

5 April 2023

Commencement of Drilling Programs at Mt Kilkenny

Highlights

- Aircore and diamond drilling commencing this month to support the completion of the Definitive Feasibility Study and development of the NiWest Nickel-Cobalt Project
- Infill aircore drill program at the Mt Kilkenny deposit to underpin a further increase in Ore Reserves
- The aircore rig will then complete a sterilisation program in areas where major process and non-process infrastructure will be located
- Diamond core geotechnical drilling program also planned for the mining and processing areas

Alliance Nickel Limited (“**Alliance**” or the “**Company**”) (ASX:AXN) advises that an aircore and diamond core drilling program at the NiWest Nickel Cobalt Project in Western Australia (“**NiWest**” or the “**Project**”) will commence this month. The drilling will support key workstreams being completed as part of the NiWest Definitive Feasibility Study (“**DFS**”) and final engineering design works which are targeted for completion in the December quarter 2023.

A six-week aircore drill program commencing in mid-April will initially focus on the Mt Kilkenny deposit. Mt Kilkenny will be the first deposit mined at NiWest and the drilling aims to upgrade an inferred portion of the current resource to support future reserve conversion. This will deliver increased geological confidence in the early stage of the NiWest mine plan. An updated Mineral Resource estimate and Ore Reserve statement will be finalised in the second half of 2023.

Following the Mt Kilkenny program, the aircore rig will complete a sterilisation program at the proposed sites for the construction of key process and non-process infrastructure.

A geotechnical diamond drill program will also commence later this month in parallel with the aircore drilling. Diamond holes will be completed in the Mt Kilkenny mine pit site as well as on the proposed sites for the heap leach pads and battery sulphate refinery.

Samples for all drilling programs will be transported to Perth, where relevant material characterisation testwork will be undertaken.

Detailed metallurgical testwork to finalise leaching characteristics is currently being undertaken on ore samples generated during the previous sonic drilling program, completed in the December quarter 2022. This testwork program is advancing well with preliminary results expected in June 2023.

The NiWest processing flowsheet involves two-stage crushing followed by commercially proven, lower-risk, lower-capital intensity heap leaching, coupled with highly efficient direct solvent extraction. This process route has been tested by Alliance over many years with extensive metallurgical testwork and pilot processing which has successfully produced battery grade nickel (Class 1) and cobalt sulphate products from NiWest ore. The unique metallurgical

characteristics of the NiWest ore makes it amenable to heap leaching and thus avoids the elevated technical risks and capital costs associated with the use of High Pressure Acid Leaching (“HPAL”).

The outcomes of these work programs will be incorporated into the NiWest DFS which is on track for completion in the December quarter 2023. The DFS is being managed by Alliance Nickel and engineering partner Ausenco, both with significant experience in nickel laterite project development and direct involvement in the operation of a nickel laterite heap leach project.

A Pre-Feasibility Study (“PFS”) and updated PFS have been completed for NiWest (refer to ASX announcement dated 21 July 2022) which confirmed the technical and financial merits of the development of a stand-alone processing facility to treat the NiWest deposits.

Commenting on NiWest DFS and upcoming drilling, Alliance Managing Director and CEO, Mr. Paul Kopejtka said:

“The NiWest Project team has built significant momentum as we complete the detailed technical workstreams required to underpin an investment decision. We are on track to complete these programs this year and deliver a robust DFS. NiWest has huge potential to be an important supplier of premium battery-grade nickel and cobalt sulphate to the global battery markets. We are committed to delivering a world-class project which benefits our local stakeholders, partners and Alliance shareholders.”

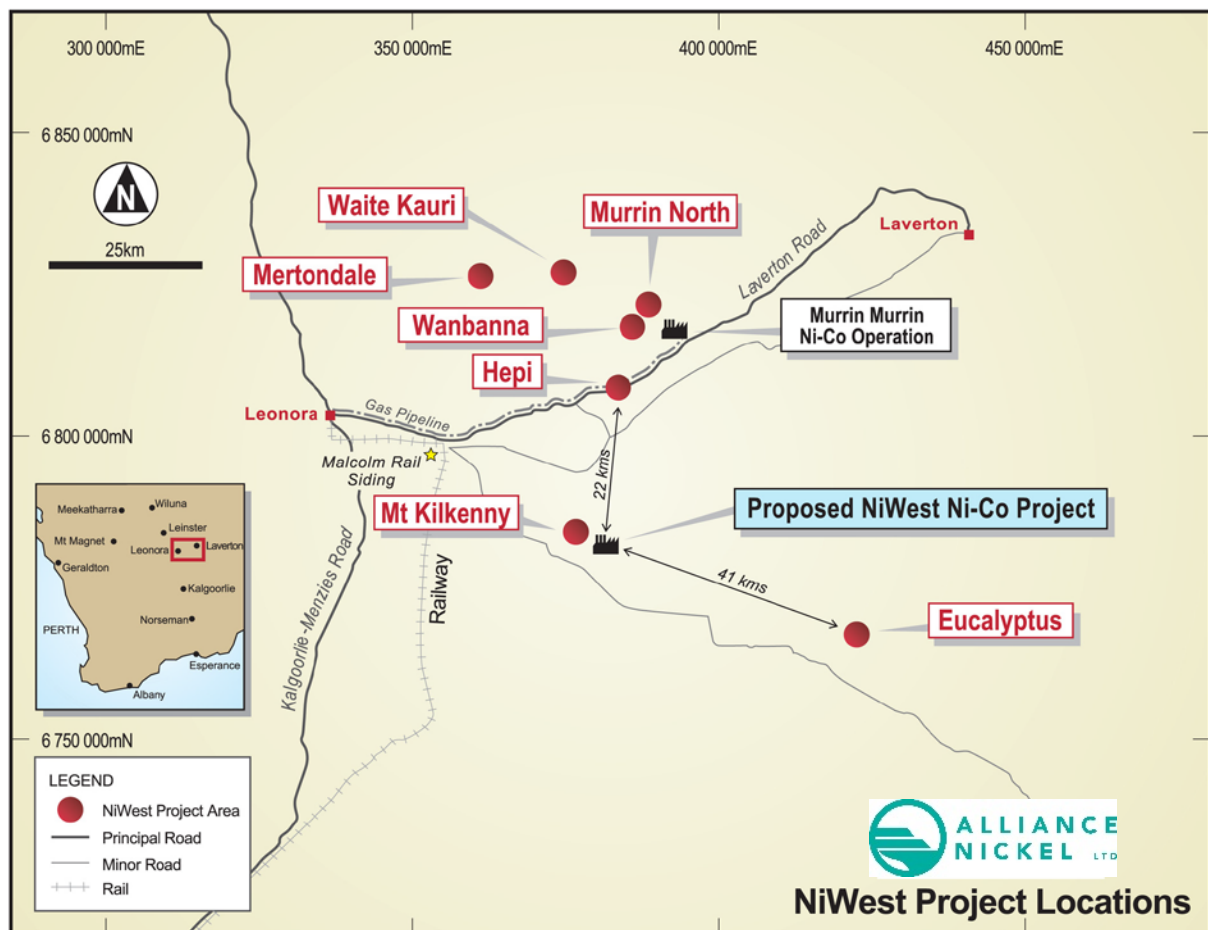


Figure 1: NiWest Project location showing individual deposits and proximity to existing infrastructure

This announcement was authorised for release by the Board of Alliance Nickel Limited.

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About Alliance Nickel Limited

Alliance Nickel Limited is an ASX-listed nickel and Critical Minerals development company with its principal asset being its flagship 100% owned NiWest Nickel Cobalt Project containing one of the highest-grade undeveloped nickel laterite resources in Australia. The Project has access to existing primary mining infrastructure such as an established network of roads, a railway and gas pipeline and is strategically situated adjacent to Glencore's Murrin Murrin Operations. The Company has completed a Pre-Feasibility Study which has confirmed the technical and economic viability of a heap leach and direct solvent extraction operation where it aims to manufacture low-cost, high-quality Class 1 nickel and cobalt sulphate for battery manufacturers and automakers in the Electric Vehicle (EV) sector.

More information is available on the Alliance website at www.alliancenicel.au

COMPETENT PERSON STATEMENT

Where Alliance refers to the NiWest Mineral Resource Estimate and the NiWest Ore Reserve Estimate, as disclosed in an ASX market release on 2 August 2018 and titled "Pre-Feasibility Study Delivers Outstanding Results" and updated pursuant to an ASX market release on 21 July 2022 and entitled "Updated PFS Outcomes for NiWest Nickel-Cobalt Project", it confirms that it is not aware of any new information or data that materially affects the information included in the relevant market releases and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market release continue to apply and have not materially changed.

Forward Looking Statement

This announcement contains statements related to our future business and financial performance and future events or developments involving Alliance Nickel Limited (Alliance) that may constitute forward-looking statements. These statements may be identified by words such as "potential", "exploitable", "proposed open pit", "evaluation", "expect," "future," "further," "operation," "development," "plan," "permitting", "approvals", "processing agreement" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Alliance management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Alliance's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Alliance to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.