NickelSearch Limited

ABN 11 110 599 650

Interim Financial Report

For the Half Year Ended 31 December 2021

NickelSearch Limited

ABN 11 110 599 650

Contents

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Corporate Information

Directors

Names	**Position**
David Royle	Non-Executive Chairman
Nicole Duncan	Managing Director
Paul Bennett	Non-Executive Director
Donald James	Non-Executive Director
Norman Taylor	Non-Executive Director

Joint Company Secretaries

Suzie Foreman
Danielle Muto

Registered Office

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Osborne Park WA 6017
Telephone +61 8 6184 4983
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Share Registry

Automic Registry Services
Level 5, 191 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 shares are listed on the Australian Securities Exchange (ASX Code: “NIS”)

NickelSearch Limited

ABN 11 110 599 650

Directors' Report

Half Year 31 December 2021

Your Directors' present their Interim Financial Report on NickelSearch Limited (**NickelSearch** or **the Company**) and its controlled entities (together **the Group**) for the half year ended 31 December 2021.

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

1. General Information

Directors and Company Secretaries

The names of the Directors in office at any time during, or since the end of the half year are:

Names	Position	Appointed/Resigned
David Royle	Non-Executive Chairman**	
Craig Moulton	Managing Director	Appointed 26 July 2021 Resigned 15 December 2021
Nicole Duncan	Managing Director	Appointed 1 February 2022
Paul Bennett	Non-Executive Director	Appointed 19 July 2021
Donald James	Non-Executive Director	Appointed 11 June 2021
Norman Taylor	Non-Executive Director	

** David Royle acted as the Company's Executive Chairman for the period 15 December 2021 until 31 January 2022.

The names of the Company Secretaries in office at any time during, or since the end of the half year are:

- Danielle Muto
- Jessamyn Lyons (Appointed 1 July 2021, resigned 1 November 2021)
- Suzie Foreman (Appointed 1 November 2021)

Directors and Company Secretaries have been in office since the start of the half year to the date of this Report unless otherwise stated.

2. Review of Business Activity and Operations

(i) Initial Public Offer

On 23 August 2021, NickelSearch lodged a prospectus (**Prospectus**) with ASIC seeking to raise a minimum of $7 million and a maximum of $10 million via the issue of ordinary fully paid shares at an issue price of $0.20 per share by way of an Initial Public Offer (**IPO**). The Company successfully completed its IPO by issuing 50 million new shares to raise $10m (before costs) and the shares were admitted for trading on the Official List of the Australian Securities Exchange on 18 October 2021.

(ii) Nature of Business

The Company is a mineral exploration and development company with a current focus on exploring for nickel sulphide deposits on its existing tenements located in the Ravensthorpe region of Western Australia. The Company's current suite of tenements cover a total area of 107.4km2 and includes the existing nickel sulphide deposits of RAV1, RAV4, RAV4 West and RAV8 as well as the nickel laterite deposit known as "John Ellis" (collectively known as the "**Carlingup Project**"). After admission to the Official List, the Company began the systematic exploration of the Carlingup Project.

The Carlingup Project includes four known nickel sulphide deposits spread along a circa 10km strike length. These deposits contain shallow mineralisation open in most directions with an inferred resource at RAV8 of 13.2m tonnes at 0.6% nickel (Ni) for 75,100 tonnes of contained Ni and a combined exploration target range at RAV1, RAV4, RAV4 West of 300,000 tonnes at 0.9% Ni for 2,800 tonnes of contained Ni to 9,800,000 tonnes at 0.4% Ni for 41,200 tonnes of contained Ni. In addition, the Company's John Ellis laterite nickel deposit contains 16m tonnes at 0.56% Ni for 90,300 tonnes of contained Ni together with a resource for RAV1, RAV4 and RAV 4 West of 5,600 tonnes of contained Ni.

The Company has a 100% legal and / or beneficial interest in the following tenements:

- Mining Licenses M74/104 and M74/107, which are 100% beneficially held by Phanerozoic Energy Pty Ltd, a wholly owned subsidiary of the Company.

- Mining Licences M74/82, M74/84, M74/85 and M74/106 and Exploration Licences E74/675 and E74/685, which are 100% beneficially owned by AML (Ravensthorpe) Pty Ltd, a wholly owned subsidiary of the Company.

- Mining Licence M74/13 (RAV 8) and Exploration Licence E74/657 – were acquired from Medallion Metals Limited (**MM8**) pursuant to an Asset Sale Agreement dated 20 May 2021 (as detailed in the Prospectus) and are now held AML (Ravensthorpe) Pty Ltd.

- Mineral Rights to Mining Licence M74/83 and Exploration Licences E74/602, E74/638, E74/656, E74/683 which are all owned by MM8. The Company (via its wholly owned subsidiary AML (Ravensthorpe) Pty Ltd) secured an exclusive sub licence from MM8 to explore for and mine nickel, cobalt and platinum element group metals (being platinum, palladium, ruthenium, rhodium, osmium and iridium) on all these tenements pursuant to a Mineral Rights Deed. Details of the Mineral Rights Deed were disclosed in the Prospectus.

(iii) Company's Business Objectives

The Company's objective is to build shareholder value through:

- Executing a systematic exploration program on the Carlingup Project for the discovery and delineation of economic mineral resources;

- Develop the Company's nickel, cobalt and PGM databases and prospectivity model to generate further drill targets;

- Conduct metallurgical test work and other studies into the potential economic development of mineral deposits within the Carlingup Project, and

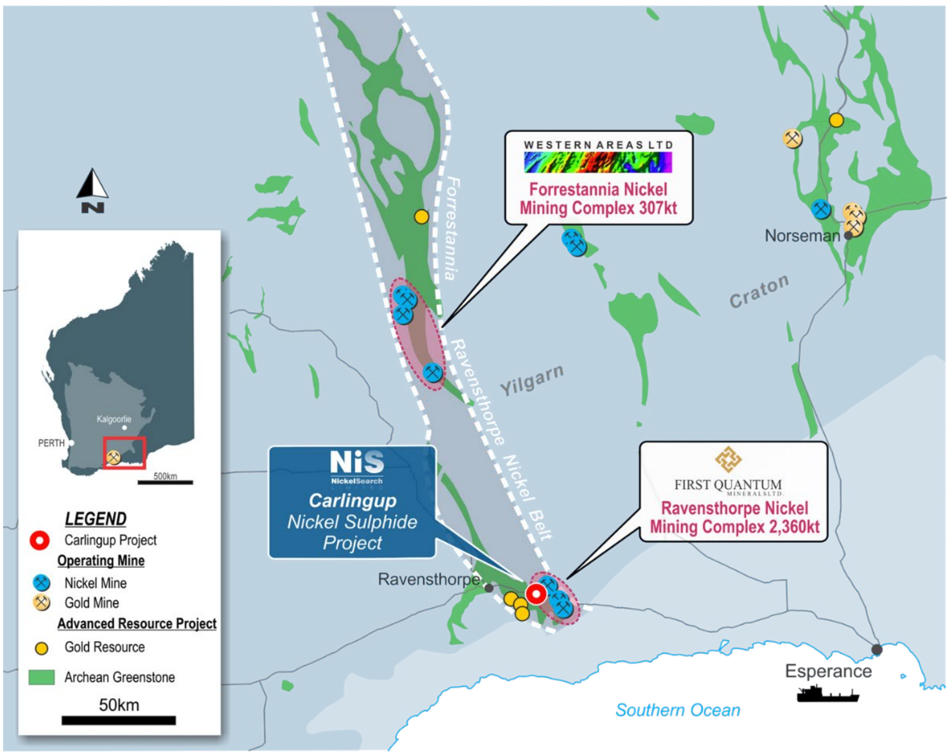
- Continue to pursue other strategic project acquisitions and earn-in opportunities within the resources sector which its Directors' consider have the potential to create value for shareholders.

(iv) Principal Activities

The principal activities of the Group during the half year were maintaining and exploring on the Carlingup Project tenements.

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 First Quantum Minerals Ltd (**FQM**) laterite mine - the Ravensthorpe Nickel Operations (**RNO**).



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 represent good opportunities for further high-grade nickel sulphide mineralisation.

(v) Review of Exploration Activities

The Company has embarked on what will be a long-term program to systematically explore the Carlingup Project.

The Company released the following announcements to the ASX in relation to its exploration program and outcomes / results to date:

- 21 October 2021 — NickelSearch to Commence Drilling at Carlingup
- 23 November 2021 — Maiden Drilling Update at Carlingup Nickle Project.
- 25 November 2021 — Chairman's Address to Shareholders at the AGM
- 6 December 2021 — High Grade Nickle Hit with Significant PGM at RAV8
- 8 December 2021 — NIS Assembles High Calibre Management and Technical Team
- 10 January 2022 — NIS Gets a Flying Start to 2022
- 21 January 2022 — Quarterly Activities Report – December 2021
- 9 February 2022 — Shallow Nickel Sulphides Intersected at Carlingup Project
- 14 February 2022 — Investor Presentation
- 28 February 2022 — New Greenfields Targets Identified and Aircore Drilling Completed at John Ellis

In summary, within days of listing on the ASX on 18 October 2021, a drilling rig was mobilised and the Company's exploration program commenced with its maiden drilling campaign.

A total of 32 holes (3,563m) were completed at RAV8, RAV5 and RAV4 West. The first assay results were announced on 6 December 2021.

In late December 2021 and early January 2022, a high resolution, helicopter – borne, time domain, electromagnetic (EM) and magnetic survey was initiated with 955 line kilometres flown over the entire tenement package. Processed data from the EM survey is expected to be received during the first quarter of calendar year 2022.

Field exploration work re-commenced in February 2022.

NickelSearch has a significant resource base of 171,000 tonnes of contained nickel and the Directors are confident that the Company will grow this resource base significantly as the exploration strategy unfolds.

3. Financial Results

The consolidated loss of the Group amounted to $1,073,530 for the six-month period ended 31 December 2021 (loss of $126,778 for six-month period ended 31 December 2020). Exploration and evaluation expenditure during the period totalled $1,336,684 (2020: $85,394) and a further $5,081,387 on the acquisition of tenements.

The Group had net assets as at 31 December 2021 of $13,337,560 including a cash balance of $7,453,973. Total shares issued in the period were 67,043,662 to increase issued capital, before costs, by $13,408,730.

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

4. Corporate

During the six-month period, the Company facilitated an IPO (refer also Note 2 (i) in the Directors Report) and also issued the following new securities:

- **Corporate Advisory Fee:** 1,330,000 shares to Discovery Capital Partners Pty Ltd (**Discovery Capital**) for services rendered to assist the Company with the acquisition of certain tenements and other assets from Medallion Metals Limited (**MM8 Acquisition**).

- **MM8 Acquisition:** 15,713,662 shares were issued to Medallion Metals Limited as consideration for the MM8 Acquisition. These shares were issued pursuant to the Prospectus.

- **IPO:** a total of 50 million shares were issued at $0.20 each to raise $10 million (gross) pursuant to the Company's Prospectus.

- **Options:** contemporaneously with the IPO, a total of 5 million unquoted options were granted, for no consideration, to Directors, Senior Management and Consultants. The cessation of 2m unquoted options occurred on 15 January 2022 that were issued to the former Managing Director which have now lapsed unexercised. The number of unquoted options as at the date of this Report is 7m. Nicole Duncan, the new Managing Director with effect from 1 February 2022, is proposed, subject to shareholder approval, to be issued with 200,000 Performance Rights and 2m unquoted options.

  All of the above unquoted issued options are exercisable at $0.25 per share with an expiry date of 18 October 2024. All options are subject to an ASX imposed two year period of restriction from the date of quotation.

5. Carlingup Project, Western Australia

Nickel Sulphide Mineral Inventory

A calculation of the mineral inventory at the respective deposits is detailed in the following tables:

Carlingup Mineral Resources

Carlingup Inferred Sulphide Resource Estimate					
Deposit	**Tonnes (kt)**	**Ni %**	**Co%**	**Nickel Tonnes**	**Cobalt Tonnes**
RAV8[1]	13,200	0.60%	-	75,100	-
RAV1, RAV4 and RAV4 West[2]	521	1.08%	-	5,600	-

Notes:

1 RAV8 deposit JORC Code compliant resource estimate by Lily Valley International Ltd (**LVI**) in 2021. The total Mineral Resource averaged 0.6% Ni (Refer to the Competent Persons Report prepared by LVI which is annexed to the Independent Geologist Report in the Prospectus.)

2 RAV1, RAV4 and RAV4 West JORC compliant resource estimate by Golder Associates Pty Ltd (**Golder**) in 2021 (Refer to the Competent Persons Report prepared by Golder which is annexed to the Independent Geologist Report in the Prospectus.)

3 The Prospectus dated 23 August 2021 can be accessed at www.nickelsearch.com

4 NickelSearch confirms that it is not aware of any new information or data that materially affects the Carlingup Mineral Resource information included in the Prospectus. All material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed.

Development Pathway

NickelSearch 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).

Test work completed by NickelSearch 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.

Details of the tenements that comprise the Carlingup Project are set out below.

Tenement Schedule

Tenement Number	Registered Holder	Date Expiry	Application Date	Hectares
M74/0104	Phanerozoic Energy Pty Ltd	29/01/2039	12/08/1996	64.75
M74/0107	Phanerozoic Energy Pty Ltd	07/04/2030	25/09/1996	408.85
M74/0082-I	AML (Ravensthorpe) Pty Ltd	18/08/2034	11/03/1992	766.10
M74/0084-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	219.50
M74/0085-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	990.05
M74/0106-I	AML (Ravensthorpe) Pty Ltd	01/07/2029	25/09/1996	511.50
E74/0675	AML (Ravensthorpe) Pty Ltd	21/04/2026	12/11/2020	1215.42
E74/0685	AML (Ravensthorpe) Pty Ltd	10/06/2026	05/05/2021	1404.42
M74/0013	Medallion Metals Limited	05/03/2027	06/12/1983	427.60
E74/0657	Medallion Metals Limited	01/12/2025	23/04/2020	148.88
M74/0083-1	Medallion Metals Limited	18/08/2035	09/04/1992	246.75
E74/0683	Medallion Metals Limited	20/04/2026	16/03/2021	1690.64
E74/0656	Medallion Metals Limited	01/12/2025	23/04/2020	284.34
E74/0602	Medallion Metals Limited	17/01/2022	15/06/2016	265.11
E74/0638	Medallion Metals Limited	16/04/2024	17/09/2018	2096.33
				10,740.24

Notes:

1 Each Registered Holder of the Tenements has 100% beneficial ownership of the relevant Tenements.

2 The orange shaded tenements represent the Company's initial suite of tenements.

3 The green shaded tenements represent the tenements acquired via the MM8 Acquisition.

4 The grey shaded tenements represent the Mineral Rights Tenements. The Company entered into an agreement with Medallion Metals Limited (MM8) to explore for and develop nickel, cobalt or platinum group element discoveries on these tenements - all of which are owned by MM8. MM8 has made an application for the renewal of tenement E74/602.

6. Laterite Nickel Deposit

The Carlingup Project also hosts the John Ellis laterite nickel deposit 23km east of Ravensthorpe in Western Australia. The Ravensthorpe Nickel Operation (RNO) operated by First Quantum Minerals (FQM) is a further 18km east.

The two key tenements comprising Nindilbillup (M74/104 and M74/107) are immediately adjacent to FQM's tenement holding. The Shoemaker Levy deposit is currently being developed by FQM.

The JORC inferred resource for the John Ellis deposit is summarised in the following table.

John Ellis Deposit – Inferred Laterite Resource Estimate					
Zone	**Tonnes (kt)**	**Ni %**	**Co%**	**Ni Tonnes**	**Cobalt Tonnes**
Limonite	9,949	0.60%	0.03%	59,198	2,885
Saprolite	6,063	0.51%	0.02%	31,101	1,213
Total	**16,012**	**0.56%**	**0.03%**	**90,299**	**4,098**

Note:

John Ellis Deposit estimate was compiled by Mr Andrew Weeks, Principal of 2020 Resources Pty Ltd, in 2021 and is reported in accordance with the JORC Code. (Refer to the Independent Geologist Report in the Prospectus dated 23 August 2021. The Prospectus can be accessed at www.nickelsearch.com). NickelSearch confirms that it is not aware of any new information or data that materially affects the John Ellis Inferred Laterite Resource Estimate information included in the Prospectus. All material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed. In October 2021, Mr Weeks was appointed as a consultant to the Company and as at the date of this Report does not beneficially own, directly or indirectly, any securities of NickelSearch or any associate or affiliate of such company. Mr Weeks consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The John Ellis deposit is a valuable asset for NickelSearch which, if developed as future feed for the RNO, will likely provide at least a further two years' operation for the RNO. Alternatively, the resource may be developed as a heap leach operation in conjunction with the Carlingup nickel sulphide resources to provide feed for a number of years to a refinery, most likely one producing nickel sulphate.

7. Ravensthorpe Laterite Nickel Royalty

First Quantum Minerals holds the rights to any lateritic nickel on a number of tenements owned by third parties, including NickelSearch, in the Ravensthorpe region. Should any lateritic nickel be mined on these tenements then a royalty is payable to NickelSearch.

8. Director and Company Secretary Information

David Royle	**Non-Executive Chairman (Interim Executive Chairman from 1 December 2021 to 31 January 2022)**
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 Pty Ltd and Exploration Manager Americas, Newcrest Mining Limited.
Interest in Shares and Options	Ordinary shares – 1,230,604; Options – 500,000
Craig Moulton	**Managing Director (Appointed 26 July 2021, Resigned 15 December 2021)**
Experience	Craig is a mineral economist with over 25 years of global experience in the mining industry including with Rio Tinto, Cliffs & Wood McKenzie. He has broad commodity experience, with diverse project experience including Australia, Mongolia, USA and Indonesia. His 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 - Nil
Nicole Duncan	**Managing Director (Appointed 1 February 2022)**
Experience	Nicole is an experienced resources industry executive, most recently as a founding member of the Executive Lead Team of South32 Limited following an extensive career with BHP Group Limited. Nicole has over 20 years of experience in mining, including exploration, project development and execution, technology and corporate transactions. She is skilled in leading teams to deliver outcomes within predefined parameters. Her experience includes supporting minerals exploration, project development and execution, operations, sales and marketing, technology, governance, compliance and human resources all whilst focusing on running the business safely and reliably. Nicole leads with focus on the footprint a business has, as an employer, a partner, a member of the community and a participant in the economy
Interest in Shares and Options	Ordinary shares – Nil; Options – Nil (It is proposed that Ms Duncan, subject to shareholder approval, will be issued 200,000 nil exercise price performance rights and 2,000,000 unquoted options. The options will be on the same terms as all exiting issued management options.)

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 Limited, Western Metals Limited and Panoramic Resources Limited 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; Options – 500,000 (All shares are held by Medallion Metals Limited pursuant to the MM8 Acquisition Agreement, concurrently with IPO. Mr Bennett is Managing Director of MM8 and has a relevant interest in the shares by virtue of his appointment to MM8.)
Donald James	**Non-Executive Director**
Experience	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. Previously held senior positions with Perenti Global (formerly Ausdrill) and Westrac (a Seven Group Holdings subsidiary). He is a Chartered Accountant, a graduate member of the Australian Institute of Company Directors, an Associate of the Governance Institute of Australia and a Certified (Snr) Finance and Treasury Professional with the Australian Corporate Treasury Association.
Interest in Shares and Options	Ordinary Shares –100,000; Options – 500,000
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 Limited, an entity that preceded the establishment of Australasian Mining Limited (now NickelSearch).
Interest in Shares and Options	Ordinary shares – 5,292,283; Options – 500,000

Joint Company Secretaries

Jessamyn Lyons	**Joint Company Secretary (Resigned 1 November 2021)**
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.
Suzie Foreman	**Joint Company Secretary (Appointed 1 November 2021)** Suzie is an experienced Company Secretary with a demonstrated history of working with a wide range of businesses from start-up enterprises to ASX top 300 corporates, with a particular focus on the mining & metals industry. Suzie has held senior management roles across a range of businesses including industrial, mining production and public practice and advises on governance, enterprise risk management, audit and corporate compliance, company secretarial, and financial reporting responsibilities. Suzie is a Chartered Accountant and Governance Institute Fellow member.
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.

9. Other Items

(i) Significant Changes in State of Affairs

The Company issued a prospectus dated 23 August 2021 that successfully raised $10 million (gross) and the Company's shares were thereafter admitted to the Official List of the ASX on 18 October 2021. The Company is now well funded to pursue its short term exploration strategy as detailed in the prospectus. Exploration activity recommenced following the IPO defined in October 2021. Other than the milestone Initial Public Offer (IPO) event and movements in ordinary shares and options, or as otherwise noted in this Interim Financial Report, there are no other significant changes in the affairs of the Group in period ended 31 December 2021.

(ii) After Balance Date Events

On 15 January 2022, 2 million options that were issued to the former Managing Director (Craig Moulton) lapsed unexercised.

Ms Nicole Duncan was appointed Managing Director with effect from 1 February 2022. Ms Duncan will be issued in accordance with the terms of her employment agreement, subject to shareholder approval, 200,000 nil exercise price performance rights (or equivalent instrument) and 2 million unquoted options.

(iii) Environmental Issues

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

10. 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 Director and Company Secretary 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.

11. Options

Unissued Shares under Options

At the end of the half year the Company had issued 9 million options. No shares were issued during the half year as a result of any exercise of any options.

A total of 4 million options were issued to Directors during the period. A further 1 million options were issued to the Senior Managers / Consultants of the Company. No options have been exercised during the period. No options have been issued over any Group entities.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

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.

12. 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 period.

13. Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the half year ended 31 December 2021 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 for the half year ended 31 December 2021 except for the preparation of the Independent Limited Assurance Report included in the Company's IPO Prospectus.

14. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001, for the half year ended 31 December 2021 has been received and can be found on page 16 of the Interim Financial Report.

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

………………………………………………..
Chairman: David Royle

Dated 28 February 2022

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 review of the financial statements of NickelSearch Limited for the half-year ended 31 December 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 review; and

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

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

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 28 February 2022

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NickelSearch Limited

ABN 11 110 599 650

Directors' Declaration

Half Year 31 December 2021

The Directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001 including:

   (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) giving a true and fair view of the financial position of the consolidated Group as at 31 December 2021 and of its performance for the half year ended on that date.

2. In the Director's 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.

This Declaration is made in accordance with a Resolution of the Board of Directors.

……………………………………
Chairman: David Royle

Dated: 28 February 2022

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Half year ended 31 December 2021

	Note	Half year ended 31 December 2021 $	Half year ended 31 December 2020 $
Total Revenue	2	**1,050**	2
Exploration Expenditure		**-**	(50,448)
Consulting Fees		**(53,661)**	(3,755)
Corporate and Administrative costs		**(392,229)**	(5,518)
Depreciation		**(8,569)**	-
Directors Fees and Salary		**(253,916)**	(26,897)
Interest Expense		**(182)**	(216)
Legal Expenses		**(23,455)**	-
Native Title Fees		**-**	(5,000)
Options reserve		**(271,000)**	-
Tenement Fees		**(71,568)**	(34,946)
Profit/(loss) before income taxes		**(1,073,530)**	(126,778)
Income tax expense	3	-	-
Profit (loss) for the year		**(1,073,530)**	(126,778)
Other comprehensive income, net of tax		-	-
Total comprehensive profit/(loss) for the year		**(1,073,530)**	(126,778)
Earnings per share			
Basic earnings per share (cents per share)	18	**(0.014)**	(0.004)
Diluted earnings per share (cents per share)	18	**(0.014)**	(0.004)

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 $	30 June 2021 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**7,453,973**	620,856
Trade and other receivables	5	**208,858**	26,689
Other assets	6	**11,280**	109,157
Total current assets		**7,674,111**	756,702
Non-current assets			
Property, plant, and equipment	7	**213,808**	-
Exploration and evaluation assets	8	**7,409,503**	1,063,000
Other assets		**-**	3,720
Total non-current assets		**7,623,311**	1,066,720
TOTAL ASSETS		**15,297,422**	1,823,422
LIABILITIES			
Current liabilities			
Trade and other payables	10	**295,570**	173,426
Borrowings	11	**-**	-
Total current liabilities		**295,570**	173,426
Non-current liabilities			
Provisions	12	**1,664,292**	-
Total non-current liabilities		**1,664,292**	-
TOTAL LIABILITIES		**1,959,862**	173,426
NET ASSETS		**13,337,560**	1,649,996
EQUITY			
Issued Capital	13	**14,314,878**	1,824,784
Reserves	14	**487,800**	216,800
Retained Earnings		**(1,465,118)**	(391,588)
TOTAL EQUITY		**13,337,560**	1,649,996

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Changes to Equity

For the Half Year Ended 31 December 2021

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Option Reserve	Total
Balance at 1 July 2020		973,753	41,713	-	1,015,466
Loss for the year		-	(126,778)	-	(126,778)
Total comprehensive loss for the year		-	**(126,778)**	-	**(126,778)**
Transactions with owners, in their capacity as owners					
Issue of Shares		187,219	-	-	187,219
Total transactions with owners		**187,219**	-	-	**187,219**
Balance at 31 December 2020		**1,160,972**	**(85,065)**	-	**1,075,907**
Balance at 1 July 2021		**1,824,784**	**(391,588)**	**216,800**	**1,649,996**
Loss for the year		-	(1,073,530)	-	(1,073,530)
Total comprehensive loss for the year		-	(1,073,530)	-	(1,073,530)
Transactions with owners, in their capacity as owners					
Issue of Shares	13	13,408,730	-	-	13,408,730
Share issue costs	13	(918,636)	-	-	(918,636)
Issue of options	14	-	-	271,000	271,000
Total transactions with owners		**12,490,094**	-	**271,000**	**12,761,094**
Balance at 31 December 2021		**14,314,878**	**(1,465,118)**	**487,800**	**13,337,560**

The accompanying notes form part of these financial statements.

NickelSearch Limited

ABN 11 110 599 650

Consolidated Statement of Cashflows

For the Half Year Ended 31 December 2021

	Note	31 December 2021 $	31 December 2020 $
Cash from operating activities:			
Payments to suppliers and employees		(907,976)	(134,683)
Interest received		-	2
Interest paid		(182)	-
Net cash provided by (used in) operating activities		**(908,158)**	**(134,681)**
Cash flows from financing activities:			
Proceeds from issue of shares	13	10,010,000	160,001
Costs of issue of shares	13	(918,638)	-
Funds received (sale of AML Pty Ltd)		-	1
Borrowing received	11	50,000	-
Borrowings repaid	11	(50,000)	(15,104)
Net cash provided by (used in) financing activities		**9,091,362**	**144,898**
Cash flows from investing activities:			
Capitalised exploration expenditure	8	(1,265,116)	**-**
Purchase of property, plant, and equipment	7	(84,971)	**-**
Net cash provided by (used in) investing activities		**(1,350,087)**	**-**
Net increase (decrease) in cash held		6,833,117	10,217
Cash at beginning of financial period		620,856	1,675
Cash at end of financial period	4	**7,453,973**	**11,892**

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

(a) General information

NickelSearch Limited and Controlled Entities are companies limited by shares, incorporated and domiciled in Australia.
The general purpose financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. NickelSearch Limited ("the Company") is a for-profit entity for financial reporting purposes under Australian Accounting Standards.
This Interim Financial Report is intended to provide users with an update on the latest Annual Consolidated Financial Statements of the Company and its controlled entities ("the Group"). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this Interim Financial Report be read in conjunction with the Annual Financial Statements of the Company for the year ended 30 June 2021, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue as at the date of the Directors Declaration.

(b) Basis of preparation

The interim financial statements have been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations, 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 Interim 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 Interim 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.

(c) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of controlled entities is contained in Note 9 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period then ended. Where controlled entities have entered (left) the Group during the period, their operating results have been included (excluded) from the date control was obtained (ceased).

All intergroup balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the Group.

(d) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that one of the following conditions is met:

- Rights of tenure to the area of interest are current, and;
- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

1 Summary of Significant Accounting Policies continued

(e) Income taxes

The income tax expense for the period comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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 directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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, based on tax rates enacted or substantively enacted at reporting date. 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 Company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group’s taxable income.

1 Summary of Significant Accounting Policies continued

(f) Financial Instruments

Recognition and Initial Measurement

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

Financial instruments are initially measured at fair value plus transactions 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 instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss.

1 Summary of Significant Accounting Policies continued

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(g) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(h) Issued capital and equity-settled compensation

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.

Share options are classified as equity and issue proceeds are taken up in the option reserve. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of options are recognised in equity as a reduction of the option proceeds received.

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 and 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. The fair value of options is determined using a binomial 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.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

1 Summary of Significant Accounting Policies continued

(k) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(l) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparatives

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

(n) 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 based on current trends and economic data, obtained both externally and within the Group.

The key estimates/ judgements made in the preparation of the interim financial statements are:

- the carrying value of the exploration assets (Note 8).

(o) New accounting standards

The AASB has issued a number of new and amended accounting standards with application dates for current and future accounting periods. None of the accounting standards are relevant to the Group's financial statements.

2 Revenue

	31 December 2021	31 December 2020
	$	**$**
Revenue		
- Interest	**-**	2
- Sundry recoveries	**1,050**	-
Total Revenue	**1,050**	2

3 Income tax expense

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 / (benefit) on loss before income tax at 25% (2020: 26%)		
- economic entity	**(268,383)**	**(32,962)**
	(268,383)	**(32,962)**
Adjust for:		
- Tax effect of non-allowable items	43,554	1,300
- Tax effect of temporary differences and tax losses not recognised	224,829	31,662
Income tax attributable to entity	**-**	-

The Group has estimated tax losses carried forward of approximately $1,786,000 (30 June 2021; $886,000) 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.

	31 December 2021	30 June 2021
	$	$
4 Cash and cash equivalents		
Cash on hand	**103**	103
Cash at bank	**7,453,870**	620,753
	7,453,973	620,856
5 Trade and other receivables		
CURRENT		
Sundry receivables	**208,858**	26,689
	208,858	26,689
6 Other Assets		
CURRENT		
Prepayments	**11,280**	109,157
	11,280	109,157
7 Property, plant and equipment		
PLANT AND EQUIPMENT		
At cost	**84,971**	-
Accumulated depreciation	**(8,569)**	-
Total plant and equipment	**76,402**	-
LAND		
At cost	**137,406**	-
Total land	**137,406**	-
Total property, plant, and equipment	**213,808**	-

In August 2021, AML Ravensthorpe Pty Ltd and MM8 entered into an agreement which AML Ravensthorpe Pty Ltd agreed to purchase, and MM8 Agreed to sell, Lot 65 on deposited plan 415321 being all the land at Vol 2969 Folio 491. The purchase consideration was 687,030 ordinary fully paid shares (Consideration Shares) in the Company credited as fully paid with a deemed issue price of $0.20 per Consideration Share.

8 Exploration and evaluation assets

	31 December 2021 $	30 June 2021 $
NON-CURRENT		
Exploration expenditure capitalised:		
Exploration and evaluation phase – at cost	**2,164,846**	2,164,846
Less impairment	**(1,101,846)**	(1,101,846)
Balance as at 30 June 2021	**1,063,000**	1,063,000
Acquisition of tenements	**5,081,387**	-
Capitalised exploration expenditure	**1,265,116**	-
Carrying amount at reporting date	**7,409,503**	1,063,000

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

The tenements acquired in the current period resulted from the MM8 Acquisition Agreement (refer Note 13). Prior to 30 June 2021, all holding costs and other exploration expenditure on tenements were expensed as incurred.
Commitments and contingencies in respect of exploration tenements is set out in Note 15.

9 Controlled Entities

Name	Country of incorporation	Percentage Owned (%)* 31 Dec 2021	Percentage Owned (%)* 30 June 2021
Parent Entity:			
NickelSearch Limited	Australia		
Subsidiaries of parent entity:			
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.

10 Trade and other payables

	31 December 2021	30 June 2021
	$	$
CURRENT		
Unsecured liabilities		
Trade payables and accruals	**295,570**	173,426
	295,570	173,426

11 Borrowings

	31 December 2021	30 June 2021
CURRENT		
Unsecured liabilities		
Related party advances	**-**	-
	-	-
Movement in related party advances		
Opening Balance	-	15,104
Advances received	50,000	-
Advances paid	(50,000)	(15,104)
Closing Balance	-	-

Related party advances are short term, unsecured.
Interest was payable at the rate of 4.59% pa and was settled in cash.

12 Provisions

	31 December 2021	30 June 2021
NON-CURRENT		
Rehabilitation provision	1,664,292	-
	1,664,292	-

The rehabilitation provision relates to the former mine site at RAV8 which was acquired from MM8 pursuant to the Asset Sale Agreement dated 20 May 2021 that was settled on 5 October 2021.

13 Issued Capital

	31 December 2021 $	30 June 2021 $
104,064,018 (June 2021: 37,020,356) Fully paid ordinary shares	**15,499,514**	2,090,784
Less: Capital raising costs	**(1,184,636)**	(266,000)
Total	**14,314,878**	1,824,784

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.

As at 31 December 2021 a total of 9,000,000 Options were granted. The Options are unquoted, exercisable at 25 cents per share and expire on 18 October 2024 (refer Note 14).

(a) Capital Management

The Board and management collectively control the capital of the Group in order to ensure that the Group can fund its business plan and current operations.

There are no externally imposed capital requirements.

The Company issued a Prospectus dated 23 August 2021 and raised $10m (gross). As set out in Note 1(b), on 18 October 2021 the Company's shares were admitted to trading on the Official List of the ASX. As a listed public company, the Directors are confident that additional equity capital can be raised from its shareholders or new investors and / or will be able to secure ongoing funding through debt financing, joint ventures or other means.

(b) Movement in Share Capital

	31 December 2021 No.	30 June 2021 No.
Balance at beginning of year	**37,020,356**	**19,651,432**
Shares issued during the year:		
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
6 July 2021	**1,330,000**	
5 October 2021 (MM8 transaction)	**15,713,662**	
6 October 2021 (IPO shares)	**50,000,000**	
Balance at end of period	**104,064,018**	37,020,356

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

Shares issued in the 6 months until 31 December 2021, are in the range of $0.0075 (pre-split) - $0.20 per share.

All shares issued for the year ended 30 June 2021 year were in the range of $0.0075 - $0.10 per Share (pre-split) and $0.14 for post-split share issue.

14 Reserves

	31 December 2021 $	30 June 2021 $
Option Reserve		
Opening Balance	**216,800**	-
Issue of options	**271,000**	216,800
Closing Balance	**487,800**	216,800

The option reserve records amounts recognised on options issued for capital raising costs or remuneration.

The movement in the number of Options is as follow:

	31 December 2021 No.	30 June 2021 No.
Balance at beginning of period	**4,000,000**	**-**
Options issued	5,000,000	**4,000,000**
Options exercised	-	-
Options expired	-	-
Balance at end of period	**9,000,000**	4,000,000

Notes
(i) 5,000,000 options were issued to Directors, Senior Management and Consultants for no consideration.
(ii) All options are unquoted, exercisable at 25 cents each and expire on 18 October 2024.
(iii) All Options are subject to an ASX imposed 24-month restriction period (expiring 18 October 2023).

15 Expenditure Commitments

(a) Operating Lease Commitments

There are no operating lease commitments as at the balance date.

(b) Expenditure commitments

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.

	December 2021 $	June 2021 $
Commitments on the exploration tenements for the next 12 months	**477,400**	334,900
Commitments between 12 months and 5 years	**1,909,600**	1,337,100
	2,387,000	1,672,000

16 Cash Flow Information

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

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

	31 Dec 2021	31 Dec 2020
	$	$
Loss for the period	**(1,073,530)**	(126,778)
Cash flows excluded from loss attributable to operating activities		
Depreciation	**8,569**	-
Share based payments	**271,000**	21,217
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(182,169)**	(5,046)
- (increase)/decrease in prepayments	**97,877**	(35,197)
- (increase)/decrease in other assets	**3,720**	-
- increase/(decrease) in trade and other payables	**(33,625)**	5,123
Cashflow from operations	**(908,158)**	(134,681)

(b) Non-cash financing and investing activities:

	31 Dec 2021	31 Dec 2020
	$	$
Issue of nil shares on a post share split basis (Dec 2020: 268,970) as remuneration	-	26,897
Issue of nil shares on a post share split basis (Dec 2020: 3,205) as payment of interest	-	320
Issue of 15,713,662 shares (Dec 2020: nil) as payment for tenements acquired from Medallion Metals Limited	3,142,732	-
Issue of 1,330,000 shares (Dec 2020: nil) to Discovery Capital for corporate advisory services in relation to the MM8 Asset acquisition ($10,000 was subscribed for these shares)	256,000	-

17 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:

Entities over which any director has significant influence.

Subsidiaries:

Interest in subsidiaries are set out in Note 9.

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:

Granted 500,000 unquoted options to each of the following Directors (or their respective nominee) – Messrs David Royle, Paul Bennett, Donald James and Norman Taylor. The options were issued for no consideration, are exercisable at 25 cents per share and expire on 18 October 2024. All of these options were granted pursuant to the Company's Incentive Awards Plan and are subject to certain terms and conditions including a two-year period of restriction imposed by the ASX (Options).

Granted 2,000,000 Options to the former Managing Director, Craig Moulton. Mr Moulton resigned on 15 December 2021 and all of these Options lapsed unexercised on 15 January 2022.

Granted 500,000 Options to each of Peter Evans, the Chief Financial Officer and Leo Horn, the Senior Technical Officer (or their respective Nominees).

During the period, the Company paid Mr David Royle directors fees in cash of $27,500 (Dec 2020: $7,500).

During the period, the Company remunerated Mr Craig Moulton salary and wages, cash based payments of $162,204 (Dec 2020: nil).

During the period, the Company paid Mr Donald James directors fees in cash of $22,212 (Dec 2020: nil).

During the period, the Company paid Mr Paul Bennett directors fees in cash of $20,000 (Dec 2020: nil).

During the period, the Company paid Mr Norman Taylor directors fees in cash of $22,000 (Dec 2020: nil).

During the period, the Company repaid in full the advance from Tayhil Pty Ltd (a company associated with Mr Norman Taylor) of $50,182 (refer to Note 11). Interest of $182 was paid on the loan.

Pursuant to an Executive Services Agreement dated 8 December 2021 with Ms Nicole Duncan, the Company agreed (subject to shareholder approval) to granted 2,000,000 Options to Ms Duncan (or her Nominee) for no consideration or failing shareholder approval, a cash payment in lieu on a pre-determined basis and 200,000 shares issued as nil exercise price performance rights.

Mr Paul Bennett is Managing Director of Medallion Metals Limited (MM8). The Company acquired exploration assets and land from MM8 by way of issue of 15,713,662 shares (refer Notes 7, 8 and 13).

All Company Directors and Officers were the beneficiaries of a comprehensive D & O insurance policy, where the premium was paid by the Company (refer Note 10 in the Directors Report).

Reimbursed Alpha Fine Chemicals Pty Ltd (a company in which Mr Norman Taylor is both a Director and interests associated with him is also a substantial shareholder) in the sum of $41,214 (net of GST) for shared office accommodation, equipment and financial / administrative support personnel.

Directors and their related entities participated in the Company’s share issue under the IPO (refer Note 13). At end of period, Directors hold 6,622,887 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.

NickelSearch Limited

ABN 11 110 599 650

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

18 Earnings per Share

	31 Dec 2021	31 Dec 2020
Basic earnings per share (cents)	(0.014)	(0.004)
Diluted earnings per share (cents)	(0.014)	(0.004)
Number of Shares	75,021,771	28,087,950
Net loss after tax used in the calculation of basic EPS and diluted earnings per share.	$(1,073,530)	$(126,778)

19 Dividends

No dividends were declared or paid during the period.

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 the Company 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 to date.

The Group has an agreement with Alpha Fine Chemicals Limited, a director related entity, granting right of first refusal to purchase nickel product if derived from certain of the Group's tenements.

(b) Contingent Liabilities

At the date of this Report, there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Group's financial position or results from operations, other than as set out below.

- From 5 October 2021 the Group assumed various liabilities pursuant to the acquisition of certain assets from Medallion Metals Limited (MM8) (the MM8 Assets), including but not limited to the RAV8 Royalty Agreement, any third party agreements relating to the MM8 Assets (MM8 Third Party Agreements) and the Group has also indemnified MM8 from and against all claims and loss that MM8 may suffer or incur as a result of any breach of any MM8 Third Party Agreement.

- From the date of acquisition, any environmental and rehabilitation obligations pertaining to the MM8 Assets.

- From 5 October 2021 the Group has assumed various liabilities from the Mineral Rights Deed with MM8, including State and third party royalties payable on any future activity on the Mineral Rights Tenements, rehabilitation obligations, heritage surveys and any native title obligations.

- The Group also has a range of royalty commitments payable to various parties on certain of its tenements if sale of certain prescribed mineral product is achieved.

- 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 Nindilbillup 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. 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.

21 Segment Information

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

22 Events after the End of the Reporting Period

In the period since 31 December 2021 the following events have occurred :

(i) The cessation of 2,000,000 unquoted options on 15 January 2022 that were issued to the former Managing Director, which have now lapsed unexercised.

(ii) The Company has appointed a new Managing Director, Ms Nicole Duncan, with effect from 1 February 2022.

(iii) The impact of the Coronavirus (COVID-19) pandemic is on-going and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and WA State Governments and other countries, such as the vaccination program, maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Management is actively monitoring the situation and its impact on the Group's financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of COVID-19 outbreak, particularly as Western Australia reopens its borders, the Group is unable to estimate the effects of the COVID-19 outbreak on its results, operations, financial condition or liquidity for the 2022 financial year.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Groups state of affairs in future financial years.

23 Company Details

Registered office and Principal place of business

NickelSearch Limited
Suite 14, 92 Walters Drive
OSBORNE PARK
WA 6017

Nexia Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NICKELSEARCH LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of NickelSearch Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of NickelSearch Limited does not comply with the *Corporations Act 2001*, including:

(i) giving a true and fair view of NickelSearch Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(ii) complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group 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 annual 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 review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of NickelSearch Limited are responsible for the preparation of the half-year 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 the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NICKELSEARCH LIMITED (CONTINUED)

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

ND Bamford
Director

Level 28, 10 Eagle Street,
Brisbane, QLD, 4000

Date: 28 February 2022