

QUARTERLY ACTIVITIES REPORT

December 2023

25 January 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 December 2023 quarter as it advances its 100%-owned NiWest Nickel Cobalt Project in Western Australia (**NiWest** or the **Project**).

Highlights

- Mineral Resource Estimate (MRE) update resulted in a 9.6% increase in the global NiWest Resource Estimate to 93.4Mt at 1.04% Ni and 0.07% Co. Approximately 83% (805,000 tonnes of contained nickel) of the global MRE is now in the Measured & Indicated JORC category.
- EPA formal approval lodged, the first step for environmental approval for construction and operation of the Project.
- Definitive Feasibility Study (**DFS**) workstreams, cost optimisation engineering, and water drilling programs continued during the quarter and delivery of the DFS is targeted for completion around mid-2024.
- Discussions with strategic offtake partners continued positively.

NIWEST (NICKEL-COBALT) PROJECT

Mineral Resource Estimate Upgrade

In November 2023, independent consultant SRK Consulting (Australasia) Pty Ltd (**SRK**) prepared an update of the Mineral Resource models and estimates for the Mt Kilkenny, Hepi, Eucalyptus and Wanbanna nickel deposits that will form the Mineral Resources inventory to support the Company's DFS (see announcement 14 November 2023).

The JORC Code (2012) compliant MRE update incorporated results from the April 2023 drilling of 180 infill holes for 8,318 metres and 20 geotechnical and sterilisation holes for a total of 808 meters together with results from the sonic drilling program completed in December 2022. The MRE for the remaining three deposits (Waite Kurri, Mertondale and Murrin North) has not changed since the most recent models were prepared in 2017.

The MRE update resulted in an increase in the global NiWest MRE to 93.4Mt at 1.04% Ni and 0.07% Co (for 971kt of contained nickel and 65kt of contained cobalt). Approximately 83% (805kt of contained nickel) of the global MRE is now in the Measured & Indicated JORC category.

The inclusion of results from the infill drilling, which was conducted primarily to increase confidence in the Mt Kilkenny deposit, resulted in a 16% increase in the global Measured and Indicated Resource Estimates. This delivers increased geological confidence in the Mt Kilkenny deposit, the critical first stage of the NiWest mine plan.

Table 1: Mineral Resource Estimate for NiWest Project at 0.8% Ni Cut-off Grade

Resource Category	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Ni Metal (kt)	Co Metal (kt)
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
Total	93.40	1.04	0.070	971	65.2

Table 1. See ASX Announcement 14 November 2023.

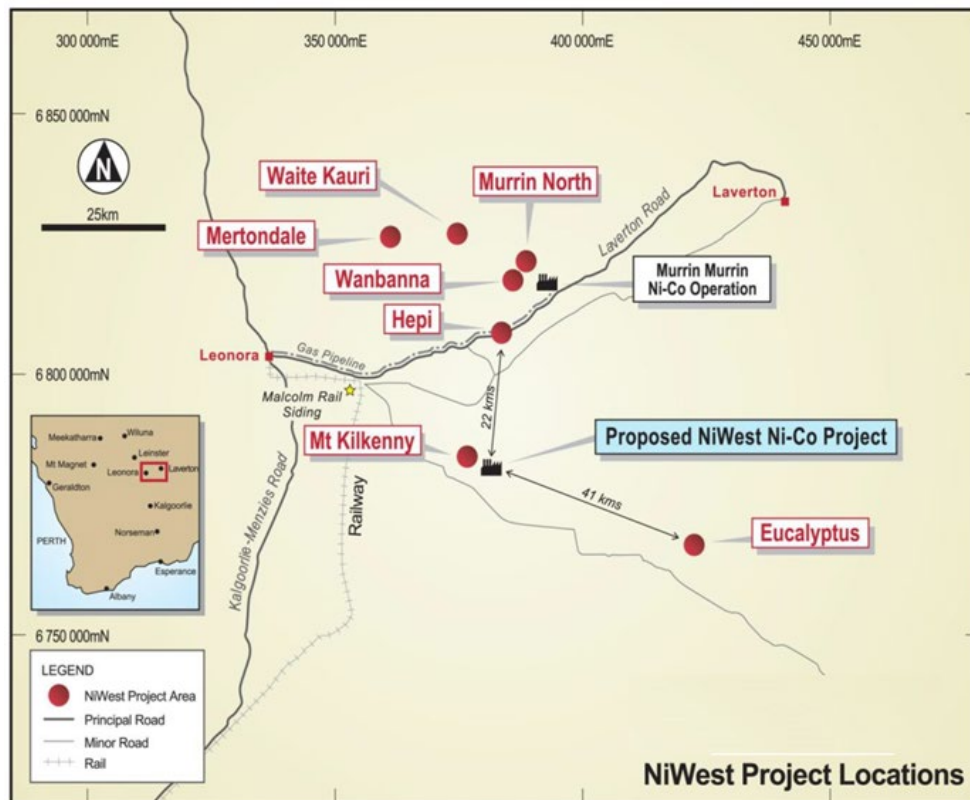


Figure 1: NiWest Project location showing individual deposit areas and proximity to infrastructure.

Environmental Approval

In October 2023, the Company 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 which is 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.

NiWest Definitive Feasibility Update

During the quarter, Alliance continued to progress the DFS focusing on optimisation studies, process flow sheets, mass balances, preliminary engineering designs and technical reporting. Cost estimates are now well advanced with pricing obtained from suppliers for most major equipment packages. Tenders were issued for the acid plant, a critical equipment item with vendor pricing expected in 1Q 2024. Delivery of the DFS is targeted for completion around mid-2024.

CORPORATE

Disposal of Subsidiary

In November 2023, the Company completed the disposal of its wholly owned subsidiary, Golden Cliffs NL (Golden Cliffs), the holder of a number of prospective gold tenements in the Murrin Murrin/Laverton area. The Board resolved that the exploration of gold tenements held by Golden Cliffs was no longer core to the Company's strategy.

Retirement of Director

Mr Peter Huston, non-executive director since 17 March 2017, retired from the Board following Annual General Meeting on 21 November 2023.

Strategic Offtake Partners

The Company has continued to be active in its engagement and discussions with existing and other potential strategic partners. 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.

Expenditure this quarter

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company spent \$2.51 million on exploration 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;
- General site activities including drilling associated with water exploration, mineral resource definition and geotechnical analysis;
- Regulatory rents, rates and associated tenement administration holding costs.

In addition, during the current quarter the Company made payments to related parties of \$82,000 that primarily comprised directors' remuneration.

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

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About Alliance Nickel

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.com.au

COMPETENT PERSON STATEMENTS**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 2: Mineral Resource Estimate for NiWest Project at 0.8% Ni Cut-off Grade

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 3: Mineral Resource Estimate for NiWest Project at 1.0% Ni Cut-off Grade

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

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter.

1. Listing of tenements held in Australia at 31 December 2023

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, E39/1794, E39/2072 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	L39/0175, L39/0177 L37/0205, L37/0247, L39/0326, L39/0327	NiWest 100% NiWest 100%

LEGEND

E: Exploration Licence | **P:** Prospecting Licence | **PLA:** Prospecting Licence Application | **M:** Mining Lease | **ELA:** Exploration Licence Application | **L:** Miscellaneous Lease | **MLA:** Mining Lease Application | **IG:** General Purpose Lease
All of the above tenements and miscellaneous licences are in the Eastern Goldfields of Western Australia.

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

Project	Tenements	Tenement Interest
Mt Kilkenny	G39/0017	NiWest 100%

LEGEND

G: General Purpose Lease

All of the above tenements and miscellaneous licenses are in the Eastern Goldfields of Western Australia.

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

Project	Tenements	Tenement Interest
Abednego West	M39/0427, M39/0825 P39/6225, P39/6226, P39/6227, P39/6228, P39/6229, P39/6230, P39/6231	Golden Cliffs 100% Golden Cliffs 100% Golden Cliffs 100% Golden Cliffs 100%
Hawk's Nest	M38/0218	Golden Cliffs 100%
Laverton Downs	M38/1266 L38/0340	Golden Cliffs 100% Golden Cliffs 100%
Murrin Murrin	M39/0426, M39/0456, M39/0552 M39/0553, M39/0569	GlenMurrin 100% Nickel & Cobalt Golden Cliffs 100% gold and other minerals

LEGEND

P: Prospecting Licence | **M:** Mining Lease |

All of the above tenements and miscellaneous licenses are in the Eastern Goldfields of Western Australia.

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")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(555)	(1,175)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – royalty Income	100	100
1.9	Net cash from / (used in) operating activities	(439)	(1,040)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(2,509)	(5,370)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	400
2.6	Net cash from / (used in) investing activities	(2,109)	(4,970)

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)	(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	(25)	2,267

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,597	7,767
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(439)	(1,040)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,109)	(4,970)

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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	2,267
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,024	4,024

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	10	2,318
5.2	Call deposits	4,014	4,279
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)	4,024	6,597

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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	1
<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>		

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(439)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,509)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,948)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,024
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,024
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.36
<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: Certain expenditures are discretionary, and based on the current work programs, net operating expenditures are expected to be lower than the previous quarter.	
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: The entity enjoys the support of the Board and shareholders but has not yet finalised steps to raise further cash to continue to fund its operations. The Board expects that once these steps are finalised, it will be successful in raising further capital.	

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: The entity expects that it will be able to continue to meet its business objectives based on the response under 8.8.2 above.

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.

25 January 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.