

ASX:AXN



JUNE 2024

QUARTERLY ACTIVITIES REPORT

29 July 2024

QUARTER HIGHLIGHTS

DEVELOPMENT

- NiWest Project Definitive Feasibility Study well advanced, expected to be finalised H2 2024
- The Environmental Protection Agency has determined that the Mt Kilkenny project will be assessed based on Referral Information, the lowest level of assessment

COMMERCIAL

- NiWest Project awarded Major Project Status by the Australian Federal Government which recognises projects of national economic significance
- Strategic partnerships with global automaker Stellantis and leading battery manufacturer Samsung SDI validates the strategic importance of the NiWest Project
- Briefing meeting held with the Mineral Securities Partnership working group, comprising 14 countries and the European Union
- Post-quarter end, long-term supportive shareholder Zeta Resources provided a \$4 million unsecured loan facility on competitive terms to complete the NiWest Project Definitive Feasibility Study

HEALTH, SAFETY & ESG

- All NiWest activities recorded an incident free period

ABOUT ALLIANCE NICKEL LTD

- Alliance is targeting production of premium high purity, IRA compliant nickel and cobalt sulphate, both direct ship precursor products for battery cathode manufacturers.
- NiWest Project located adjacent to Glencore's Murrin Murrin operations and contains one of the highest-grade undeveloped nickel laterite resources in Australia.
- Globally significant resource, 93.4 million tonnes at 1.04% for 971,000 tonnes contained nickel (see Appendix 1).
- NiWest awarded Major Project Status in May 2024.
- Project will utilise simple mining techniques and heap leaching technology, which when compared to alternative High Pressure Acid Leach (HPAL) results in a simpler and safer mining operation with significantly lower capital cost.
- In 2023, Alliance announced a strategic partnership with Stellantis N.V., the fourth largest global car automaker, comprising an equity investment and offtake agreement for approximately 40% of future production.
- In 2024, the Company announced a non-binding term sheet with Samsung SDI for future offtake and a potential equity interest in the NiWest Project.

CORPORATE SNAPSHOT

Shares on issue	725.84M
Share price	\$0.038
Market capitalisation	27.58M
Cash	\$1.41 million
Unused Loan Facility*	\$4.00 million

30 JUNE 2024

DIRECTORS

Peter Sullivan	Non-Executive Chairman
Paul Kopejtka	CEO/Managing Director
Klervi Ménahèze	Non-Executive Director
James Sullivan	Non-Executive Director

*Unsecured undrawn loan facility at 26 July 2024 (see ASX announcement dated 23 July 2024)

Emerging battery metals producer, Alliance Nickel Limited (**Alliance** or the **Company**) (ASX:AXN) is pleased to provide an update on its activities completed during the June 2024 quarter.

DEVELOPMENT – NIWEST NICKEL-COBALT PROJECT

NiWest Definitive Feasibility Study well advanced

The Definitive Feasibility Study (DFS) for the NiWest Nickel-Cobalt Project (NiWest) is approximately 80% complete and is expected to be released in H2 2024.

The Company has a strong focus on reducing its carbon footprint and is pleased to report optimisation engineering works across its capital and operating costs relating to NiWest are nearing completion.

NiWest, which is situated adjacent to Glencore's Murrin Murrin Operations in the north-eastern Goldfields of WA, is one of the highest-grade undeveloped nickel laterite projects in Australia.

Future production expansion is being considered that may double annual nickel production to 40,000 tonnes per annum.

Mine planning

Detailed mine planning for the DFS has progressed. Whittle optimisations have been completed for the Mt Kilkenny orebody and the remainder of the deposits (**Hepi, Wanbanna and Eucalyptus**) in the life of mine schedule.

The Company expects to release an Ore Reserve Statement alongside the DFS.

Metallurgy and engineering

Last quarter the Company completed extensive metallurgical testwork at the IMO laboratory in Perth.

This primarily involved column leaching testwork of representative life of mine ore samples from the Mt Kilkenny orebody to validate critical heap leach characteristics of acid consumption, nickel and cobalt recovery and leaching timeframes.

The positive results allowed for the use of higher heap heights, contributing to a reduced capex footprint, shorter leach times and increased nickel recovery. The results have also enabled key process design data to be established and optimised for acid consumption, water balance and nickel/cobalt recoveries.

During the quarter, process modelling was completed to finalise the leaching processes around various stages of the heap leach facility. This modelling uses a state-of-the-art chemistry data suite to determine optimised conditions at each key node in the process flow sheet. This work has also resulted in a smaller downstream process circuit for the same annual nickel / cobalt tonnage output leading to lower capital requirements overall for the nickel / cobalt refinery.

Laboratory testwork was also carried out in the quarter to validate results of modelling and confirm optimised operating points for development of process design criteria.

Post-quarter end, a final closed circuit column pilot test program was established at the IMO laboratory to replicate the leach facility.

Customer qualification sample

The first phase (leaching) of the pilot product qualification program at the SGS Lakefield laboratory in Canada was successfully completed.

The Pregnant Liquor Solution obtained from this process will be advanced to the next stages of neutralisation, solvent extraction and refining.

The Company expects to be able to deliver the premium battery-grade nickel sulphate samples produced by SGS Lakefield to strategic partners, including Stellantis, in H1 2025.

Major equipment packages

During the quarter Alliance continued to engage with global acid plant vendors, including top-tier suppliers in North America and China.

With the DFS nearing completion, previously approved vendors have been given the opportunity to update indicative pricing.

All other major equipment packages such as crushing, and equipment associated with the refinery are also being updated to reflect current market conditions.

Sulphur supply and logistics

Alliance has selected Esperance Port (part of 'Southern Ports', a WA government owned enterprise), located approximately 600km from Leonora, as its preferred import port for sulphur.

Alliance and Southern Ports continue to evaluate ways to streamline sulphur imports through Esperance.

Meanwhile, positive discussions with major rail freight operators for the import and export of process reagents and final nickel and cobalt products has resulted in a number of competitively priced logistics options being considered.

Hydrogeology

The Company has undertaken extensive water quality investigations in areas surrounding Mt Kilkenny to supplement existing available groundwater resources.

A Time Based Electromagnetic (TEM) Survey was completed by New Resolution Geophysics (NRG) across groundwater targets around the township of Sandstone and to the northeast of Laverton.

TEM survey results have been assessed and indicate positive quality and volume results for the project's water supply at the locations selected for the borefields.

Applications for miscellaneous licences have been submitted. Separately, the borefield tenure application has now been granted, which defines the major water supply for the Mt Kilkenny project.

The pipeline corridor tenure application is progressing, and the Company will provide an update in due course.

Calcrete

Alliance continues to assess alternative lower cost options for calcrete supply whilst focusing on its tenement on the Sturt Meadows station, north-west of the NiWest project area, which contains sufficient resources of quality calcrete to meet the life of mine demands of the project (Fig. 1).

Drilling of nearby calcrete deposits is proposed in the current quarter, with targets identified and access approvals granted.



Figure 1: Calcrete pit on the Sturt Meadows tenement, used historically by the pastoralist for the sheeting of roads on the station

COMMERCIAL AND CORPORATE

Major Project Status

During the quarter, the Company announced that the Australian Federal Government had granted NiWest Major Project Status (MPS) ([refer ASX announcement 9 May 2024](#)).

MPS is awarded to Australian companies and projects identified to be strategically significant, and that have the potential to contribute considerably to the nation's economic growth and employment opportunities.

Through the Major Projects Facilitation Agency, Alliance will receive additional support in navigating and coordinating complex Federal and State regulatory approvals for a period of three years.

NiWest is the first Australian nickel project granted MPS since nickel was added to the Critical Minerals List by the Federal Resources Minister Madeleine King in February 2024. It is expected NiWest will create 600 jobs during construction and 300 jobs during operation.

MPS classification will support the rapid advancement of NiWest and comes at an important time for the Company as long term global demand for IRA compliant battery-grade nickel and cobalt grows.

Strategic partner process

The Company's strategy of aligning offtake agreements and project funding continues to progress positively.

In February, the Company signed a non-binding offtake term sheet with Samsung SDI, a leading Tier 1 global manufacturer of lithium-ion batteries ([refer ASX announcement 8 February 2024](#)).

Importantly, Samsung SDI and Stellantis N.V., Alliance's cornerstone investor, have formed a joint venture, Starplus Energy, to build electric vehicle battery plants in the United States to support Stellantis' North American electrification strategy (<https://starplusenergyus.com/>).

Alliance continues to assess additional strategic partner opportunities with Tier 1 automakers and battery manufacturers, with positive discussions taking place during the quarter.

These engagements solidify the Company's global profile as an emerging supplier of battery grade nickel and cobalt sulphate, further strengthening Alliance's commercialisation opportunities in the near term.

Unsecured loan facility

Post-quarter end, long-term major shareholder Zeta Resources Limited (**Zeta Resources**) (ASX:ZER) provided the Company an unsecured A\$4 million loan facility to complete the NiWest DFS and final metallurgical testwork.

The loan will also provide additional working capital while positive offtake and investment discussions continue with a potential strategic partner ([refer ASX announcement 23 July 2024](#)).

Key terms of the unsecured loan facility are an interest rate of 10% per annum and a maturity date of 28 October 2024 (or such other date as agreed in writing).

Subject to shareholder approval, the Company will issue Zeta Resources 22,222,222 unquoted options exercisable at \$0.18 each, a significant premium to the Company's 30-day VWAP of \$0.038.

At 26 July 2024, the loan was fully drawn but unused.

Nickel and cobalt market commentary

BHP's announcement of its intention to suspend Nickel West operations and its West Musgrave project from October 2024 came as a blow to many working in the mining and processing sectors of the nickel industry.

While the temporary suspension will impact existing producers that use Nickel West's refining services, planned re-start is slated for February 2027 around a similar time Alliance plans to be reaching first production at NiWest.

Positively, nearby Glencore has continued to push its operations at Murrin Murrin, only 40km from the NiWest Project, where it conducts its own beneficiation, processing and refining into Class 1 nickel.

During the quarter the LME nickel price rallied as high as US\$21,750/tonne due to civil unrest in nickel-producing New Caledonia and has since hovered around the US \$16,000/tonne mark.

The London Metals Exchange (LME) price curve shows a forecast gradual increase to the \$US/tonne price for three-month nickel contracts up to US\$16,500 to January 2025.

Medium to longer-term forecasts are significantly more buoyant, particularly as supply chains look towards IRA compliant metals to capitalise on subsidies offered by the US Government.

The Company believes the underlying fundamentals for robust growth in nickel demand long-term remain intact, supported by increasing demand from the electric vehicle and energy storage market.

Demand generally for increasing volumes of premium Class 1 nickel metal sourced from ESG-focused producers and downstream processors is anticipated to increase favourably for companies like Alliance.

Meanwhile, cobalt price lows are anticipated to remain short-term, however by 2030 the overall cobalt market is set to increase 95% thanks mainly to battery applications. Demand is forecast to outstrip supply creating a material deficit likely to hit in the late 2020s (source: Cobalt Institute: Cobalt Market Report 2023)

Production coming online from Australia and other parts of the world is set to reduce the Democratic Republic of Congo's market share and diversify global supply.

Expenditure this quarter

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company spent \$1.47 million on development and evaluation activities during the quarter.

There was no mining development or production activities conducted during the quarter.

Expenditure predominantly related to:

- Advancing the DFS;
- Regulatory rents, rates and associated tenement administration holding costs.

In addition, during the current quarter the Company made payments to related parties of \$101,000 that primarily comprised directors' remuneration.

Health, Safety & ESG

Health and safety

The NiWest Project continues to be incident free over the development phase.

Environmental approvals

The Environmental Protection Agency (EPA) has assessed the Company's submission lodged in September 2023 and determined the Mt Kilkenny project will be assessed based on Referral Information (with additional information required under s. 40(2(a)) with four (4) weeks public review (s.40 (5)).

This is positive news for the project and supports the assessment that no significant environmental issues exist for the project at the Mt Kilkenny site, where the first 12 years of mining operations will occur.

Traditional owner engagement and heritage work

The Company acknowledges the Nyalpa Pirniku Traditional Owners as the custodians of the land we work on and respect their continuing connection to culture and country. Alliance congratulates the Nyalpa Pirniku in their successful Native Title Consent Determination.

-END-

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

29 July 2024

For further information please contact

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COMPETENT PERSONS STATEMENT

NiWest Project

Where Alliance refers to the NiWest Mineral Resource Estimate for Mt Kilkenny, Hepi, Eucalyptus and Wanbanna, as disclosed in an ASX market release on 14 November 2023 and titled “NiWest Nickel-Cobalt Project Mineral Resource Estimate Upgrade”, 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, that all material assumptions and technical parameters underpinning the estimates in the relevant market release continue to apply and have not materially changed.

Where Alliance refers to the NiWest Mineral Resource Estimate for Mertondale, Waite Kauri, Murrin North 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.

Appendix 1: NiWest Mineral Resources Statement

The Company's Mineral Resource Statement (Table 1 and Table 2) has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

Table 1: Mineral Resource Estimate for NiWest Project at 0.8% Ni Cut-off Grade^{1,2}

Resource Category	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Ni Metal (kt)	Co Metal (kt)
Eucalyptus¹	41.68	1.01	0.061	420	25.3
Measured	-	-	-	-	-
Indicated	26.95	1.04	0.064	280	17.2
Inferred	14.73	0.95	0.055	139	8.1
Mt Kilkenny¹	28.07	1.09	0.082	307	23.0
Measured	10.60	1.08	0.070	115	7.4
Indicated	16.58	1.11	0.090	184	14.9
Inferred	0.89	0.91	0.076	8	0.7
Wanbanna¹	10.96	1.07	0.069	117	7.5
Measured	-	-	-	-	-
Indicated	10.75	1.07	0.069	115	7.4
Inferred	0.22	1.19	0.062	3	0.1
Hepi¹	5.33	1.06	0.086	57	4.6
Measured	2.32	1.18	0.079	27	1.8
Indicated	1.41	1.00	0.082	14	1.2
Inferred	1.60	0.94	0.099	15	1.6
Waite Kauri²	1.83	0.98	0.054	18	1.0
Measured	1.46	1.01	0.062	15	0.9
Indicated	0.34	0.91	0.025	3	0.1
Inferred	0.02	0.09	0.015	-	-
Mertondale²	1.87	0.98	0.070	18	1.3
Measured	-	-	-	-	-
Indicated	1.87	0.98	0.070	18	1.3
Inferred	-	-	-	-	-
Murrin North²	3.65	0.97	0.062	35	2.3
Measured	3.38	0.98	0.062	33	2.1
Indicated	0.14	0.88	0.051	1	0.1
Inferred	0.13	0.86	0.083	1	0.1
Total	93.40	1.04	0.069	971	65.2
Measured	17.77	1.07	0.069	190	12.2
Indicated	58.04	1.06	0.073	615	42.4
Inferred	17.59	0.94	0.060	166	10.6

Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage.

Table 2: Mineral Resource Estimate for NiWest Project at 1.0% Ni Cut-off Grade^{1,2}

Resource Category	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Ni Metal (kt)	Co Metal (kt)
Eucalyptus¹	17.63	1.15	0.072	202	12.6
Measured	-	-	-	-	-
Indicated	14.13	1.16	0.074	164	10.4
Inferred	3.50	1.08	0.062	38	2.2
Mt Kilkenny¹	16.76	1.22	0.096	205	16.1
Measured	6.21	1.21	0.079	75	4.9
Indicated	10.41	1.23	0.107	128	11.1
Inferred	0.14	1.08	0.065	2	0.1
Wanbanna¹	6.62	1.18	0.080	78	5.3
Measured	-	-	-	-	-
Indicated	6.44	1.18	0.080	76	5.2
Inferred	0.18	1.26	0.067	2	0.1
Hepi¹	2.68	1.23	0.098	33	2.6
Measured	1.58	1.31	0.087	21	1.4
Indicated	0.64	1.11	0.101	7	0.6
Inferred	0.46	1.10	0.133	5	0.6
Waite Kauri²	0.58	1.23	0.079	7	0.5
Measured	0.52	1.25	0.087	6	0.5
Indicated	0.06	1.08	0.015	1	0.0
Inferred	0.00	1.07	0.000	0	0.0
Mertondale²	0.70	1.14	0.070	8	0.5
Measured	-	-	-	-	-
Indicated	0.69	1.14	0.070	8	0.5
Inferred	-	-	-	-	-
Murrin North²	1.25	1.14	0.070	14	0.9
Measured	1.24	1.14	0.070	14	0.9
Indicated	0.01	1.04	0.070	0	0.0
Inferred	-	-	-	-	-
Total	46.20	1.18	0.083	547	38.5
Measured	9.54	1.22	0.080	116	7.6
Indicated	32.38	1.19	0.086	384	27.9
Inferred	4.28	1.09	0.070	47	3.0

Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage.

1. See ASX announcement 14 November 2023

2. See ASX announcement 21 February 2017

Appendix 2: Tenement Summary

1. Listing of tenements held in Australia at 30 June 2024

Project	Tenements	Tenement Interest
Abednego West	P39/5927	NiWest 100%
Eucalyptus	M39/0744 M39/0289, M39/0313, M39/0344 M39/0430, M39/0568, M39/0666 M39/0674, M39/0802, M39/0803 P39/5962 G39/0016 E39/2428 (Application)	NiWest Ni Co Rights 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 0%
Hepi	M39/0717, M39/0718, M39/0819 M39/1130	NiWest 100% NiWest 100%
Malcolm	E37/1494	NiWest 100%
Mertondale	M37/0591	NiWest 100%
Mt Kilkenny	E39/1784, M39/0878, M39/0879 P39/6225 G39/0017	NiWest 100% NiWest 100% NiWest 100%
Murrin North	M39/0758	NiWest 100%
Waite Kauri	M37/1216, M37/1334	NiWest 100%
Wanbanna	M39/0460	NiWest 80% Wanbanna Pty Ltd 20%
Misc. Licences	L37/0205, L37/0247, L37/0266 L37/0267, L37/0268, L37/0270 L38/0386, L38/0387, L39/0175 L39/0177 L39/0326, L39/0327 L39/0341	NiWest 100% NiWest 100% NiWest 100% NiWest 100% NiWest 100%

LEGEND

E: Exploration Licence | **P:** Prospecting Licence | **M:** Mining Lease | **L:** Miscellaneous Lease | **G:** General Purpose Lease
All of the above tenements and miscellaneous licenses are in the Eastern Goldfields of Western Australia

2. Listing of tenements acquired (directly or indirectly) during the quarter:

Project	Tenements	Tenement Interest
Miscellaneous Licences	L37/0268, L37/0270, L38/0386 L38/0387	NiWest 100% NiWest 100%

3. Tenements disposed, relinquished, reduced or lapsed (directly or indirectly) during the quarter:

Project	Tenements	Tenement Interest
Mt Kilkenny	E39/1794, E39/2072	NiWest 100%

4. Listing of tenements applied for (directly or indirectly) during the quarter:

- Nil -

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALLIANCE NICKEL LIMITED

ABN

62 009 260 315

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(431)	(2,333)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	53
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,137
1.8	Other – royalty Income	-	100
1.9	Net cash from / (used in) operating activities	(425)	(1,043)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(5)
	(d) exploration & evaluation	(1,475)	(7,975)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – disposal of subsidiary	-	400
2.6 Net cash from / (used in) investing activities	(1,475)	(7,580)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,292
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(25)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	2,267

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,311	7,767
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(425)	(1,043)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,475)	(7,580)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,267
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,411	1,411

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	22	10
5.2	Call deposits	1,389	3,301
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,411	3,311

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	101
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
As announced on the ASX on 23 July 2024, the Company has agreed to terms with Zeta Resources, a major shareholder of the Company, for an unsecured loan facility of \$4 million. The key terms of the unsecured loan facility are an interest rate of 10% per annum and a maturity date of 28 October 2024 (or such other date as agreed in writing). The loan was drawn down in full on 25 July 2024.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(425)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,475)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,900)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,411
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,411
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.74
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, as announced on the ASX on 23 July 2024, the company has entered into a debt facility arrangement for \$4 million.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the debt facility entered into is expected to be sufficient to continue the company's operations whilst other capital funding arrangements are pursued.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 July 2024

Date:

The Board of Alliance Nickel Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.