

24 October 2023

NiWest Nickel-Cobalt Project Update

Highlights.

- Cost optimisation engineering across major capital and operating cost estimates is underway and international tender pricing continues for the acid plant, a material component of Project capital expenditure.
- Water drilling programs have been completed at the Company's Mt Kilkenny tenements and on the Company's other licenced areas. Further water drilling programs are now planned on third party tenure and are expected to continue through Q4 2023 and Q1 2024.
- Expected delivery of the Definitive Feasibility Study (**DFS**) has now moved to around mid-2024, to allow completion of these optimisation studies and water drilling programs.
- Infill drilling results are being incorporated into final mine pit designs and an updated Mineral Resource Estimate is anticipated in Q4 2023. This data will also be used to update Ore Reserve tonnages which will be incorporated into the DFS.
- Metallurgical testwork programs have continued to assess the acid digestion variability of the NiWest ores to further refine operating costs associated with heap leaching activities, as well as progress the customer sample generation through a pilot scale processing campaign.
- Geometallurgical testing continued to assist in early determination of nickel recovery and acid consumption for mine planning purposes.
- Discussions continue to advance with logistics providers for the import and transport of sulphur through the Port of Esperance.
- EPA formal approval has been lodged. Lodgement is the first step for environmental approval for construction and operation of the Project.
- Discussions continue with the Nyalpa Pirniku Native Title Group in relation to heritage and existing native title agreements.
- Discussions with strategic offtake partners continue positively, and the Company expects to make further announcements on this in due course.

Emerging battery metals 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**). The Company wishes to advise that the expected completion of the DFS has now moved to around mid-2024 to allow completion of cost optimisation studies and water drilling programs.

Customer Sample Program

A shipment of six tonnes of NiWest ore previously shipped to the SGS Canada (Lakefield) laboratory facility for pilot scale bulk leaching and downstream processing using the proposed NiWest flowsheet is progressing well. The bulk leaching of the ore sample is producing high quality pregnant liquor solution for use in the refining phase of the pilot program.

The pilot program is on track to produce a bulk sample of premium battery-grade nickel sulphate, some of which will be provided to Stellantis as part of the product qualification program.

NiWest Definitive Feasibility Update

Alliance has continued to progress the DFS focusing on optimising a number of key workstreams. New geometallurgical information from the ongoing process testwork has been incorporated into the geological block models, process mass balances and process flowsheet designs. In addition, updated independent nickel and cobalt metal pricing forecasts have been incorporated into the latest round of optimisation work and the results have been re-worked through the mine staging and process plant feed designs.

Preliminary operating and capital expenditure estimates based on external data sources are higher than anticipated and further detailed work is underway to optimise these costs to the maximum extent possible. In this context, significant progress has been made in obtaining competitive international pricing for the supply of the acid plant and associated power generation facility and submissions have now been received from a number of vendors. The Alliance engineering team have visited numerous overseas fabrication facilities to assess potential vendor capability and quality of site fabrication facilities. Meetings were very positive and competitive indicative pricing has now been received that will offset cost pressures across other components of the capital expenditure estimate.

Discussions continue with local logistics providers and international suppliers for the import of Sulphur and the export of nickel and cobalt products.

Water Drilling Programs

Water drilling programs continue in order to establish suitable groundwater volumes and salinity levels for the Project. Passive seismic investigations and drilling campaigns have been completed on NiWest's mining tenure and further campaigns are required in other areas through access agreements with third parties.

An air core drilling program will commence shortly on third party tenure and if successful will be followed by production bores and pump out tests to determine likely volumes.

Metallurgical Testwork

Metallurgical testwork continues, with geometallurgical assessment of the Mt Kilkenny orebody being used to define nickel recovery and acid digestion volumes, for use in mine planning activities to smooth these values in the modelling. Column and bottle roll digestion tests continue to leach well, with results being used to confirm and calibrate geometallurgical testwork results.

Mine Planning

Mine planning work has commenced, using results from the geometallurgical testwork to include acid digestion metrics in the analysis. Pit optimisation works have generated economic pit shells to enable commencement of detailed mine scheduling.

Environmental Approval

The Company has lodged a formal referral and supporting information with the Western Australian Department of Water and Environmental Regulation (DWER). The assessment of the NiWest referral will be undertaken by the Environmental Protection Authority (EPA) with

the assistance of DWER. Lodgement is the first step for environmental approval for construction and operation of the Project and if successful the process culminates with a Ministerial Statement, the key environmental approval for the Project.

Heritage

Discussions continue with the Nyalpa Pirniku Native Title Group in relation to heritage and existing native title agreements. Previously completed Aboriginal ethnographic heritage surveys over the mining tenure have not identified any significant sites in the project area. The Company has built a strong relationship with Senior Nyalpa Pirniku Traditional Owners and acknowledges the Nyalpa Pirniku Traditional Owners as the custodians of the land we work on and respect their continuing connection to culture and country.

Strategic Offtake Partners

The Company has been active in its engagement with potential strategic partners. In this context, management have recently travelled to South Korea, Europe and North America. These discussions relate to both the securing of offtake agreements and project equity financing. The Company expects to make further announcements on this in due course.

Commenting on progress, Alliance Managing Director and CEO, Paul Kopejtka said:

“Unfortunately, the timing of completion for certain workstreams has impacted the timing for completion of the overall DFS. Whilst being disappointing the Board considers it prudent that it takes the necessary time to ensure all aspects of the Project are advanced and completed diligently and comprehensively. Given the ongoing advanced progress of other Project workstreams, completion of the DFS next year should not have a material impact on the overall Project execution schedule.”

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.