



NiS
NickelSearch
LIMITED

ASX: NIS

Australia's
emerging
battery
minerals
explorer

ASX ANNOUNCEMENT

28 April 2022

NICKELSEARCH LIMITED

ACN 110 599 650

QUARTERLY ACTIVITIES REPORT 31 March 2022

KEY HIGHLIGHTS

Carlingup Nickel Sulphide Project, Western Australia (100% owned)

- During the current quarter, aircore, reverse circulation and diamond drilling, plus geology, geophysics and geochemical work was conducted across the project portfolio.
- RAV8: Bulk tonnage disseminated nickel sulphide mineralisation confirmed up to 56-76m thick and open to the west of Shoot 1. This is in addition to previously reported remnant extensions to massive sulphide at Shoot 3: 5m at 2.5% Ni and Shoot 1: 5m at 1.0% Ni.
- RAV5: Defined a mineralised outline >0.7% Ni over an area measuring 50-200m wide, 300-400m long that will define a maiden resource and remains open both to the west and down plunge.
- RAV4 West: Encouraging broader intervals of disseminated sulphides form in the hanging wall of higher-grade nickel intersections in addition to previously reported remnant extensions to massive sulphide to the west.
- A large diameter diamond drill program at RAV8, RAV4 West and RAV1 was also completed, which will add significantly to understanding each deposit, as well as providing critical samples of both high-grade massive sulphide and lower grade disseminated nickel to establish the best processing routes going forward.
- With the recently completed airborne EM survey and pending soil geochemistry, the Company now has a firm foundation to rank its identified drill targets and commence the process of systematically testing these targets with the objective of discovering new high grade nickel sulphide deposits. Drilling will commence as soon as required approvals are received and drill rigs can be secured.
- Metallurgical test work on processing options has commenced.

Corporate

- Nicole Duncan was appointed as the new Managing Director with effect from 1 February 2022.
- Interim Financial Report for the six months ended 31 December 2021 was lodged with the ASX on 1 March 2022.
- Hosted a live Investor Briefing Webinar on 15 March 2022.
- Issued 1.7 million options to key members of the NickelSearch team and to landowners of the Carlingup Nickel Sulphide Project.
- Cash balance of \$6.175 million as at 31 March 2022.

Carlingup Nickel Sulphide Project

NickelSearch Limited's Carlingup Nickel Sulphide Project (**Carlingup** or the **Project**) comprises 8 Mining Licences and 7 Exploration Licences over circa 108 km² located in a highly prospective geological setting for nickel sulphides. The Company's ground position hosts favorable ultramafic host rocks for Kambalda-style komatiitic nickel sulphide deposits. Located in Ravensthorpe, Western Australia, the tenements are well serviced by sealed roads, have access to water and power, and are close to established nickel mining and processing infrastructure.

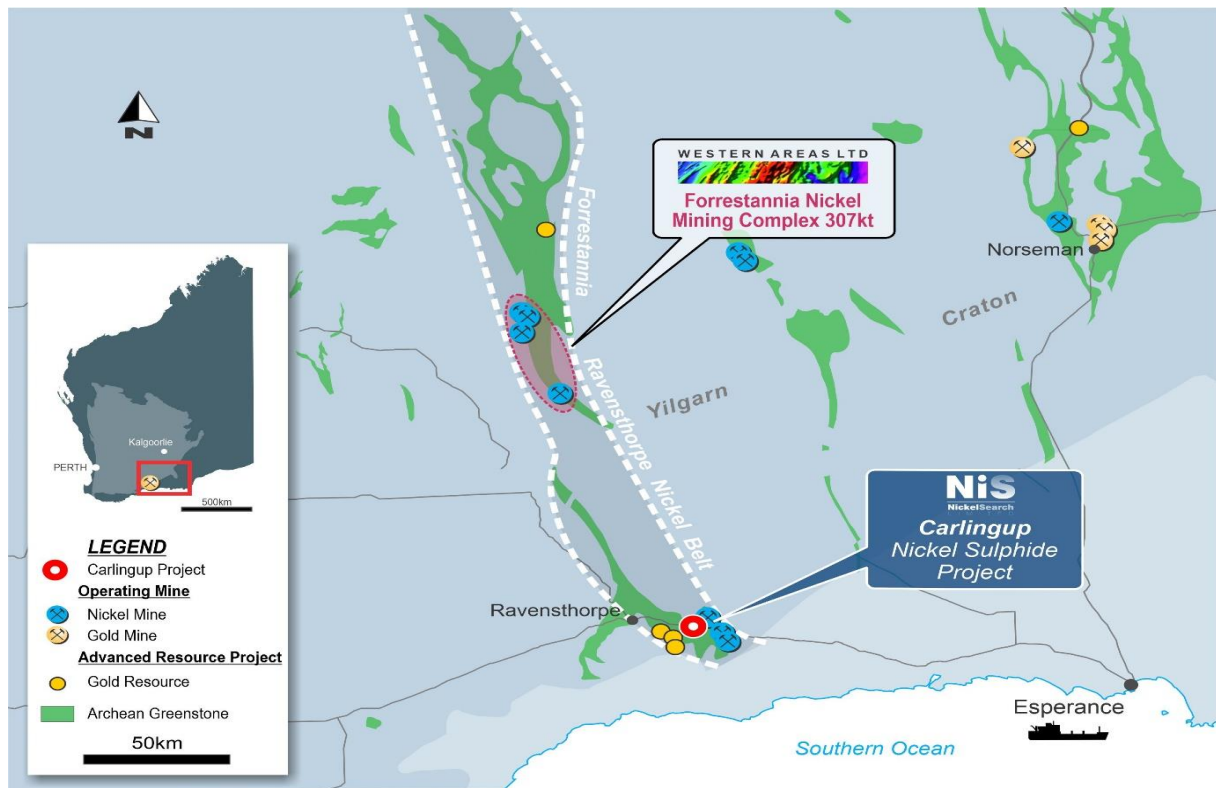


Figure 1. Carlingup Nickel Sulphide Project Location Map

The Project encompasses the following suite of tenements:

- Wholly owned tenements: M74/82, M74/84, and M74/106, M74/13, E74/657, E74/675, E74/685, M74/107, M74/85 and M74/104, and
- Mineral Rights tenements: M74/83, E74/602, E74/656, E74/683 and E74/638 (where the Company has the right to explore for and mine nickel, cobalt and platinum group metals - refer also to the Appendix 1 Tenement Summary for further details).

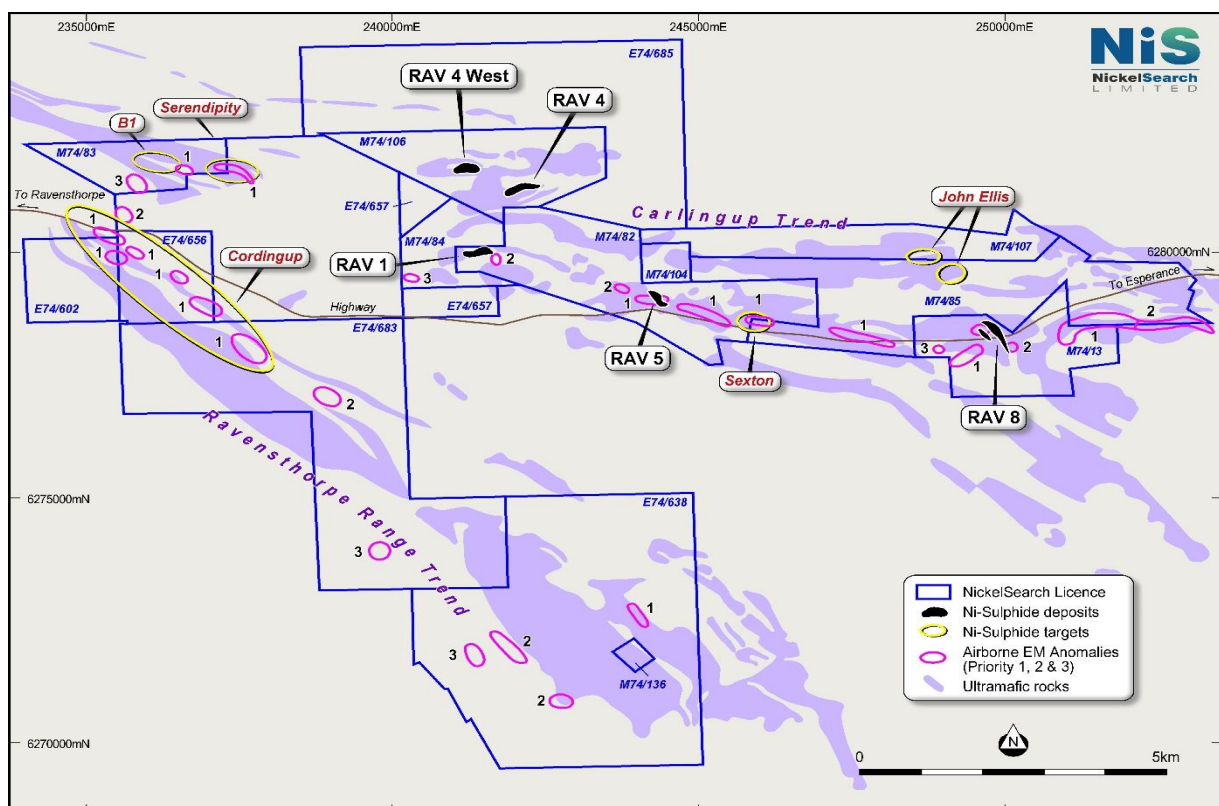


Figure 2. Carlingup Nickel Sulphide Project tenement map, plus targets and anomalies

Activities for the Quarter

RAV8 Deposit

Activity	Planned	Underway	Completed
Maiden RC Drilling – Assay Results			✓
Diamond Drilling – Metallurgical			✓
Metallurgical Test Work		✓	
DHEM	✓		

In Q4 CY2021, 10 RC holes were completed at RAV8 for a total of 1,650m. All assays have been received and results have been released (see NIS announcement dated 21 April 2022). Figure 3 shows hole locations.

In addition to previously reported remnant extensions to massive sulphide at *Shoot 3: 5m at 2.5% Ni* and *Shoot 1: 5m at 1.0% Ni* (See NIS announcement 6 December 2021), it is now confirmed from recently received assays that a very wide zone of disseminated nickel sulphide occurs to the west of Shoot 1 and the existing pit that will increase the size and confidence of the Mineral Resource estimate (Figures 3 and 4). The best intersections, occurring in drill holes NIS006 and NIS005, were **76 and 56 metre thick intervals** respectively of multiple stacked zones of nickel mineralisation, demonstrating bulk tonnage potential including (see Figure 4):

- NIS006: 22m at 0.6% Ni from 85m, incl. 5m at 1.1% Ni; and 25m @ 0.5% Ni from 112m and
- NIS005: 15m at 0.8% Ni from 79m, incl. 12m at 0.9% Ni; and 10m at 0.7% Ni from 112m.

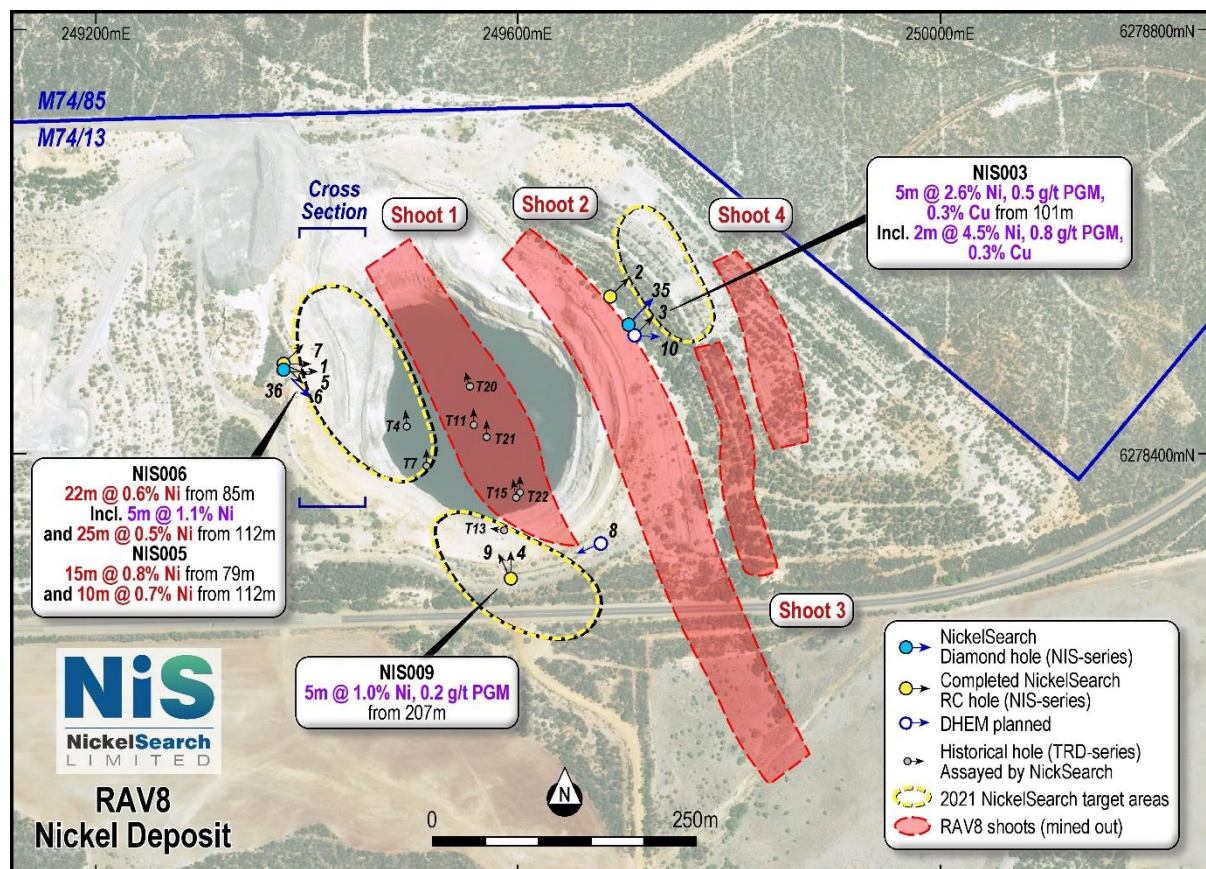


Figure 3. RAV8 Deposit showing RC and Diamond drilling by NiS and location of historic holes sampled by NiS

In addition to the results of the RC drilling, NickelSearch cut and resampled 8 historical diamond core holes stored at RAV8 to establish confidence in the current resource through new assays and density measurements. The sampling exercise had the added advantage to help establish the potential grades of lower grade disseminated nickel sulphide mineralisation that the Company believes is located on various stockpiles at the RAV8 mine site and available for early production. Locating and quantifying stockpile material will be undertaken in H2 CY2022.

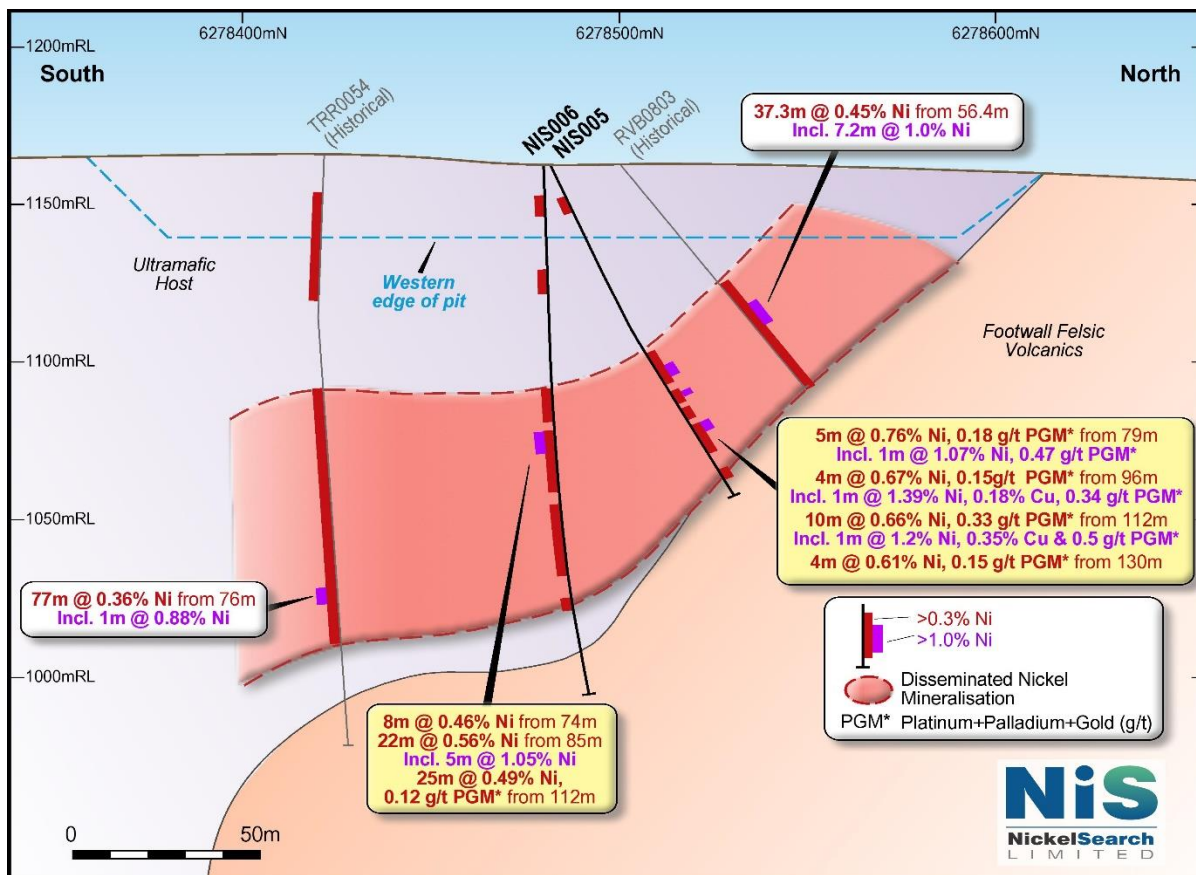


Figure 4. RAV8 drill section showing thick disseminated nickel sulphide mineralisation along the basal ultramafic contact

Diamond drilling at RAV8 has also been completed, where the Company drilled three holes for 377m. Analysis of core, including scanning by Minalyze Pty Ltd, is in progress and will provide density, structural, and additional resource data prior to metallurgical sample selection.

The Company is planning to issue an update to the RAV8 Mineral Resource statement and finish the planned DHEM surveys in Q2, CY2022.

RAV5 Prospect

Activity	Planned	Underway	Completed
Maiden RC Drill Program – Assay Results			✓
DHEM Survey	✓		

In Q4 CY2021, 11 RC holes were completed for a total of 1,200m. The assay results from this drilling have now been received and have clearly defined a nickel sulphide orebody >0.7% Ni that is 50-200m wide, 300-400m long and is open to the west and down plunge to a vertical depth of 150m (Figure 3). Thickness of mineralisation varies from 1m and up to 8m as previously reported in NIS004: **8m at 1.0% Ni, 0.6 g/t PGM and 0.2% Cu** (see ASX announcement 9 February 2022). Recent assays indicate two additional massive sulphide nickel intersections that are open to the west including **3m at 1.1% Ni, 0.3 g/t PGM and 0.4% Cu** in NIS012.

Overall, the drill results at RAV5 strongly support the potential to release a maiden resource. Strategically, RAV5 lies on the same ultramafic unit as RAV8 and about half the distance from that deposit as RAV1, RAV4 and RAV4-West, making it a strategic development option to support early years of a mining operation.

The Company is planning to issue an update to the RAV5 status, with potential for a maiden resource, and finish the planned DHEM surveys in Q2, CY2022.

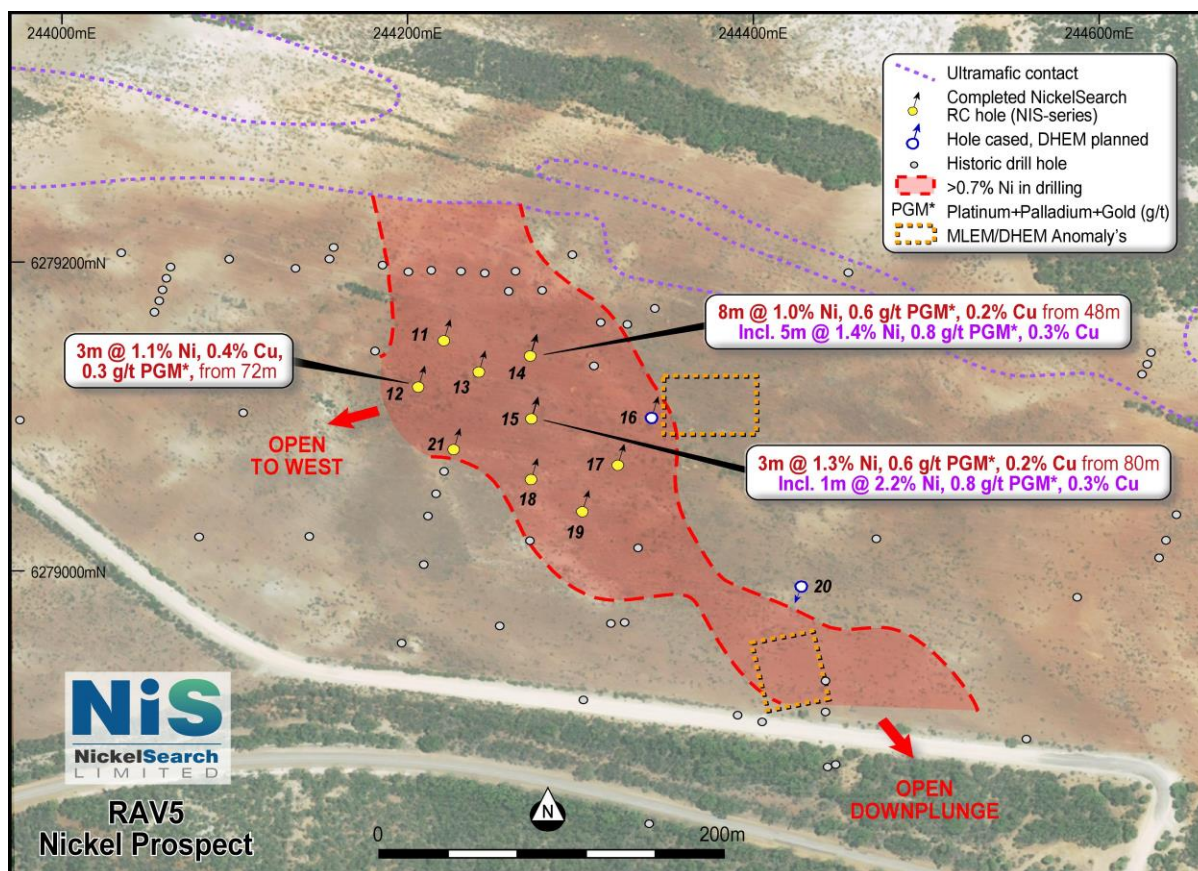


Figure 5. RAV5 showing the location of completed RC holes and highlighted nickel intersections

RAV4 West Deposit

Activity	Planned	Underway	Completed
Maiden RC Drill Program – Assay Results			✓
AC Drill Program			✓
Follow-up RC Drilling			✓
Diamond Drill Program			✓
Metallurgical Test Work		✓	
DHEM Survey	✓		

In Q4 CY2021, NickelSearch drilled 12 RC holes for a total of 827m with all assays now received. The results meet the Company's expectations of the mineralization at the deposit and work towards converting Exploration Targets to Mineral Resources. The results also confirm extensions to the massive sulphide mineralisation to the east as well as significant additional credits for copper, cobalt and PGMs (see ASX Announcement 9 February 2022). Importantly, encouraging broader **10-20m intersections of disseminated nickel sulphides that range in grade from 0.4-0.7% Ni** form in the hanging wall of narrow higher-grade nickel intersections (Figure 4). For details of all the additional intersections see Table 2.

In February 2022, the Company completed 21 AC holes for 599m and 7 RC holes for 438m in the area defined in the Exploration Target (Figure 6). This follow up drilling is now complete and assay results from both the AC and RC drilling are pending. In addition, diamond drilling at RAV4-West is now also complete, where 3 holes for 191.4m were drilled and will be subject to analysis of core, Minalyze Pty Ltd scanning, density, structural, and additional resource data prior to metallurgical sample selection.

The Company is planning to issue an update to the RAV4-West Mineral Resource statement in Q3, CY2022 once assay results have been received.

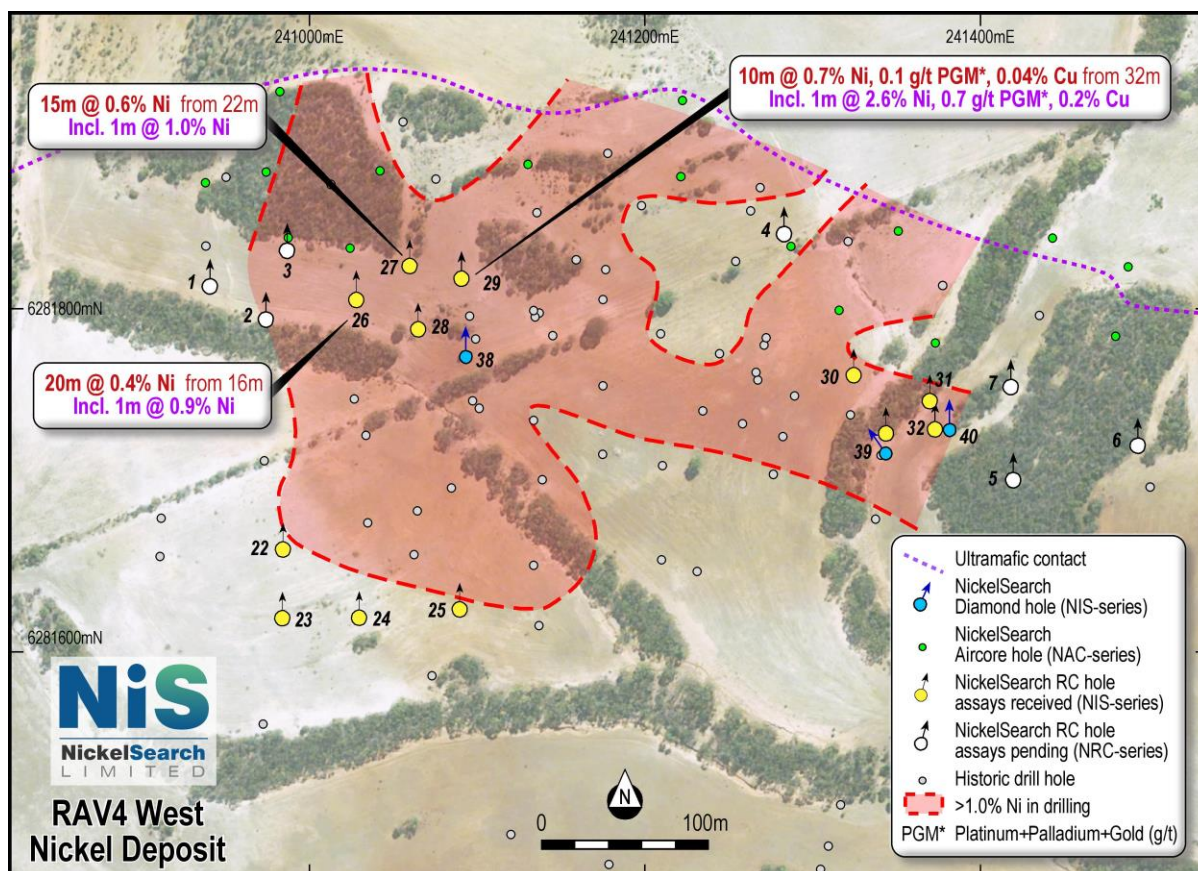


Figure 6. RAV-4 West Deposit showing the completed drill holes and highlighted assay intersections

RAV1 Deposit

Activity	Planned	Underway	Completed
AC Drilling			✓
Diamond Drill Program			✓
RC Drill Program			✓
Metallurgical Test Work		✓	

These initial drilling programs focused on filling gaps in the historical drill pattern and testing extensions to the deposit. Assay results are pending. The Company is planning to issue an update to the RAV1 Mineral Resource statement in Q3, CY2022 once these assay results have been received.

RAV4 Deposit

Activity	Planned	Underway	Completed
RC Drill Program			✓

This drilling was designed for resource definition as well as testing mineralisation at depth in two key areas. Assay results are pending. The eventual scale of this deposit is the determination of economic cut-off grade. This will be driven by nickel recovery and our current metallurgical test work programme will provide significant insight. The Company is planning to issue an update to the RAV4 Mineral Resource statement in Q3, CY2022 once these assay results have been received.

GREENFIELDS EXPLORATION

Now that the initial resource definition and metallurgical test work drilling has been completed (as outlined in the NickelSearch Prospectus dated 23 August 2021), the greenfield exploration phase is in full swing to identify a potential pipeline of future resource development opportunities beyond the resources currently held by the Company.

The following programs are underway:

1. Targeting studies involving integration of the new airborne EM data with geochemical fertility indices and high-resolution magnetic data targeting possible “main channel” mineralisation (see Figure 2). The aim is to prioritize targets more effectively for drill testing in the coming months.
2. Results of ultra-fine soil samples collected in early 2022 (see ASX Announcement 28 February 2022) are pending.
3. Permitting work is well underway at the Sexton and Serendipity prospects with follow-up field work planned for Q2 CY2022. Further drilling will commence as soon as required approvals are in place, and drill rigs have been secured.

ASX Announcements

The Company has made the following ASX announcements in the period 1 January 2022 until 31 March 2022:

10 January 2022	NIS gets a flying Start to 2022
17 January 2022	Notification of cessation of Securities – NIS
21 January 2022	Quarterly Activities Report - December 2021
21 January 2022	Quarterly Cashflow Report – December 2021
1 February 2022	Initial Directors Interest Notice – Nicole Duncan
9 February 2022	Shallow Nickel Sulphides Intersected at Carlingup Project
14 February 2022	Investor Presentation
28 February 2022	New Greenfields Targets Identified
1 March 2022	Interim Financial Report – Half Year Ended 31 December 2021
8 March 2022	Extensive Drill Programs Underway
11 March 2022	NickelSearch Hosts Love Investor Briefing
24 March 2022	Multiple High Priority Targets from Airborne EM Survey
30 March 2022	Issue of Unquoted Securities

Executive Team

Ms Nicole Duncan was appointed Managing Director on 1 February 2022 and has over 20 years of experience in mining and the oil and gas sector, starting as a lawyer and then moving into various commercial roles. Nicole brings immense experience from past senior executive and management roles at South32 Ltd (ASX: S32) and BHP Group Ltd (ASX: BHP).

Corporate

A total of 1.7 million unquoted options were issued to eligible participants pursuant to the Company’s Incentive Awards Plan (“Plan”). Key members of the NickelSearch team were issued 1.35 million options and a further 0.35 million options were issued to local landowners for providing ongoing support, access and storage for the Company’s exploration activities at the Carlingup Nickel Sulphide Project. All options issued pursuant to the Plan are exercisable at 25c with an expiry date of 18 October 2024. They are also subject to a voluntary escrow until 18 October 2023.

Cash Position

At 31 March 2022, NickelSearch held approximately \$6.175 million in cash.

The Company’s cash movements during the March 2022 quarter can be found in the attached Appendix 5B. Additional ASX Listing Rule disclosure matters are also detailed in Appendix 1 attached.

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This announcement is authorised for release by the Board of NickelSearch Limited.

For further information, please visit the Company's website www.nickelsearch.com

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Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is the Senior Technical Advisor (Exploration) for NickelSearch Limited and a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr Horn holds an interest in the Company's securities.

Disclaimer

References in this announcement may have been made to certain ASX announcements, including exploration results, Mineral Resources and Ore Reserves. For full details, refer to said announcement on said date, together with the Company's prospectus dated 23 August 2021. The Company is not aware of any new information or data, as at the date of this announcement, that materially affects this information. Other than as specified herein and any other announcement referred to, the Company confirms it is not aware of any new information or data that materially affects the information include in the original market announcement(s), and in the case of estimates of Mineral Resources and Ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcement.

APPENDIX 1 – ADDITIONAL ASX LISTING RULE DISCLOSURES

Compliance

For the purpose of:

- **ASX Listing Rule 5.3.1**, the Company advises that payments for exploration, evaluation and development during the quarter totalled approximately \$936,000. Material developments, changes in exploration activities and details of exploration activities undertaken during the quarter are described in the attached quarterly activities report and appendices.
- **ASX Listing Rule 5.3.2**, the Company confirms there were no mining production and development activities undertaken during the current quarter.
- **ASX Listing Rule 5.3.5**, the Company confirms payment to Directors of NickelSearch during the quarter totalled approximately \$133,000. The payments were in respect of Directors salaries, fees and superannuation.
- **ASX Listing Rule 5.3.4**, the Company provides its actual expenditure on the individual items in the 2 year "Use of Funds" statement in the IPO Prospectus (dated 23 August 2021) (the **Prospectus**) since the date of its admission to the ASX's Official List (being 18 October 2021) against the estimated expenditure on those items and an explanation of any material differences.

Use of Funds	Prospectus estimate (2 years) (i)	Actual use from 18 October 2021 to Quarter end	Variance (ii)
	\$ million	\$ million	\$ million
Nickel Sulphide Exploration	1.88	1.19	0.69
Nickel Sulphide Drilling	4.14	1.02	3.12
Technical & Metallurgical Studies	1.31	0.05	1.26
Transaction Costs	0.21	0.05	0.16
Expenses of Offers and Listing Costs	1.08	1.24	(0.16)
Working Capital	2.18	0.56	1.62
TOTAL	10.80	4.11	6.69

Notes:

- (i) Use of Funds table as detailed in the Prospectus, based on the maximum subscription of \$10 million having been successfully raised pursuant to the IPO.
- (ii) Explanation of Material Variances:
- The Use of Funds detailed in the Prospectus provided estimated expenditure for items in the above table, over the next two-year period (ie a total 24 months). NickelSearch was admitted to the ASX Official List on 18 October 2021. The actual expenditure for the period 18 October 2021 to 31 March 2022 represents 5.6 months post listing. The Company is still in a relatively early stage of its exploration, evaluation and development program of its current 15 mining and exploration licences. This accounts for much of the variance as noted in the table above.
 - Exploration requires a methodical, detailed and consistent approach. Programmes and plans are subject to continuous refinement and therefore change (which can be material at times) as a result of new data and information derived from the Company's most recent exploration activities. Some of the planned exploration work has been accelerated, other proposed work has been deferred as a result of both new information and the availability of drilling rigs and other resources. The exploration and drilling programme as outlined in the Prospectus has been underway since listing date and has now completed various soil geochemical, EM, FLEM DHEM and other techniques including aircore, reverse circulation and diamond drilling campaigns, as outlined in this report and other ASX announcements during the current quarter. A detailed strategy and comprehensive exploration programme has been developed and will be progressively undertaken over the next 18 months.
 - Metallurgical studies including bio-leach and other metallurgical test work have now been initiated after securing fresh core samples from recent drilling program.
 - Transaction costs only include fees paid to the Lead Manager for the pre-IPO seed capital raising and does not include the estimated allowance for stamp duty payable on the transfer of acquisition tenements and land acquired pursuant to the transaction with Medallion Metals Limited (MM8) (see notes to the Tenement Summary Schedule for more details on this transaction). The stamp duty assessment has yet to be invoiced and paid.
 - Included in the "Expenses of Offers and Listing Costs" line item are costs incurred and paid prior to the date of admission to the Official List (being 18 October 2021). These were necessarily incurred to facilitate the preparation of the Prospectus, the due diligence process and ASX quotation – including but not limited to, audit, legal and consulting fees, as well the prepayment of ASX Listing fees.
 - The working capital variance results from the undrawn allowance for corporate operating costs and includes items such as: wages, office rent, consultant fees, audit and accounting fees, investor relations and marketing fees, amongst other administrative costs and other corporate overheads.

Tenement Summary

The following information is provided pursuant to **ASX Listing Rule 5.3.3** for the quarter.

Tenement	Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of the Quarter
RAV1, RAV4, RAV4 West (i)				
M74/82	Western Australia	Granted	100%	100%
M74/84	Western Australia	Granted	100%	100%
M74/106	Western Australia	Granted	100%	100%
RAV8 (i)				
M74/13	Western Australia	Granted	100%	100%
John Ellis (ii)				
M74/107	Western Australia	Granted	100%	100%
M74/85	Western Australia	Granted	100%	100%
M74/104	Western Australia	Granted	100%	100%
Other (i)				
E74/657	Western Australia	Granted	100%	100%
E74/675	Western Australia	Granted	100%	100%
E74/685	Western Australia	Granted	100%	100%
Mineral Rights Tenements (iii)				
M74/83	Western Australia	Granted	See note(iii) below	0%
E74/602	Western Australia	Granted	See note(iii) below	0%
E74/638	Western Australia	Granted	See note(iii) below	0%
E74/656	Western Australia	Granted	See note(iii) below	0%
E74/683	Western Australia	Granted	See note(iii) below	0%

Notes to Tenement Summary Schedule

- (i) RAV1, RAV4, RAV4 West, RAV8 and Other tenements are all held by the Company's wholly owned subsidiary – AML (Ravensthorpe) Pty Ltd. The Mineral Rights (see note (iii) below) are also being exercised by AML (Ravensthorpe) Pty Ltd.
- (ii) The John Ellis tenement package is all held by the Company's wholly owned subsidiary – Phanerozoic Energy Pty Ltd.
- (iii) The Company (via its wholly owned subsidiary, AML (Ravensthorpe) Pty Ltd) secured an exclusive sub licence from MM8 to explore for and mine nickel, cobalt and platinum element group metals (being platinum, palladium, ruthenium, rhodium, osmium, and iridium) on all these tenements pursuant to a Mineral Rights Deed. Details of the Mineral Rights Deed are disclosed in the Prospectus.
- (iv) The Company did not enter into any farm-in or farm-out agreements during the quarter.
- (v) The Company did not dispose of any tenements during the quarter.

- (vi) The Company acquired the following tenements during the quarter: M74/13 (RAV8) and E74/657 pursuant to the transaction with MM8, as detailed in the Prospectus.

END

About NickelSearch

NickelSearch Limited (ASX code: NIS) is a dedicated Western Australian nickel sulphide explorer focused on advancing it's flagship Carlingup Nickel Project.

The asset has an existing resource base of 171kt of contained nickel.

Directors & Management

David Royle

Non Executive Chairman

Nicole Duncan

Managing Director

Norman Taylor

Non-Executive Director

Paul Bennett

Non-Executive Director

Donald James

Non-Executive Director

NickelSearch

ACN 110 599 650

Projects

CARLINGUP NICKEL PROJECT
(100%)

Shares on Issue

104,064,018

Options

8,700,000

ASX Code

NIS