

30 May 2023

NiWest Nickel-Cobalt Project Update

Highlights

- As part of the offtake customer qualification process, six tonnes of NiWest ore shipped to SGS in Canada for pilot plant processing into premium battery grade product
- Contractor pricing for determining DFS mining costs progressing well and follows recent site visits by shortlisted mining contractors
- Discussions advancing with rail logistics providers Qube and Aurizon, for the import and transport of sulphur through the Port of Esperance
- DFS work programs progressing to plan and budget with study manager Ausenco expected to deliver DFS in Q4 2023
- Geotechnical assessment drilling completed for the Mt Kilkenny mine pit as well as planned infrastructure construction sites around the refinery, heap leach pads and evaporation ponds
- Infill drilling at Mt Kilkenny completed with results being used to define final mine pit designs as well as adding additional Ore Reserve tonnage
- Calcrete drilling completed at Sturt Meadows and will result in an update to previous calcrete JORC Resource

Emerging battery chemical producer, Alliance Nickel Limited (**Alliance** or the **Company**) (ASX: AXN) is pleased to provide an update on major workstreams for the NiWest Nickel-Cobalt Project (**NiWest** or the **Project**) including continued advancement of the Definitive Feasibility Study (**DFS**) which is on schedule for completion in Q4 2023.

Customer Sample Program

A shipment of 6 tonnes of NiWest ore has been sent to the SGS Canada (Lakefield) laboratory facility for pilot scale processing using the proposed NiWest flowsheet. The pilot program is expected to produce a bulk sample of premium battery-grade nickel sulphate, which will be provided to offtake partner Stellantis N.V. as part of the product qualification program. Furthermore, the Company is in discussions with several other leading Tier 1 global automakers / equity investors in regards product offtake with further announcements anticipated in the second half of 2023.



Figure 1: Crushed and blended ore from the NiWest Project prior to leaching and refining

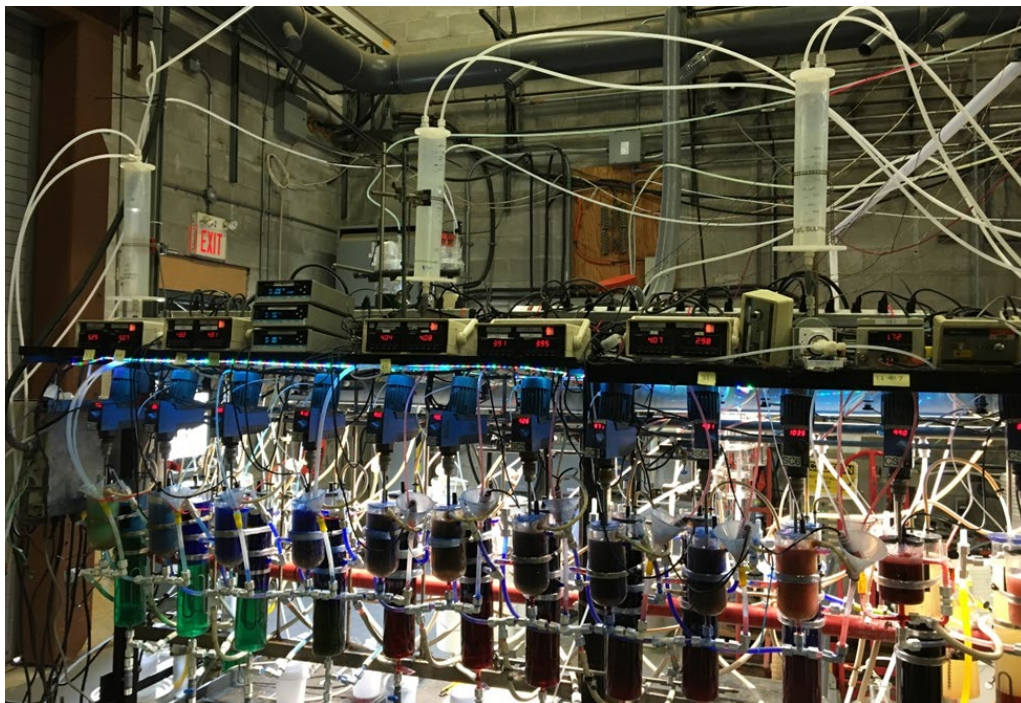


Figure 2: Solvent Extraction (DSX) pilot plant, SGS Canada Inc., Lakefield Laboratory

NiWest Definitive Feasibility Update

Key DFS workstreams are progressing on schedule with the current focus on the finalisation of optimisation studies, process flow sheets, mass balances and preliminary engineering designs. Cost estimates are well advanced with pricing for most major equipment packages having been received.

There has been a strong response from the market with eight contractor groups having engaged in the Request for Quotation (RFQ) process for contract mining at NiWest. All groups have recently visited the proposed Mt Kilkenny mine and infrastructure sites, as well as the Hepi and Wanbanna tenements. RFQ bids are expected in Q3 2023 and will be incorporated into the DFS.

An international budget pricing exercise for the supply of the acid plant is well advanced. The acid plant will provide a reliable on-site supply of acid for the heap leach process and is a key capital item. Quotations are expected by the end of June 2023.

Discussions with logistics providers Qube and Aurizon are progressing well in relation to the transport of sulphur and other key process reagents from the Port of Esperance via rail to the Project site, and for transport of battery grade nickel and cobalt products to the Fremantle port for export to overseas customers. In addition, discussions are underway with several global suppliers of sulphur.

A revised mine plan design is underway incorporating results from recent geotechnical drilling for pit design and geometallurgical ore characterisation testing to further understand the nickel recovery and acid digestion characteristics of the Mt Kilkenny orebody. In addition to the Mt Kilkenny, Eucalyptus and Hepi deposits, which were included in the Pre-Feasibility Study (see ASX announcements dated 2 August 2018 and 21 July 2022) mine plan, the Wanbanna deposit will now also be incorporated into the final DFS mine plan which may provide an opportunity to extend the mine life beyond 25 years.

Corporate

The Company recently appointed Blackbird Commodity Partners (**Blackbird**) as financial advisor to support Alliance's project financing strategy. Blackbird is a specialised natural resources financial advisor with an extensive track record advising companies on financing strategies for mining and resources projects. Blackbird has offices in Perth, Sydney, and London. Debt financing alternatives are being evaluated and advanced in parallel with the DFS. The Company is targeting completion of the project financing process in first half of 2024.

Commenting on the customer pre-qualification and DFS advancement, Alliance Managing Director and CEO, Paul Kopejtko said:

"This continues to be an exciting time for the Company with positive progress being made on all fronts. The collection, crushing, blending and transport of a bulk ore sample from site to Canada for processing and customer qualification is an important step in our offtake strategy. We are particularly eager to provide our strategic partners with premium battery-grade product samples to further embed our position as supplier of choice of battery grade chemicals.

"The Definitive Feasibility Study and detailed engineering is proceeding according to plan. In conjunction with our study partners, potential service providers and suppliers, we have assembled an excellent team which is well equipped to deliver on this important milestone in

the fourth quarter of this year. We are developing a Project that will contribute significantly to sustainable low carbon transportation and we look forward to providing further updates in the coming months.”

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.