
Purchase of other assets		(3,720)	-
Net cash used in financing activities		**(3,720)**	**-**
Net increase (decrease) in cash held		619,181	(6,743)
Cash at beginning of financial year		1,675	8,418
Cash at end of financial year	**5**	**620,856**	**1,675**

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

(a) General information

These consolidated financial statements and notes are for the consolidated entity consisting of NickelSearch Limited (**Company** or **parent entity**) and its subsidiaries (the **Group**). The financial statements were issued by the Company's directors at the date of signing the directors declaration.

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board, and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

NickelSearch Limited is an unlisted public company, incorporated and domiciled in Australia. Except for the cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. The financial statements were authorised for issue by the directors as at the date of the directors' declaration.

(b) Basis of preparation

The financial statements have been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report, except for the cashflow information; has been prepared on an accruals basis and is based on historical costs, unless otherwise stated in the notes. The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2021, the Group's balance sheet shows total assets of $1,823,422, total liabilities of $173,426 and net asset balance of $1,649,996. Historically the Group has been dependent on the financial support of shareholders. As set out in note 23, since balance date the Group is in the process of raising between $7,000,000 and $10,000,000 by way of an initial public offering and is significantly advanced in the process of listing on the Australian Securities Exchange.

(c) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NickelSearch Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment

1 Summary of Significant Accounting Policies

of the asset transferred.

Parent entity financial information is presented in note 24 as permitted by the Corporations Act.

(d) Exploration and development expenditure

In the current and the prior year holding costs on existing areas of interest have been expensed. Otherwise, exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised where the Group has right of tenure, to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Costs of site restoration are provided for where the Group has a legal or constructive obligation.

(e) Income taxes

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority, using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The availability and benefit of unused tax losses is also dependent on the Group deriving future assessable income of a nature and amount sufficient to enable the losses to be realised, and on the Group’s compliance with the conditions of deductibility imposed by the relevant legislation.

1 Summary of Significant Accounting Policies

(e) Income taxes (Continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial assets

Financial assets are subsequently measured at
- amortised cost.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Financial liabilities

Financial instruments are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

1 Summary of Significant Accounting Policies

Impairment

The Group recognises a loss allowance for expected credit losses, using the simplified approach under AASB 9, which requires the recognition of lifetime expected credit loss at all times.

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits available

1 Summary of Significant Accounting Policies

(i) Equity-settled compensation

Share based payments take the form of ordinary shares, or options. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Share based payments in the form of ordinary shares are credited to Issued Capital. Options issued are credited to Options Reserve.

The fair value of options is determined using a Black Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Ordinary shares are also issued in settlement of employee liabilities.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NickelSearch Limited

ABN 11 110 599 650

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies continued

(k) Revenue and Other Income

Interest revenue is recognised using the effective interest method.

Other Income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

(n) Trade and Other Receivables

Trade and other receivables include amounts due in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(o) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Amounts are initially recognised at fair value, and subsequently measured at amortised cost.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

1 Summary of Significant Accounting Policies continued

(q) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates/judgments used in the financial statements are:

Exploration and evaluation asset - exploration and evaluation expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or sale, of the respective areas of interest. The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

(s) Fair Value of Assets and Liabilities

The Group may measure some of its assets and liabilities at fair value on either a recurring or non-recurring basis after initial recognition, depending on the requirements of the applicable Accounting Standard. Currently there are no assets or liabilities measured at fair value after initial recognition.

(t) New Accounting Standards

There have been no new accounting standards applied for the first time in the preparation of the financial statements for the year ended 30 June 2021. New accounting standards issued as at 30 June 2021 that are not yet applicable are not expected to have a material effect on the amounts reported in the financial statements.

2 Revenue

	2021	2020
	$	**$**
Revenue		
- Interest	3	65
Total Revenue	3	65

3 Expenses

Included in expenses are the following items:

- Exploration expenditure expensed during year	39,473	6,579
- Interest payable		
Related Entity	888	1,432
Unrelated Entity	-	-

4 Income Tax Expense

(a) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax expense on loss before income tax at 26% (2020: 27.5%)		
- economic entity	**(112,658)**	(46,237)
	(112,658)	(46,237)
Adjust for:		
- Tax effect of permanent differences	(2,706)	1,375
- Tax effect of temporary differences and tax losses not recognised	115,364	44,862
Income tax attributable to entity	**-**	-
Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1 occur.		
Temporary differences	**-**	-
Tax losses	**230,580**	124,219
Net unbooked deferred tax asset	**230,580**	124,219

The Group has estimated tax losses carried forward of approximately $886,846 (2020: $451,705) which have not been recognised as a deferred tax asset. The benefit of these losses will only be obtained if the Group derives future assessable income sufficient to enable the deductions from the tax losses to be realised and if the Group continues to comply with conditions for deductibility imposed by the relevant tax legislation.

	2021	2020
	$	$

5 Cash and Cash Equivalents

	2021 $	2020 $
Cash on hand	**103**	103
Cash at bank	**620,753**	1,572
	620,856	1,675

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2021 $	2020 $
Cash at bank and on hand	**620,856**	1,675

6 Trade and Other Receivables

CURRENT

	2021 $	2020 $
Sundry receivables	**26,689**	895
	26,689	895

Credit Risk — Trade and Other Receivables

In the current year all of the receivables related to a single debtor (GST receivable from the Australian Taxation Office). Otherwise, the Group has no significant concentration of credit risk with respect to counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group. All trade and other receivables are within normal credit terms and are therefore not considered past due or impaired.

7 Other Assets

CURRENT

	2021 $	2020 $
Prepayments	**109,157**	**-**
	109,157	**-**

NON-CURRENT

Exploration expenditure capitalised:

	2021 $	2020 $
Exploration and evaluation phases - at cost	**2,164,846**	2,164,846
Less Impairment	**(1,101,846)**	(1,101,846)
	1,063,000	1,063,000

Exploration expenditure capitalised represents the acquisition costs of the Group's tenement holdings, written down to reflect the Group's best estimate of recoverable value. The tenements were acquired in 2012 and written down in 2016.

Recoverability of the carrying amount of exploration assets is dependent on the successful development of tenements, or alternately through their sale.

Commitments and contingencies in respect of exploration tenements is set out in notes 13 and 20.

8 Controlled Entities

Name	Country of incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
Parent Entity:			
NickelSearch Limited	Australia		
Subsidiaries of parent entity:			
AML Pty Ltd	Australia	**0%**	100%
AML (Ravensthorpe) Pty Ltd	Australia	**100%**	100%
AML Employee Equity Plan Pty Ltd	Australia	**100%**	100%
Phanerozoic Energy Pty Ltd	Australia	**100%**	100%

* Percentage of voting power is in proportion to ownership.

Disposal of Controlled Entities

On 31 October 2020, the Parent disposed of its 100% interest in AML Pty Ltd (a dormant subsidiary). No remaining interest in the entity was held by any member of the Consolidated Group subsequent to disposal of the Parent's 100% interest. The shares in the company were sold to Mr Norman Taylor and Mr John Riordan (Refer to Note 15 (b)).

9 Trade and Other Payables

	2021 $	2020 $
CURRENT		
Unsecured liabilities		
Trade and other payables	**173,426**	35,000
	173,426	35,000

The average credit period on purchases of goods and services is 7 days. No interest is charged on trade payables.

Financial liabilities at amortised cost classified as trade and other payables (Refer note 22)

Trade and other payables:	**173,426**	35,000

10 Borrowings

	2021 $	2020 $
CURRENT		
Unsecured liabilities		
Related party and shareholder advances	-	15,104
	-	15,104

Movement in advances		
Opening Balance	**15,104**	-
Advances received	**90,000**	55,104
Advances paid	**(105,104)**	(40,000)
Closing Balance	-	15,104

Advances are short term, unsecured, with interest payable between 5% -10%, settled through both cash and issue of shares.

11 Issued Capital

	2021 **$**	**2020** **$**
37,020,356 (2020 19,651,432) fully paid ordinary shares	**2,090,784**	973,753
Less: Capital raising costs	**(266,000)**	-
Total	**1,824,784**	973,753

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At Shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Capital Management

The Directors control the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

There have been no changes in the strategy for capital management since the prior year, although Shares were issued as consideration for services rendered, further share capital was raised via seed funding, and further shareholder advances were obtained.

(b) Movement in Share Capital

	2021 No.	2020 No.
Balance at beginning of year	**19,651,432**	18,193,870
Shares issued during the year:		
31 October 2019	**-**	794,302
4 December 2019	**-**	13,260
31 March 2020	**-**	300,000
24 April 2020	**-**	50,000
31 May 2020	**-**	300,000
31 July 2020	**1,150,017**	-
25 August 2020	**3,205**	-
30 September 2020	**156,470**	-
21 October 2020	**1,000,000**	-
31 December 2020	**112,500**	-
31 March 2021	**891,667**	-
28 April 2021	**573,104**	-
Share split (1.33)	**7,767,675**	-
Total post-split	**31,306,070**	-
25 June 2021	**5,714,286**	-
Balance at end of year	**37,020,356**	19,651,432

Share issues in the 2021 year are in the range of $0.075 - $0.10 per Share (pre split), and $0.14 for post split Share issue. All Shares issued in the 2020 year were at $0.10 per share.

On 21 June 2021, the Company's Shareholders approved a share split resulting 1 Share being split into 1.33 Shares.

12 Reserves

	2021 $	2020 $
Option Reserve		
Issue of options	**216,800**	-

The option reserve records items recognised as capital raising costs settled through the issue of options.

The Company has share options on issue. Movement in the share options is as follows.

	2021 No.	2020 No.
Balance at beginning of year	**-**	125,000
Options issued	**4,000,000**	-
Options exercised	**-**	-
Options lapsed	**-**	(125,000)
Balance at end of year	**4,000,000**	-

Options issued during the year are associated with the Share issue on 25 June 2021 (refer to note 11 (b)). These options are exercisable at $0.25 per option. The Options have a 36 month term and were valued at $0.054 each using a Black Scholes valuation model (adjusting for inputs of 50% volatility, 0.81% risk free rate and a nil dividend rate).

The options in the prior period were issued on 16th September 2016 as the result of the demerger from Alpha Fine Chemicals Limited and were exercisable at $0.10 per option. The options were issued to Norman Taylor.

13 Expenditure Commitments

(a) Operating Lease Commitments

There are no operating lease commitments.

(b) Expenditure commitments

Upon the completion of the acquisition of assets from MM8 as detailed in Note 23, the Group will assume various rehabilitation obligations.

The Group must meet minimum expenditure commitments in respect of its exploration tenements or obtain expenditure exemptions from respective jurisdictional departments to maintain those tenements in good standing. If the relevant tenement is relinquished the expenditure commitment also ceases.

The following commitments for the next 5 years exist at balance date but have not been brought to account. Additional commitments exist through to the expiry dates of the tenements that range from 2029 to 2039:

	2021 $	2020 $
Commitments on the exploration tenements for the next 12 months	**334,900**	300,200
Commitments between 12 months and 5 years	**1,337,100**	1,200,800
	1,672,000	1,501,000

In the current and prior years, the Group has received some exemptions in respect of required expenditure.

The Group has also entered into a Native Title Agreement with the Wagyl Kaip People and Southern Noongar People in relation to exploration tenements under the John Ellis project. A fee of $5,000 is payable each year subject to the Ravensthorpe Nickel Project being in production and capped at $50,000 in total. These obligations have been accrued to date and an amount of $15,000 is owing as at 30 June 2021. Additional amounts totalling $100,000 are also payable subject to receiving certain approvals and making sales. Royalty payments of 0.35% of revenue are also payable from the sale of product.

As part of the agreement to purchase certain tenements in 2012, the Group has agreed to pay the sellers (now shareholders of the Company) a royalty of 5% of the net profits derived from the sale of commodities other than Nickel, Cobalt, Manganese and Magnesium until the tenements are sold, surrendered or otherwise relinquished.

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	$	$
Loss for the year	**(433,301)**	(168,136)
Cash flows excluded from loss attributable to operating activities		
Expiry of remuneration options	**-**	(3,750)
Share based payments	**107,028**	61,326
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**(25,795)**	(717)
- (increase)/decrease in prepayments	**(109,157)**	-
- increase/(decrease) in trade and other payables	**138,426**	5,000
Cashflow from operations	**(322,799)**	(106,277)

(b) Non-cash activities:

	2021	2020
	$	$
Issue of 1,419,208 (2020: 600,000) Shares as remuneration [(i)]	**106,707**	60,000
Issue of 4,263 (2020: 13,260) Shares as payment for interest [(i)]	**321**	1,326
Issue of 4,000,000 (2020: nil) options for share issue costs [(ii)]	**216,000**	-

[(i)] Operating activities
[(ii)] Financing Activities

NickelSearch Limited

ABN 11 110 599 650

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Related Party Transactions

a) The Company's main related parties are as follows:

Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, are considered key management personnel. The directors of the Company are the only key management personnel.

Director related entities:

Director Norman Taylor is the director of Keemun Pty Ltd, Tayhil Pty Ltd and Tayhil Pty Ltd ATF Cahlor Superannuation Fund which beneficially holds shares in the Company as at 30 June 2021.

Subsidiaries:

Interest in subsidiaries are set out in Note 8

b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

During the year, the Company remunerated Mr David Royle management fees through share-based payments of $43,656 (2020: $15,000).

During the year, the Company remunerated Mr Norman Taylor director fees through share-based payments of $43,656 (2020: $15,000).

During the year, the Company remunerated Mr John Riordan director fees through share-based payments of $15,000 (2020: $15,000).

During the year, the Company remunerated Mr Richard Hill director fees through share-based payments of $4,397 (2020: $15,000).

During the year, the Company remunerated Mr Donald James director fees of $2,121 (2020: $Nil).

During the year the Company repaid in full the advance from Keemun Pty Ltd of $15,104 (refer to Note 10).

During the year the Company borrowed and repaid in full the advance from Mr Norman Taylor of $45,351, (refer Note 10).

During the year the Company sold subsidiary AML Pty Ltd to Mr Norman Taylor and Mr John Riordan at a price of $1 as approved by shareholders.

At balance date directors hold 6,522,887 Shares in the Company. A number of these Shares are subject to a period of escrow / ASX restriction, as detailed in the Company's Prospectus dated 23 August 2021. In addition, the AML Employee Equity Trust of which the Company is a trustee holds 3,074,860 Shares in the Company on behalf of employees, including 1,846,711 on behalf of directors. At the direction of the Trustee these shares cannot currently be accessed by employees.

16 Segment Information

The Group operates entirely in the mineral exploration industry, within Australia.

17 Equity Based Payments

Equity based payments made by the Company in the year are:

- Issue of shares to settle liabilities to directors and related parties – refer notes 15 and 18;
- Issue of Options to the Lead Manager in respect of capital raising – refer note 12.

In addition, the Company established the Incentive Awards Plan which was approved by shareholders at the general meeting held on 21 June 2021. All directors, officers, employees and consultants (whether full or part-time) will be eligible to participate in the Plan at the Boards discretion.

The allocation of Awards under the Plan is at the discretion of the Board. The exercise price of options will be determined by the Board and will be equal to, or higher than the market value of the Company's shares at the time the Board resolves to issue the options.

Options are forfeited one month after the holder ceases to be employed by the Group.

All Company options granted are over ordinary shares in NickelSearch Limited, which confer a right of one ordinary share per option. The options hold no voting or dividend rights.

18 Key Management Personnel Compensation

The names of key management personnel of the entity who have held office during the financial year are:

(a) Key Management Person

Key Management Person	Position
David Royle	Non-Executive Chairman
Norman Taylor	Director - Non-Executive
John Riordan	Director - Non-Executive
Richard Hill	Director - Non-Executive
Donald James	Director - Non-Executive

(b) Key Management Personnel Compensation

	2021	2020
	$	$
Short-term employee benefits	**2,121**	-
Share based payments	**106,709**	60,000
	108,830	60,000

Shares granted to KMP as share-based payments to settle remuneration liabilities are as follows:

Grant date	Number
30 September 2020	156,470 (pre-split)
31 December 2020	112,500 (pre-split)
31 March 2021	225,000 (pre-split)
28 April 2021	573,104 (pre-split)

The weighted average fair value of those equity instruments is $0.10 (pre-split).

Further details are provided in the Directors' Report.

Detailed disclosures on compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report.

Short-term employee benefits

These amounts include fees and benefits paid to KMP.

19 Earning Per Share

	2021	2020
	$	$
Net loss used to calculate basic and dilutive EPS	**433,301**	168,136
	No.	**No.**
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	**29,193,239**	18,839,040
Weighted average number of options outstanding	**54,945**	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	**29,248,184**	18,839,040

2020 comparative data is on a pre-share split basis.

20 Contingent Liabilities and Contingent Assets

(a) Contingent Assets

A third party, First Quantum Minerals (**FQM**), hold the rights to any lateritic nickel on some of the tenements that AML (Ravensthorpe) Pty Ltd holds. Should any lateritic nickel be mined on these tenements then a royalty is payable to NickelSearch. No mining of lateritic nickel has been undertaken as yet.

(b) Contingent Liabilities

As part of a native title agreement, amounts totalling $100,000 are payable in the future subject to receiving certain approvals and making sales. In addition, a royalty of 0.35% of revenue is also payable from the sale of product.

As part of an agreement to purchase certain tenements, a royalty of 5% of net profit derived from the sale of commodities other than nickel, cobalt, manganese and magnesium is payable.

21 Auditor Remuneration

	2021 $	2020 $
Remuneration of the auditor for:		
– auditing or reviewing the financial statements	**15,000**	19,000

Assurance services on the Company's IPO will be incurred in the 2022 financial year.

22 Financial Risk Management

The Group's financial instruments comprise of cash at banks, accounts receivable and payables.

The totals for each category of financial instruments measured in accordance with AASB 139: Financial instruments: Recognition and measurement as detailed in the accounting policies to these financial statements as follows:

	2021	2020
Financial assets:	**$**	**$**
Cash and cash equivalents	**620,856**	1,675
Trade and other receivables	**26,689**	895
Total financial assets	**647,545**	2,570
Financial liabilities:		
Financial liabilities at amortised cost		
- Trade and other payables	**173,426**	35,000
- Borrowings	**-**	15,104
Total financial liabilities	**173,426**	50,104

(a) Financial Risk Management Policies

The Group's financial instruments mainly comprise cash balances, receivables, payables and borrowings. The main purpose of these financial instruments is to provide finance for Group operations.

Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cashflows, interest rates, economic conditions and ensuring adequate funds are available.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances.

This risk is managed through the use of variable rates.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

Credit risk is managed and reviewed regularly by the Board. The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties, including:

- only banks and financial institutions with an 'A' rating are utilised.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The directors manage liquidity risk by sourcing long-term funding primarily from equity sources and short term, unsecured loans from shareholders.

(b) Financial liability and financial asset maturity analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and reflects management's expectations as to the timing of termination and realisation of financial assets and liabilities.

	2021	2020
Financial assets:	**$**	$
Within 1 year		
- cash and cash equivalents [1]	**620,856**	1,675
- receivables [2]	**26,689**	895
	647,545	2,570
Within 1 - 2 years		
- receivables [2]	**-**	-
Total	**647,545**	2,570

	2021	2020
	$	$
Financial liabilities:		
Within 1 year		
- payables [2]	**(173,426)**	(35,000)
- borrowings [3]	**-**	(15,104)
	(173,426)	(50,104)
Within 1 - 2 years		
- borrowings	**-**	-
Total	**(173,426)**	(50,104)
Net inflow / (outflow):		
Within 1 year	**474,119**	(47,534)
Within 1 - 2 years	**-**	-
Total Net inflow / (outflow):	**474,119**	(47,534)

1. Floating interest rates, with weighted average effective interest rate 0% (2020: 0%).
2. Non-interest bearing.
3. Related party advances – refer to Note 15

(c) Net Fair Values

Financial assets where the carrying amount exceeds net fair values have not been written down, as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and notes to the financial statements. Fair values are materially in line with carrying values.

(d) Sensitivity Analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- $620 (2021: $17).

23 Events after the end of the Reporting Period

In the period since 30 June 2021:

- The Company lodged a prospectus with ASIC dated 23 August 2021 for the initial public offer of securities (**Prospectus**) and has applied to ASX for admission to the Official List and for its Shares to be granted quotation on ASX.

- Pursuant to the Prospectus, The Company is offering 35,000,000 Shares for subscription at an issue price of $0.20 each to raise $7,000,000 (before costs), with the ability to accept oversubscriptions of up to a further 15,000,000 Shares at an issue price of $0.20 each to raise up to a further $3,000,000 (before costs), being a maximum raising of $10,000,000 (before costs).

- Subject to the completion of a number of conditions precedent, as detailed within the Prospectus, including ASX granting the Company approval to admit its Shares to the Official List of the ASX, the Company intends to issue:

  I. 15,713,662 Shares to MM8 (or its nominee(s)) for the acquisition of Tenements and Mineral Rights pursuant to the MM8 Acquisition Agreement.

  II. 5,000,000 New Options to Directors and Consultants pursuant to their respective Service Agreements and part of their respective remuneration packages and/or to incentivise performance,

  III. 1,330,000 Shares to the Lead Manager in respect of services rendered for the IPO and related transactions.

- On 5 July 2021 (as amended on 19 July 2021), the Company and Craig Moulton entered into an executive services agreement pursuant to which Mr Moulton was appointed as the Managing Director of the Company, with effect on and from 26 July 2021.

There are no other significant after balance date events.

24 Parent Entity Information

The following details information related to the parent entity, NickelSearch Limited, at 30 June 2021. The information presented here has been prepared using consistent accounting policies presented in Note 1.

	2021 $	2020 $
Current assets		
Cash and cash equivalents	**620,757**	1,575
Trade and other receivables	**25,689**	317,979
Other assets	**109,156**	
Total current assets	**755,602**	319,554
Non-current assets		
Other assets	**1,045,796**	711,016
Total non-current assets	**1,045,796**	711,016
TOTAL ASSETS	**1,801,398**	1,030,570
Current liabilities		
Trade and other payables	**151,402**	-
Borrowings	**-**	15,104
Total current liabilities	**151,402**	15,104
TOTAL LIABILITIES	**151,402**	15,104
NET ASSETS	**1,649,996**	1,015,466
EQUITY		
Issued capital	**1,824,784**	973,753
Reserves	**216,800**	-
Retained earnings	**(391,588)**	41,713
TOTAL EQUITY	**1,649,996**	1,015,466
Loss for the year	**(433,301)**	(168,136)

25 Company Details

The registered office and principal place of business is Suite 14, 92 Walters Drive, Osborne Park WA 6017.

Independent Auditor's Report to the Members of NickelSearch Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NickelSearch Limited (formerly Australasian Mining Limited) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of NickelSearch Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Nexia Brisbane Audit Pty Ltd
Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

Independent Auditor's Report to the Members of NickelSearch Limited (continued)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the Members of NickelSearch Limited (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of NickelSearch Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*, and have included the Remuneration Report on the assumption that the Company will successfully complete its listing on the Australian Securities Exchange. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 28 September 2021