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8th February 2024

Non-Binding Term Sheet Signed with Samsung SDI for Future Offtake of Battery-Grade Nickel and Cobalt Sulphate Products from the NiWest Nickel-Cobalt Project

Highlights

- Alliance and Samsung SDI sign a non-binding term sheet in relation to future offtake of battery-grade nickel and cobalt sulphate products from the NiWest Nickel-Cobalt Project
- Samsung SDI and Alliance will discuss a potential acquisition by Samsung SDI of an equity interest in the NiWest Project
- Samsung SDI is a leading global manufacturer of lithium-ion batteries for the EV industry

Alliance Nickel Limited ("Alliance" or "the Company") (ASX: AXN) is pleased to announce that it has signed a non-binding term sheet with Samsung SDI Co., Ltd. (KRX: KS006400) ("Samsung SDI") for the future offtake of battery grade nickel and cobalt sulphate products from the NiWest Nickel-Cobalt Project in Western Australia ("NiWest" or the "Project").

The term sheet outlines the general terms pursuant to which Samsung SDI will, subject to final negotiations of the definitive terms and conditions and satisfaction of customary conditions, enter into a binding offtake agreement for an initial period of six years. The start of commercial delivery will be subject to agreed conditions.

The non-binding term sheet also provides that Samsung SDI and Alliance will discuss a potential acquisition by Samsung SDI of an equity interest in a project company to be formed by Alliance that will hold the NiWest Project. This approach is consistent with Alliance's commercial strategy of aligning offtake agreements and project funding, to the extent commercially feasible and acceptable to the counterparty.

NiWest is an advanced nickel-cobalt development project located approximately 55km east of Leonora in the northeastern Goldfields region of Western Australia (Figure 1). The proposed location of the processing facility for NiWest is within approximately 30 kilometers of Glencore's Murrin Murrin operation, the largest nickel-cobalt operation in Australia. The Project is expected to produce approximately 100,000tpa of battery grade nickel and cobalt sulphate products (see ASX announcement 21 July 2022) for the electric vehicle market. A Definitive Feasibility Study for NiWest is well advanced and targeting completion mid-2024.

Commenting on the signing of the non-binding term sheet with Samsung SDI, Alliance Managing Director and CEO, Mr. Paul Kopejtka said:

"We are delighted to introduce Samsung SDI as a new potential long term strategic partner in the NiWest Project, particularly given the current challenging market conditions facing the critical minerals sector. The term sheet is further validation of the credentials of the NiWest Project, its strategic significance to Tier-one automakers and battery manufacturers and the importance of the supply of specialty materials that comply with the US Inflation Reduction Act. Samsung SDI has an existing business relationship with our strategic partner and cornerstone investor,

Stellantis N.V. and we look forward to building a strong partnership as we move towards first production from NiWest".

Negotiation and execution of the detailed definitive agreement is subject to due diligence and customary closing conditions, including respective company approvals.

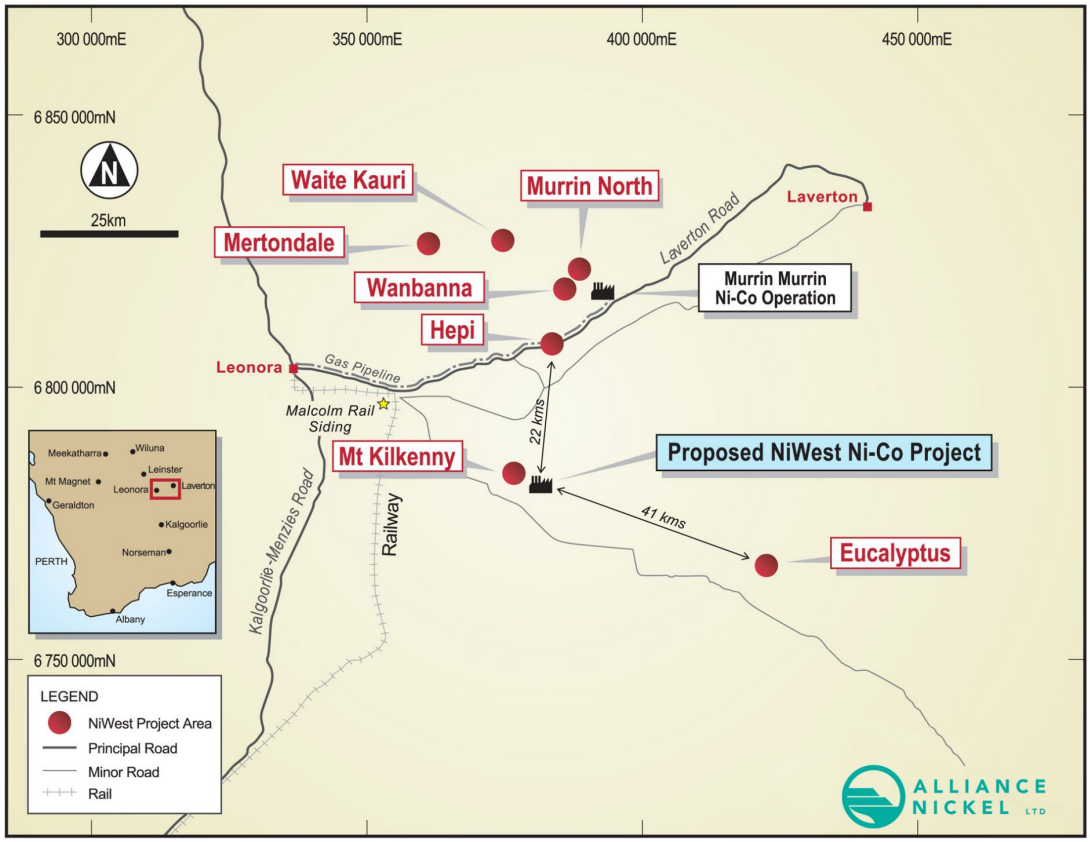


Figure 1: NiWest Project location showing individual deposit areas and proximity to infrastructure.

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

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About Samsung SDI

Samsung SDI, headquartered in the Republic of Korea, is a world-leading battery and electronic material manufacturer redefining the worlds of electric vehicles, energy storage systems and IT devices. The company drives transformation and innovation to emerge as a Creative Energy and Materials Solution Leader across the fields of e-mobility, energy solutions, as well as semiconductors and displays. The company commits to sourcing 100% renewable electricity across its entire global operations by 2050. For the latest news, please visit the Samsung SDI News at https://www.samsungsdi.com/sdi-news/list.html.

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.alliancenickel.au

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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.

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