



2023

Annual Report

For the year ended
30 June 2023

ASX:NIS

ABN 11 110 599 650

For personal use only

Our Purpose is to work with our communities to find, develop and supply Nickel for a sustainable future.



Our Values

Collaborative

We act as a team, with care, respect, and trust, knowing that together we are greater than the sum of our parts.

Accountable

We act honestly and transparently, do what we say we will do, and hold ourselves to high standards.

Courageous

We have a passion to learn and grow, to try new ways, always guided by the science.



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Corporate Directory

Board of Directors

Mark Connelly Non-Executive Chairman

Nicole Duncan Managing Director

Paul Bennett Non-Executive Director

Lynda Burnett Non-Executive Director

Norm Taylor Non-Executive Director

Secretariat

Suzie Foreman

Danielle Muto

Registered Office

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Stock Exchange Listing

ASX Ltd

ASX code: NIS

Auditor

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Letter from the Chair



Dear NickelSearch shareholders,

I am happy to present the 2023 Annual Report for NickelSearch Limited (ASX: NIS) (NickelSearch or the Company).

This has been a truly significant year for NickelSearch, and I'm so glad to have joined you all on this journey. Since listing on the ASX in October 2021, the Company has made significant advancements on the flagship Carlingup Nickel Project, located near Ravensthorpe in Western Australia. The project displays significant value potential for shareholders, with an abundance of exciting upcoming news flow.

I joined NickelSearch in the role of Chair in April this year, and in this short space of time, I've seen the Company rapidly progress through the identification of high-priority greenfield targets, and the acceleration of our focused drilling campaign.

I was initially drawn to NickelSearch due to the overlooked and undervalued potential of the project assets, as well as the dedicated team at the Company, who are eager and enthusiastic to uncover the true potential of the Carlingup Project.

NickelSearch is very lucky to be led by such a strong and capable management team, headed by Nicole Duncan, our Managing Director, our Processing Manager Tamsin Senders,

our Finance and Commercial Manager Tanya Newby, and finally Suzie Forman, our Company Secretary. I would also like to thank Nick Walker and Ian Pryor from Newexco for joining us as our capable consultant geologists. I would also like to acknowledge the NickelSearch team for their consistent hard work.

Thank you to our shareholders for their continued support throughout the 2023 Financial Year. I strongly believe that NickelSearch will provide increased value for our shareholders in the next financial year and those to follow.

It's been very pleasing to watch NickelSearch grow over the last year, and I look forward to keeping you all updated on our continued progress on what is shaping up to be a transformational year ahead.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark Connelly', with a stylized flourish at the end.

Mark Connelly
Non-Executive Chairman



This has been a truly significant year for NickelSearch, and I'm so glad to have joined you all on this journey.

Mark Connelly
Non-Executive Chairman



Review of Operations

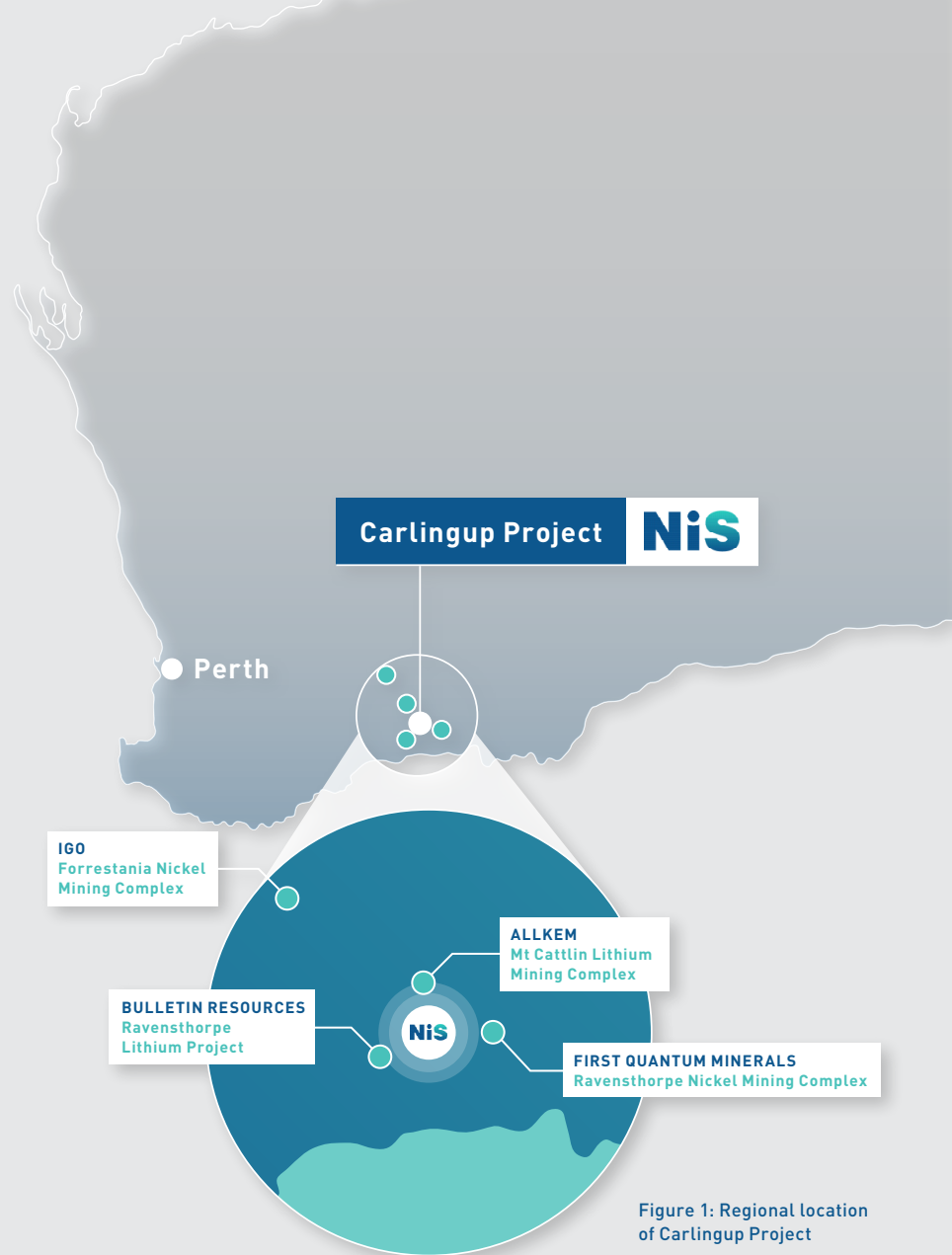


Figure 1: Regional location of Carlingup Project

Carlingup Project

During the year, NickelSearch continued its targeted exploration programme at the wholly owned Carlingup Project, located in the established nickel and lithium province of southern Western Australia. The Group remains focused on creating value for shareholders through advancing its pipeline of greenfield exploration opportunities at Carlingup.

The Carlingup Project is comprised of eight Mining Licenses and seven Exploration Licenses that cover an area of approximately 108km² in the Ravensthorpe Greenstone Belt. The area is a highly prospective geological setting for both nickel sulphides and lithium with established mining operations and infrastructure nearby, as shown in Figure 1.

Since listing on the ASX in 2021, NickelSearch has advanced its exploration for nickel sulphides via a methodical, targeted approach to gain further understanding of the geological potential and based upon the results delivered, the Company believes there is considerable value yet to be discovered within the tenement package.

Identifying Greenfields Nickel Targets

In September 2022, the Company announced the continuation of systematic targeting analysis aimed at the discovery of high-grade komatiite-hosted nickel sulphide deposits.

Data from the results of 2,715 assays for multi-element, ultra-fine soil geochemical samples helped to identify over thirty targets in total, with two greenfield exploration targets, referred to as Sprint and Relay added as a result of ongoing work. Both targets occur in the Carlingup North Trend, which also hosts the Lipple, Wadley and John Ellis West targets.

Exploration Programme

A total of 3,330 m of drilling has been completed at the Carlingup project during the financial year, with a further 342m of diamond drilling completed shortly after year end. The Company made its first discovery during the year with the intersection of massive sulphide mineralisation at the Sexton target, subsequent diamond drilling further highlighting the outstanding growth potential for the Sexton prospect.

Sexton

Sexton has been a high priority drill target for the Company over the past year and with the necessary approvals granted in early 2023, a Reverse Circulation (RC) drilling program commenced during the March quarter. The initial program of 487m identified significant nickel mineralisation, further confirmed by the results from Down-Hole Electromagnetic (DHEM) surveys on the target with conductance up to 50,000 Siemens. The encouraging results accelerated the Company's plans for further exploration at Sexton, with a diamond drilling rig engaged and mobilised to site as soon as practical.

During the follow up diamond drilling campaign, two holes were drilled at Sexton to test two distinct bodies of mineralisation encountered in the earlier drilling and corroborated by DHEM surveys. The primary aim of the diamond drilling campaign was the massive sulphides associated with the Lower Mineralised Horizon (LMH), with the two drill holes targeting the potential for further nickel sulphide mineralisation within the Upper Mineralised Horizon (UMH), see Figure 2 below.

The first of two diamond drillholes at Sexton intersected further visual sulphides in the deeper target of the LMH. Observations from the diamond hole completed confirm the -68° overall plunge length of Sexton mineralisation to extend to 190m and remains open both up- and down-plunge, with logged results showing an increasing thickness of nickel mineralisation down-plunge. Subsequent to the year end, the Group announced that diamond drill hole 23NDD030 intersected massive sulphides in both the UMH and the LMH, with both horizons intersected at shallower depths than expected. This demonstrates the nickel mineralisation continues 60m further along strike, extending the total strike length to 250m.

Results from assays and DHEM surveys were received post year end and will guide the exploration planning and generation of follow up targets for future drilling. Sexton assays were returned in August 2023, post the end of the reporting period, confirming the nickel, copper, and platinum group element content of the massive nickel sulphides (Figure 5), with intersections including:

- 23NRD028: **1m at 1.26% Ni, 0.19% Cu** from 132.5m, and
- 23NDD030: **1m at 0.76% Ni, 0.23% Cu** from 148.5m

Figure 3: Intersection of Nickeliferous sulphides in drillholes 23NDD030 with some massive sulphide intersections highlighted



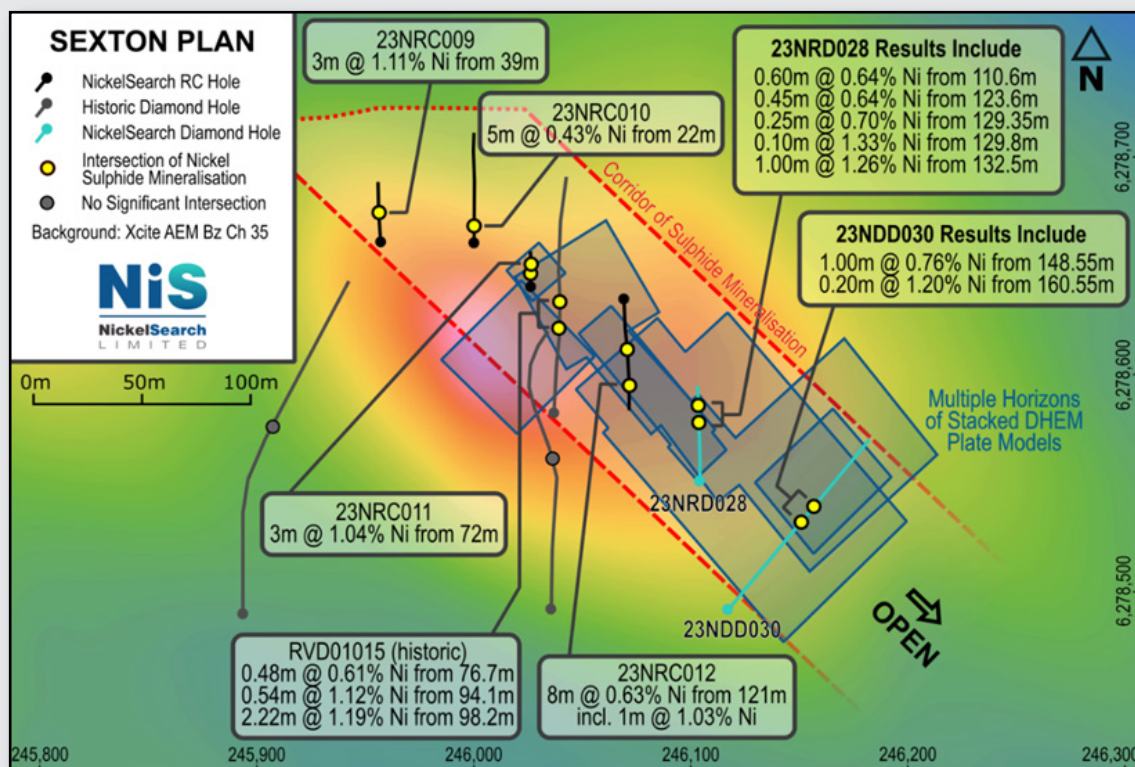


Figure 4: Plan of the Sexton area, with assay results showing nickel mineralisation

B1 and Serendipity

The Group completed a total of ten RC holes for a total of 1,564m across two high priority target areas of B1 and Serendipity at the Carlingup Nickel Project, as seen on Figure 5.

In addition to Sexton, B1 was the second regional target at Carlingup to deliver encouraging results with nickel sulphide intersections from RC drilling warranting a priority follow up with subsequent diamond drilling. During the final quarter of the financial year, the Group completed seven RC drill holes for 1,108m at the B1 target, with the program confirming and extending the area of known historical nickel sulphide intercepts with sulphidic komatiites and cumulate ultramafics logged.

DHEM surveys were completed on selected holes to locate conductors that may indicate the presence of matrix or massive sulphides. Further afield, the B1 mineralised horizon appears to stretch hundreds of metres,

particularly to the southeast where weak mineralisation is observed on the contact along strike. This suggests that the fertile flow is extensive, and the location of a further shoot (or channel) on this horizon where sulphides can accumulate may yield further exploration targets.

At Serendipity, NIS drilled three RC holes during the year for a total of 456m to test the ultrafine soil sampling anomalies previously identified during the Group's thorough soil sampling and targeting program. The holes intersected very thick flows of cumulate ultramafic (between 50 and 60m thick). The cumulate ultramafic was the prime target for the drilling, and DHEM surveys were completed as a critical next step to identify off-hole conductors for nickel sulphides, results from DHEM and assays have been released subsequent to the year end.

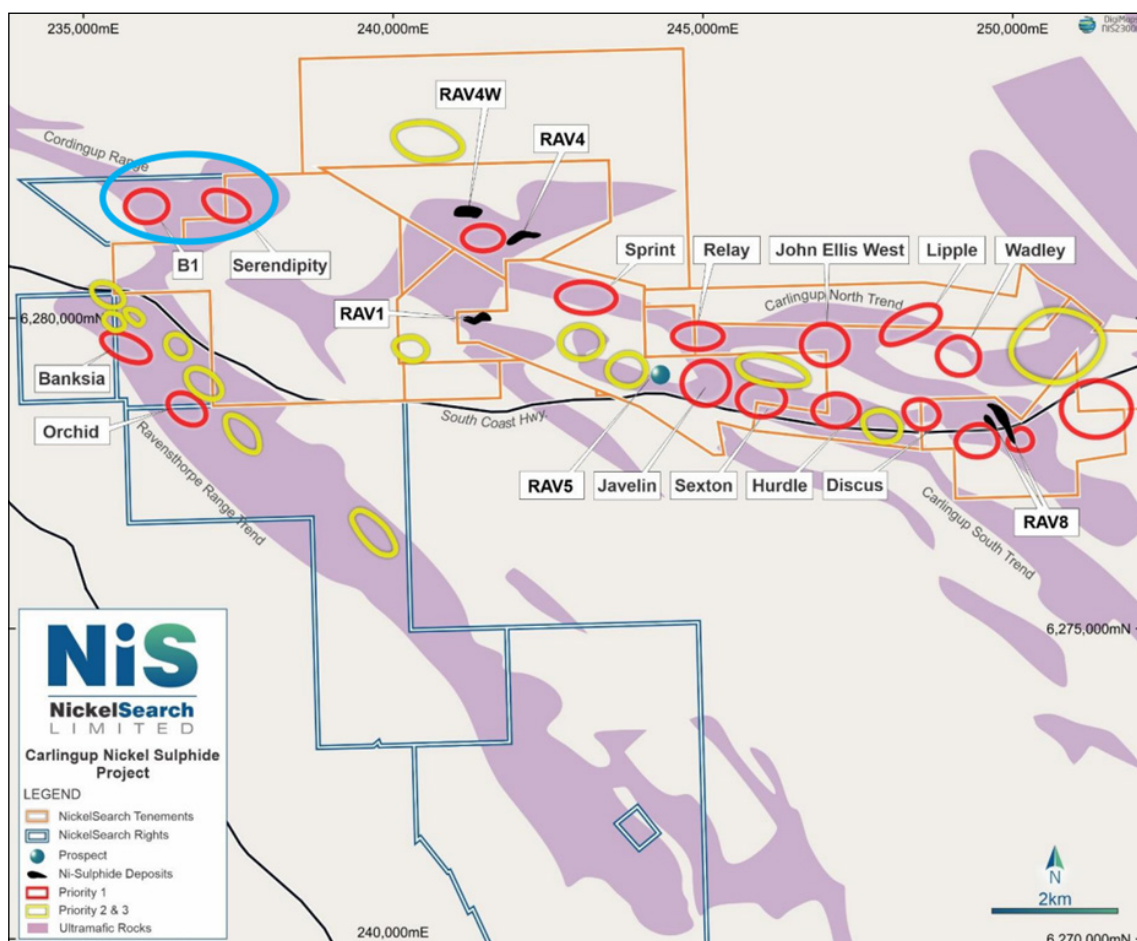


Figure 5: Location of B1 and Serendipity in the Carlingup Range, within the Company's tenement package

These targets continue to be an area of interest for the Group and the exploration team plans to review historical electromagnetic surveys taken from B1 and consider the opportunity to conduct further ultrafine soil sampling in the target area. With those results, the Company can consider further drilling within the broader B1 mineralised horizon, to test where the sulphides may have accumulated.

Geophysics

During the September 2022 quarter, the Company engaged Atlas Geophysics Pty Ltd to perform a detailed ground gravity survey across the project tenements, to provide further information on the regional geology and fundamental structures controlling nickel sulphide mineralisation. In total, 2,268 gravity stations were acquired, plus 719 stations from a survey by Traka Resources in 2005 for a total of 2,987 stations covering an area of 14km².

Data gathered from the ground survey was integrated into results from reprocessing detailed airborne magnetic data, with analysis uncovering several southeast-trending structures. The southeast-plunging nickel sulphide deposit at the RAV8 and RAV5 prospect occur closely associated with these structures, suggesting a relationship with the formation of nickel sulphide orebodies.



Lithium Prospectivity

During the year the Group engaged an independent consulting firm to conduct a geochemical review of data extracted from earlier soil sampling programs undertaken at Carlingup. The review highlighted the exceptional multi-commodity potential of certain tenements for lithium and Volcanogenic Hosted Massive Sulphides (VHMS) mineralisation, in addition to the nickel sulphide prospectivity already being investigated.

With a total of twenty-two areas of interest, five high priority Lithium-Caesium-Tantalum (LCT) pegmatite target areas have been identified:

- Four priority areas extend over 800m strike length.
- The Carlingup Project is 10km away from Allkem's (ASX:AKE) Mt Cattlin lithium mine that produced ~131kt of spodumene concentrate in FY23.

Four high priority VHMS targets have been identified, prospective for base metals such as copper, lead, zinc and associated gold and silver. Lastly, the independent review identified five additional nickel sulphide targets near the Group's existing targets of Sprint, Relay, John Ellis West, Lipple and Wadley, all of which are located within the Carlingup North trend where further exploratory activities are anticipated to continue over the next year.

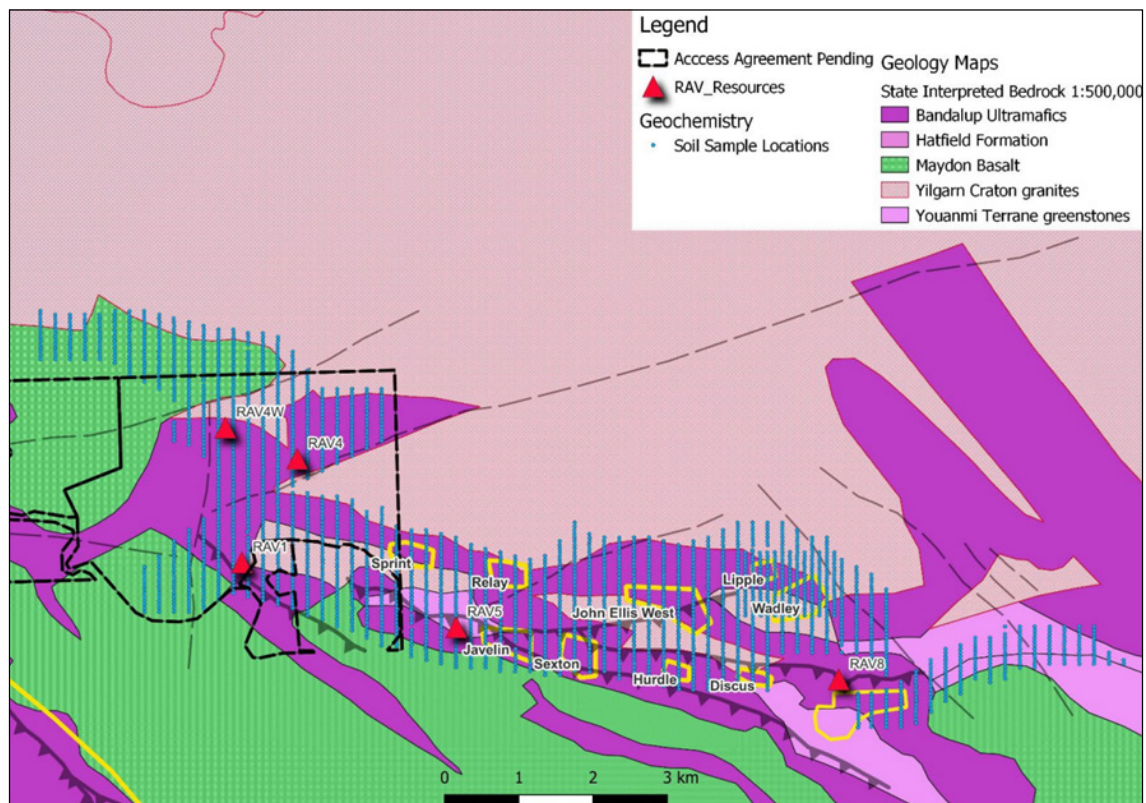


Figure 6: Soil sampling locations used for this analysis in the Carlingup project area



Government Funding

In the March quarter, NickelSearch secured government funding for research to better evaluate prospectivity and areas of interest for nickel sulphides at its Carlingup Project. The \$50,000 grant was awarded through the Australian Government's Innovation Connections program, delivered nationally by CSIRO, Australia's national science agency.

The grant has the aim of providing further exploration benefits for NickelSearch, in return for providing valuable data that may drive the discovery and development of new, world class, nickel projects within Western Australia.

NickelSearch was also awarded a co-funded an EIS grant in April, after a competitive application process. The WA Government Exploration Incentive Scheme (EIS) grant of up to \$220,000 will assist the Company in exploration drilling at the Carlingup Project.

Exploration Potential

NickelSearch's greenfield exploration strategy is to identify high grade nickel sulphides to complement the existing shallow, large-scale nickel sulphide resource base at Carlingup (**11.6Mt @ 0.56% Ni** for 65kt contained nickel).

As announced on 28 August 2023, the Group has a strong pipeline of exploration targets that warrant further investigation in the near future including:

- Follow up drilling at the Sexton prospect.
- Review of historic electromagnetic surveys of B1, further ultrafine soil sampling in the Target area to test areas where sulphides may have accumulated.
- Drilling to commence at the high priority targets of Lipple, Wadley, John Ellis West, Discus and Relay.
- Lithium rock chip sampling in areas identified as prospective by the recent review with samples already submitted for laboratory assays.

Metallurgy and Testwork

Metallurgical testing has continued throughout the year on drill core provided from the 2022 drilling campaign. Successful isolation of a saline tolerant bacterial culture, native to the RAV8 site, has yielded excellent nickel recoveries from available nickel sulphides in laboratory reactor tests. Currently, the culture is being used to leach nickel in columns under the challenging conditions of site. Column leaches are used to simulate conditions of a heap leach.

The Group continues to engage in discussions with interested third parties regarding potential direct investment and / or offtake arrangements for end products. These negotiations are incomplete and there is no certainty of a successful outcome.

Sustainable business practices

NickelSearch is committed to ensuring that all business practices are run in a socially responsible and environmentally friendly manner, underpinned by strong governance.

Our sustainability beliefs are embedded into all aspects of the company. These solidified principles ensure that we run as a cohesive team.

Environmental Stewardship

At NickelSearch, we practice responsible waste disposal through our waste management practices. The Company engaged Strike Drilling for the use of their EnviroPod, a watertight, self-contained sump, designed to capture the outside return and drill sample spoils. This drilling waste management technique ensures that no water or soil contamination is left on site grounds.

The introduction of the EnviroPod, when drilling on farmland, aligns with NickelSearch's desire to ensure that our environmental footprint is kept to a minimum.

Within a corporate office environment, the Company similarly aims to dispose of all office waste as responsibly as possible.

Social Responsibility

NickelSearch believes that all companies have a duty to provide benefits to their surrounding community and all of those involved within the business.

All workplace safety incidents are recorded in detail within our internal system, and all site-based incidents are reported to the Department of Mines, Industry Regulation and Safety.

The Company also ensures that all employee training programs are recorded. NickelSearch ensures the required educational programs on safety are rolled out.



The project displays significant value potential for shareholders, with an abundance of exciting upcoming news flow.

Mark Connelly
Non-Executive Chairman



Governance and Ethics

NickelSearch reports compliance with the ASX corporate governance recommendations on an annual basis, around the time of Annual Reports.

The Company Corporate Governance Statement defines how NickelSearch operates, informed by multiple governance-related policies. These documents are located on the NickelSearch website and are reviewed and updated on a regular basis.

NickelSearch ensures that minutes are taken at all Director and Committee meetings. These notes and actions are then reviewed and approved by the Board and Chair at their subsequent meetings.

During the reporting period, the NickelSearch Board established particular internal Committees to aid in the improvement of governance practices:

- Audit and Risk Committee
- Remuneration Committee

Corporate Activities

Following the retirement of David Royle and the resignation of Donald James, the Company appointed Mark Connelly as the Company's new independent Non-Executive Chair and Lynda Burnett as Non-Executive Director, both effective 3 April 2023.

In May 2023, the Group announced a one for three non-renounceable pro-rata entitlement offer at \$0.07 per share to raise \$2.4M before costs. For every New Share subscribed for and issued, one free attaching option with an exercise price of \$0.07 and expiry date of 30 November 2023 was issued. Further details on the capital raising are contained in the ASX announcement dated 3 May 2023.



Directors' Report

The Directors present their report, together with the financial statements of the Group, being NickelSearch Limited (the Company or NickelSearch) and its controlled entities, for the financial year ended 30 June 2023.

1. Directors

The names, qualifications and experience of each person who has been a director of NickelSearch Limited during or since the end of the financial year, up to the date of this report, are as follows:

Current Directorships		
Mark Connelly <i>Bachelor of Business, ECU, MAICD, AIMM, Member of SME</i>	Non-Executive Chair Appointed: 3 April 2023 to current	
<p>Mark has an outstanding track record of shareholder value growth and realisation, particularly over the last decade. This includes the development and eventual sale of Papillon Resources and the consolidation of Endeavour Mining with Adamus Resources.</p> <p>Currently, Mark is the Chair of Western Australian gold producer Calidus Resources, as well as Chair of Chesser Resources, Alto Metals and Warriedar Resources. He was previously the Chair of West African Resources and a director of B2 Gold, Saracen Minerals and Ausdrill.</p> <p>Mark is a member of the Australian Institute of Company Directors (MAICD), a member of the Australian Institute of Management (AIMM) and a member of the Society of Mining, Metallurgy and Exploration (SME).</p>		
Other current directorships	Calidus Resources Limited Chesser Resources Limited Alto Metals Limited Warriedar Resources Limited Omnia Metals Group Limited Renegade Exploration Limited	
Former listed directorships in the last 3 years	Hyperion Metals Limited West African Resources Limited B2 Gold Limited Saracen Minerals Limited Ausdrill Limited Primero Group Limited Baxton Gold Holdings	
Interest in securities	Unlisted options – 570,000	
Nicole Duncan <i>BA (Hons)/LLB, History, Law</i>	Managing Director Appointed: 1 February 2022	
<p>Nicole is an experienced resources industry executive, most recently as a founding member of the Executive Lead Team of South32 Limited following an extensive career with BHP.</p> <p>Nicole has over 20 years of experience in mining, including exploration, project development and execution, technology, and corporate transactions. She is skilled in leading teams to deliver outcomes within predefined parameters. Her experience includes supporting minerals exploration, project development and execution, operations, sales and marketing, technology, governance, compliance, and human resources all whilst focusing on running the business safely and reliably. Nicole leads with focus on the footprint a business has, as an employer, a partner, a member of the community and a participant in the economy.</p>		
Other current directorships	None	
Former listed directorships in the last 3 years	None	
Interest in securities	Ordinary shares - 1,080,626	Unlisted options – 4,625,628

Directors' Report (Cont.)

Paul Bennett <i>BEng (Mining), MBA, MAusIMM, MAICD</i>	Non-Executive Director Appointed: 19 July 2021	
Mr Bennett is a Mining Engineer with an MBA who has extensive experience in the operation, development and financing of resource companies and projects over a 25-year period. He has worked in technical, management and business development roles for Newcrest Limited, Western Metals Limited, and Panoramic Resources Limited and holds a WA First Class Mine Manager’s Certificate. For nine years, Mr Bennett was a senior executive at RMB Resources, the resources investment banking business of Rand Merchant Bank, where he specialised in the provision of equity, quasi equity/mezzanine and debt financing for small to mid-sized resource companies across a range of commodities and jurisdictions.		
Other current directorships	Managing Director of Medallion Metals Limited, November 2016 to current	
Former listed directorships in the last 3 years	Director of Horizon Gold Ltd (ASX: HRN) until July 2020	
Interest in securities	Unlisted options – 500,000	
Lynda Burnett	Non-Executive Director Appointed: 3 April 2023	
Lynda has extensive experience with major and junior mining companies, most recently with Sipa Resources as Managing Director for 6 years. Prior to Sipa Resources, Lynda spent nine years with Newmont Asia Pacific from 2005-2013 as Director Exploration Australia and Manager Exploration Business Development with responsibility for the strategic planning, management and oversight of all Newmont’s generative exploration projects and brownfields exploration projects. Prior to joining Newmont, Lynda worked with a number of mining and exploration companies including Normandy, Newcrest, Plutonic Resources and as an executive director of Summit Resources. Lynda holds an Honours degree in geology from Queensland University and is a member of AusIMM, the Society of Economic Geologists and is a Graduate of the Australian Institute of Company Directors.		
Other current directorships	Regis Resources Limited	
Former listed directorships in the last 3 years	Sipa Resources Limited	
Interest in securities	Unlisted Options – 500,000	
Norman Taylor <i>BCom, CA</i>	Non-Executive Director Appointed: August 2004	
Over 30 years of experience in business development after qualifying as a Chartered Accountant with PwC. Business development career commenced with The Bell Group Ltd followed by Normandy Mining Limited and Santos Limited. With these groups Norm held senior roles in numerous corporate acquisitions (both on market and off market), capital raisings and corporate restructuring with experience gained in Australia, UK and USA. Norm subsequently established his own corporate advisory business concentrating on the resources industry providing advice on acquisitions, fund raising and corporate strategy to a range of listed and unlisted companies before establishing Core Resources Limited, an entity that preceded the establishment of Australasian Mining Limited (now NickelSearch).		
Other current directorships	None	
Former listed directorships in the last 3 years	None	
Interest in securities	Ordinary Shares – 6,205,046	Unlisted Options – 1,793,715

Directors' Report (Cont.)

Former Directorships		
David Royle <i>BSc(Hons). F. AusIMM (CP); F.SEG</i>	Non-Executive Chair Appointed: 4 October 2016 Resigned: 3 April 2023	
Over 40 years of international experience in mineral exploration and project feasibility including extensive experience at the senior level. Previous positions have included Business Unit Manager, Asia-Pacific Region for Eurasian Minerals Inc., Vice President Exploration and Business Development, East Asia Mineral Corporation; Managing Director, Kentor Gold Limited: General Manager, MIM Exploration Pty Ltd: General Manager Exploration, Latin America Pty Ltd and Exploration Manager Americas, Newcrest Mining Limited.		
Other current directorships	None	
Former listed directorships in the last 3 years	None	
Interest in securities at cessation	Ordinary shares - 1,230,604	Unlisted options - 500,000
Donald James <i>BCom, FCA, AGIA, GAICD, CFTP</i>	Non-Executive Director Appointed: June 2021 Resigned: 3 April 2023	
Over 20 years of senior executive experience in a career based on strong commercial, financial, corporate, strategic and operational leadership in the mining and industrial services sectors. Mr James is the Chief Commercial Officer at Macmahon Holdings Limited, and previously held senior positions with Perenti Global (formerly Ausdrill) and WesTrac (a Seven Group Holdings subsidiary). He is a Chartered Accountant, a graduate member of the Australian Institute of Company Directors, an Associate of the Governance Institute of Australia and a Certified (Snr) Finance and Treasury Professional with the Australian Corporate Treasury Association.		
Other current directorships	None	
Former listed directorships in the last 3 years	None	
Interest in securities at cessation	Ordinary Shares – 100,000	Unlisted Options – 500,000

2. Company Secretary

Current Secretariats	
Suzie Foreman <i>B(Comm), CA. FGIA</i>	Joint Company Secretary Appointed: 1 November 2021
Suzie is an experienced Company Secretary with a demonstrated history of working with a wide range of businesses from start-up enterprises to ASX top 300 corporates, with a particular focus on the mining and metals industry. Suzie has held senior management roles across a range of businesses including industrial, mining production and public practice and advises on governance, enterprise risk management, audit and corporate compliance, company secretarial, and financial reporting responsibilities. Suzie is a Chartered Accountant, a Chartered Secretary and Governance Institute Fellow member.	
Danielle Muto <i>B(Bus), CA</i>	Joint Company Secretary Appointed: 1 September 2011
Danielle Muto is a Chartered Accountant and holds a Bachelor of Business from Edith Cowan University. Ms Muto is an experienced financial accountant with 20 years' experience both in Australia and overseas. Ms Muto's early career included working with RSM Bird Cameron and Abbott Business Consultants where she qualified as a Chartered Accountant. After this, Ms Muto switched to the industry side gaining experience as a financial accountant with Mitsui E&P Australia and the Ontario Medical Association. Ms Muto has been responsible for financial reporting and corporate administration at the Company over the past 10 years.	

Directors' Report (Cont.)

3. Directors' meetings

During the financial year, the Board held seven meetings of Directors. The number of meetings attended by each Director during the year was as follows:

Director	Number eligible to attend	Number attended
Mark Connelly	1	1
Nicole Duncan	6	6
Paul Bennett	6	5
Lynda Burnett	1	1
Norman Taylor	6	6
David Royle	5	5
Donald James	5	4

4. Directors' interests

As at the date of this report, the interests of the directors in shares and options of the Company are as follows:

Director	Ordinary Shares	Unlisted Options
Mark Connelly	-	570,000
Nicole Duncan	1,080,626	4,625,628
Paul Bennett ¹	15,713,662	500,000
Lynda Burnett	-	500,000
Norman Taylor	6,255,046	1,793,715

¹ The Ordinary Shares are held by Medallion Metals Limited (MM8). (Paul Bennett is the Managing Director of MM8 and has a shareholding of approximately 2.17% in MM8. He has an indirect interest in NickelSearch as a result of his position at MM8).

5. Dividends

No dividend was paid or declared by the Company during the year and up to the date of this report (2022:Nil).

6. Share options

At the date of this report, the unissued ordinary shares of NickelSearch Limited under option are as follows:

Grant date	Type	Expiry date	Exercise Price \$	Number under option
18 October 2021	Unquoted	18 October 2024	\$0.25	7,000,000
29 March 2022	Unquoted	18 October 2024	\$0.25	1,600,000
23 November 2022	Unquoted	18 October 2024	\$0.25	2,000,000
23 November 2022	Unquoted	30 June 2025	-	1,111,716
16 December 2022	Unquoted	30 June 2025	-	1,005,477
23 June 2023	Unquoted	30 November 2023	\$0.07	6,554,569
30 June 2023	Unquoted	30 November 2023	\$0.07	28,200,377
30 June 2023	Unquoted	30 April 2024	\$0.10	34,754,946
19 June 2023	Unquoted	19 June 2026	\$0.10	1,070,000
30 June 2023	Unquoted	30 June 2026	\$0.10	5,000,000
Total				88,297,085

Option holders do not have any rights of shares or other interests of the Company or any other entity.

Shares issued upon exercise of options

Subsequent to the year end, a total of 370,012 unquoted options with an exercise price of \$0.07 and expiry date of 30 November 2023 were exercised and converted to 370,012 new ordinary shares.

7. Indemnification and insurance of directors and officers

The Company has entered into agreements to indemnify all directors and officers of the Company against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director or officer. Disclosure of the amount of the premium is subject to a confidentiality clause under the insurance policy.

Insurance premiums paid for Directors

The Company paid a premium in respect of insurance cover for the Directors and Officers of the Group. The Group has not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors liability and legal expense insurance contracts, as such disclosure is prohibited under the terms of the insurance contract.

The Company has in place Deeds with each Director and Company Secretary whereby the Group has agreed to provide certain indemnities to each Director and Company Secretary to the extent permitted by the Corporations Act 2001, and to use its best endeavours to obtain and maintain Directors and Officers indemnity insurance, subject to such insurance being available at reasonable commercial terms.

8. Indemnification of the auditor

The Group has not provided any insurance or indemnity for the auditor of the Group.

9. Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

10. Auditor's independence declaration

A copy of the lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 30 of the annual report.

11. Non-audit services

The Board of Directors is satisfied that the provision of non-audit services during the year ended 30 June 2023 is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

There were no non-audit services rendered by the auditor for the year ended 30 June 2023, however subsequent to the year end, Nexia Perth Pty Ltd provided advice on taxation matters to the Company.

12. Principal activities

During the course of the financial year ended 30 June 2023, the Group's principal activities have focussed on the exploration for and evaluation of mineral resources at its Carlingup Project.

There were no significant changes in the nature of the Group's principal activities during the year.

13. Review of operations

A review of the Group's exploration progress and other activities undertaken during the financial year are discussed in the Review of Operations section of this Annual Report.

14. Financial Position, continued operations and future funding

For the year ended 30 June 2023 the Group recorded a loss of \$2,078,571 (2022: \$1,833,170) while expenditure on capitalised exploration and evaluation during the period totalled \$3,739,461 (2022: \$3,245,919).

Directors' Report (Cont.)

At the close of the financial year, the Group had net assets of \$12,878,294 (2022: \$12,422,789) including a cash balance of \$1,899,087 (2022: \$4,607,478). Total shares issued during the period were 34,954,946 (2022: 67,043,662) to increase issued capital, before costs, by \$2,461,827 (2022: \$13,408,732).

The Group had a net cash outflow from operating activities of \$1,528,309 (2022: \$1,762,393) and a net cash outflow from investing activities of \$3,339,804 (2022: \$3,342,347) with the outflows reflecting payments for ongoing exploration and evaluation activities at the Group's Carlingup Project. Net cash inflows during the year amounted to \$2,205,102 (2022: \$9,091,362) with funding received via the issue of ordinary shares in the Entitlement Offer.

The consolidated financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- there is sufficient cash available at balance date for the Group to continue operating; and
- the Group do not consider there are any valid reasons as to why future capital funding will not be available and remain confident that sufficient funding will be obtained when required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

15. Risks and uncertainties

The Group is subject to several generic risks, in addition to risks that are specific to the Group's activities. The following is a list of identified risks which the Directors believe may be material to the Group's current or future business, however, this is not a complete list of all risks which the Group may be subject to.

General economic risks

The Group is subject to general risks as well as risks that are specific to the Group and its activities. Economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities.

Exploration and Operating

The Carlingup project contains both greenfields and brownfields exploration targets and these are at various stages of exploration. Investors and interested parties are advised that mineral exploration and development of mineral deposits are high-risk undertakings. There can be no assurance that the exploration of any of the Projects, will result in the discovery of an economic resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Group.

The success of the Group is also dependent upon the Group being able to maintain title to the mineral tenements comprising the Project and obtaining all required approvals for their contemplated activities. In the event that

Directors' Report (Cont.)

exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the Project, a reduction in the cash reserves of the Group and possible relinquishment of one or more of the mineral tenements comprising that Project.

Regulatory Compliance

The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Group's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Group believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the mining claims comprised in a Project.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment. The Group's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Group's business.

Dependence on service providers and third-party collaborators

There is no guarantee that the Group will be able to find suitable third-party providers and third-party collaborators to complete the exploration work. The Group therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Group's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Group's exploration efforts, financial condition and results of operations.

Government Policy Changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Brazil may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Future funding risks

The Group's main activity is exploration for minerals, and it is yet to generate revenues. At reporting date, the Group has a cash balance of \$1.9M and net assets of \$12.9M. Additional funding will be required in the future to fund working capital, the Group's exploration programs and effectively implement its business strategy. In addition, should the

Company consider that its exploration results justify commencement of production, additional funding will be required to implement the Group's development plans, the quantum of which remain unknown at the date of this report. The Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Group's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Group's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to Shareholders.

Market conditions

Share market conditions may affect the value of the Group's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) war, terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market. Neither the Group nor the Directors warrant the future performance of the Group or any return on an investment in the Group.

Commodity price volatility and exchange rate risks

If the Group achieves success in exploration, leading to mineral production, revenue derived through the sale of product may expose the Group to commodity price and exchange rate risks. Commodity prices are affected by many factors beyond the control of the Group. Such factors include fluctuations in supply and demand for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are often denominated in United States dollars, whereas the income and expenditure of the Group will be considered in Australian currency, exposing the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, as determined in international markets.

Litigation

The Group may in the ordinary course of business become involved in litigation and disputes, for example with its contractors, employees or other stakeholders over a broad range of matters. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors or other stakeholders. Any such outcomes may have an adverse impact on the Group's business, market reputation and financial condition and financial performance.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Group is committed to preventing and reducing cyber security risks through outsourced the IT management and monitoring to a reputable services provider.

Local Community

The Group's Carlingup Project is situated near the town of Ravensthorpe in Western Australia. While the Group is committed to do all in its power to maintain good working relationships with the local community and will pursue a

mining plan designed to minimize any community impact, there is a risk that this will not be sufficient to satisfy community expectations. In that event, the activities of the Group could potentially be disrupted and/or delayed.

Mine Development

Possible future development of mining operations at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Group does proceed to production, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group. No assurance can be given that the Group will achieve commercial viability through the development of any of the Project. The risks associated with the development of a mine will be considered in full should the Project reach that stage and will be managed with ongoing consideration of stakeholder interests.

Environmental

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

Ukraine Conflict

The current conflict between Ukraine and Russia (Ukraine Conflict) has and continues to impact global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Group remains unknown. The Group's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict. The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Furthermore, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Group's operations and are likely to be beyond the control of the Group. The Group is monitoring the situation closely and considers the impact of the Ukraine

Conflict on the Group's business and financial performance to, at this stage, to be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

16. Ravensthorpe laterite nickel royalty

First Quantum Minerals (FQM) holds the rights to any lateritic nickel on a number of tenements owned by third parties, including NickelSearch, in the Ravensthorpe region. Should any lateritic nickel be mined on these tenements then a royalty is payable to NickelSearch.

17. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

18. Events after the reporting period

In the period since 30 June 2023, no matter or circumstance has arisen that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

19. Future developments, prospects, and business strategies

NickelSearch will continue to pursue its methodical exploration and evaluation strategy at its wholly owned Carlingup project and build upon the opportunities identified.

20. Environmental regulation

The Groups' operations are subject to environmental regulation, under the law in Australia, pertaining to mining exploration operations. The Directors monitor the Group's compliance with environmental regulation under law, in relation to its exploration activities. As at the date of this Annual Report, the Directors are not aware of any compliance breach of any such laws or regulations.

21. Remuneration report – audited

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel (KMP) of NickelSearch Limited for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Name	Position	Period in position during the year
Non-Executive Directors		
Mark Connelly	Non-Executive Chair	From 3 April 2023 to 30 June 2023
Paul Bennett	Non-Executive Director	For the reporting period
Lynda Burnett	Non-Executive Director	From 3 April 2023 to 30 June 2023
Norman Taylor	Non-Executive Director	For the reporting period
David Royle	Non-Executive Chair	From 1 July 2022 to 3 April 2023
Donald James	Non-Executive Director	From 1 July 2022 to 3 April 2023
Executive Directors		
Nicole Duncan	Managing Director	For the reporting period

Directors' Report (Cont.)

b. Remuneration policy

The remuneration policy of NickelSearch Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and/or performance rights), executive, business and shareholder objectives are aligned. The Board of NickelSearch Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

c. Managing Director and Other Key Management Personnel

The remuneration policy and the relevant terms and conditions has been developed by the Board of Directors. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Company is an exploration and development entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry.

d. Executive Service Agreements / Consulting Contracts

On appointment to the Board, all Non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. Remuneration of the Managing Director and other executives are formalised in letters of appointment, employment, or consulting agreements. These agreements provide details of the salary and employment conditions relating to each employee or consultant.

e. Key Management Contract Details

The following are summary employment/ service details of persons who were KMP of the Group during the financial year:

KMP	Position held at 30 June 2023	Contract Details	Proportion of Remuneration:		Total
			Related to performance	Not related to performance	
			Incentives	Fixed	
Mark Connelly	Non-executive Chair	Fee of \$50,000 per annum as non-executive Chair with no fixed term, termination as provided by the Corporations Act.	0%	100%	100%
Nicole Duncan	Managing Director	\$275,000 salary per annum. Termination (without cause) by the Company with 6-month notice, termination by the employee with 3-month notice.	0%	100%	100%
Paul Bennett	Non-executive Director	Fee of \$40,000 per annum. No fixed term, termination as provided by the Corporations Act.	0%	100%	100%

Directors' Report (Cont.)

KMP	Position held at 30 June 2023	Contract Details	Proportion of Remuneration:		Total
			Related to performance	Not related to performance	
			Incentives	Fixed	
Lynda Burnett	Non-executive Director	Fee of \$40,000 per annum. No fixed term, termination as provided by the Corporations Act.	0%	100%	100%
Norman Taylor	Non-executive Director	Fee of \$40,000 per annum. No fixed term, termination as provided by the Corporations Act.	0%	100%	100%

Non-executive directors' engagements are subject to the *Corporations Act 2001*, ASX Listing Rules, the Company's constitution, and terms of their contract. Subject to the *Corporations Act 2001*, termination payments are at the discretion of the Board.

f. Remuneration consultants

During the financial year, the Company engaged The Reward Practice to provide recommendations on executive short-term and long-term incentive plan design and assist with structuring the remuneration framework in order to ensure the Company is able to attract, retain and motivate the right calibre of executives to the business.

Fixed Remuneration

All executives receive a base cash salary which is based on factors such as length of service and experience as well as other fringe benefits. If entitled, all executives also receive a superannuation guarantee contribution required by law, and do not receive any other retirement benefits.

Short-term Incentives (STI)

The Company does not presently have a short-term incentive policy, and no short-term incentives were paid in the current financial year. The Board has recently formed a remuneration committee who are in the process of formulating a short-term incentive scheme for executives and KMP, with the intention of this being applied in future financial years. The Remuneration Committee will be responsible for assessing whether the executive's Key Performance Indicators ("KPI's") are met and providing recommendations on incentive awards to the Board for approval. In assessing the maximum level of STI values to be awarded, the Remuneration Committee will consider market rates of salaries for levels across the Company, which are based on industry data provided by a range of industry sources.

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the Company, and it is therefore the Company's objective to provide incentives for participants to partake in the future growth of the Company and, upon becoming shareholders in the Company, to participate in the Company's profits and dividends that may be realised in future years. Upon appointment, executives and key management personnel may be granted Options under the Company's Incentive Securities Plan. Such grants were provided to the Key Management Personnel during the current and prior year dependent upon their level of responsibility, the importance of his/her position and future contribution to the Company.

Options granted in the financial period under the Company's Securities Incentive Plan were tied to the performance of the Company, vesting at a premium share price and an increased nickel resource estimate with a service restriction of 2 years from issue.

Further details of Incentive options issued under this Plan during the year are detailed in Note 17 of the financial statements.

The Remuneration Committee will be responsible for reviewing the long-term incentive plan and KPI's for executives and KMP and will recommend future changes to the Board for approval.

Directors' Report (Cont.)

Relationship between Remuneration of Key Management Personnel and Earnings

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between earnings or the Board's policy for determining, or in relation to earnings during the current and previous financial years.

Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

The Company continues to focus on its exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production, and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

Non-Executive Directors

The Board's policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment, and responsibilities. In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and the industry generally. Typically, the Company will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development business group.

The Non-Executive Directors' fee pool limit is \$250,000 per annum.

g. Directors and executives' remuneration

Details of the nature and amount of each element of remuneration for each KMP of the Company paid during the financial year are as follows:

	Salary and fees (short term) \$	Super (post-employment) \$	Annual leave & non-monetary benefits \$	Share based payments (options) ⁽ⁱⁱⁱ⁾ \$	Total remuneration \$	Performance related ^(iv) %
2023						
Mark Connelly ⁽ⁱ⁾	12,222	1,283	-	365	13,870	3%
David Royle ⁽ⁱⁱ⁾	46,155	5,282	4,154	13,450	69,041	19%
Nicole Duncan	275,000	25,292	21,146	124,236	445,674	28%
Paul Bennett	40,000	4,200	-	13,450	57,650	23%
Lynda Burnett ⁽ⁱ⁾	9,778	1,027	-	320	11,125	3%
Norman Taylor	40,000	4,200	-	13,450	57,650	23%
Donald James ⁽ⁱⁱ⁾	30,222	3,173	-	13,450	46,845	29%
Total	453,377	44,457	25,300	178,721	701,855	26%
⁽ⁱ⁾ Appointed 3 April 2023. ⁽ⁱⁱ⁾ Resigned 3 April 2023. ⁽ⁱⁱⁱ⁾ In accordance with AASB 2 <i>Share Based Payments</i> , the fair value of share-based payments (SBP) is determined at the date of grant. SBP expenses are allocated to each period evenly over the period from the grant date to vesting date. The value disclosed is the position of the SBP expense recognised as an expense in each reporting period. ^(iv) Options are considered performance related remuneration. Accordingly, percentages shown represent the percentages of performance-based remuneration						

Directors' Report (Cont.)

2022	Salary and fees (short term) \$	Super (post-employment) \$	Annual leave \$	Share based payments (options) \$	Total remuneration \$	Performance related %
David Royle ⁽ⁱ⁾	127,140	12,714	3,462	9,397	152,713	6%
Nicole Duncan ⁽ⁱⁱ⁾	98,846	9,885	11,480	-	120,211	0%
Norman Taylor	40,000	4,000	-	9,397	53,397	18%
Paul Bennett	38,181	3,818	-	9,397	51,396	18%
Donald James	40,000	4,000	-	9,397	53,397	18%
Craig Moulton ⁽ⁱⁱⁱ⁾	140,061	12,928	9,215	-	162,204	0%
Total	484,228	47,345	24,157	37,588	593,318	6%
⁽ⁱ⁾ Prior year fee as non-executive Chair, Interim Executive Chair and Technical Director. ⁽ⁱⁱ⁾ Appointed 1 February 2022. ⁽ⁱⁱⁱ⁾ Resigned 15 December 2021. Mr Moulton was paid a \$20,000 sign on bonus at appointment which is included in salaries and fees.						

h. Equity instruments

Number of shares held by KMP

2023	Balance at the Beginning of Year / On Appointment	Granted as Remuneration during the Year	Acquired / (Sold)	Balance at End of Year/ at Cessation
Mark Connelly ⁽ⁱ⁾	-	-	-	-
David Royle ⁽ⁱⁱ⁾	1,230,604	-	-	1,230,604
Nicole Duncan	-	200,000	880,626	1,080,626
Paul Bennett ⁽ⁱⁱⁱ⁾	15,713,662	-	-	15,713,662
Lynda Burnett ⁽ⁱ⁾	-	-	-	-
Norman Taylor ^(iv)	5,292,283	-	579,429	5,871,712
Donald James	100,000	-	-	100,000
Total				23,996,604
⁽ⁱ⁾ Appointed 3 April 2023. ⁽ⁱⁱ⁾ Of the total shareholding, 423,938 shares are held in the AML Equity Plan. ⁽ⁱⁱⁱ⁾ Mr Bennett is the Managing Director of MM8, which holds 15,713,662 (15.1% interest) shares in NickelSearch. ^(iv) Subsequent to year end, Mr Taylor acquired an additional 383,334 ordinary shares.				

2022	Balance at the Beginning of Year / On Appointment	Granted as Remuneration during the Year	Acquired / (Sold)	Balance at End of Year/ at Cessation
David Royle ⁽ⁱ⁾	1,230,604	-	-	1,230,604
Nicole Duncan ⁽ⁱⁱ⁾	-	-	-	-
Norman Taylor	5,292,283	-	-	5,292,283
Paul Bennett ⁽ⁱⁱⁱ⁾	-	-	15,713,662	15,713,662
Donald James	-	-	100,000	100,000
Craig Moulton ^(iv)	-	-	200,000	200,000
Total	6,522,887	-	16,013,662	22,536,549
⁽ⁱ⁾ Of the total shareholding, 423,938 shares are held in the AML Equity Plan. ⁽ⁱⁱ⁾ Ms Duncan was appointed on 1 February 2022. ⁽ⁱⁱⁱ⁾ Mr Bennett is the Managing Director of MM8, which holds 15,713,662 (15.1% interest) shares in NickelSearch. ^(iv) Mr Moulton was appointed on 26 July 2021 and resigned on 15 December 2021.				

Directors' Report (Cont.)

Number of options held by KMP

2023	Balance at the Beginning of Year	Granted as Remuneration during the Year	Options Cancelled	Purchased / (Sold)	Balance at End of Year / at Cessation
Mark Connelly ⁽ⁱ⁾	-	570,000	-	-	570,000
David Royle	500,000	-	-	-	500,000
Nicole Duncan	-	3,111,716	-	1,513,912	4,625,628
Paul Bennett	500,000	-	-	-	500,000
Lynda Burnett ⁽ⁱ⁾	-	500,000	-	-	500,000
Norman Taylor	500,000	-	-	1,293,715	1,793,715
Donald James	500,000	-	-	-	500,000
Total					8,989,343
(i) Directors appointed on 3 April 2023 were granted options in accordance with the terms of their engagement and subsequently approved by shareholders at a general meeting.					

2022	Balance at the Beginning of Year	Granted as Remuneration during the Year	Options Cancelled	Purchased / (Sold)	Balance at End of Year
David Royle	-	500,000	-	-	500,000
Nicole Duncan ⁽ⁱ⁾	-	-	-	-	-
Norman Taylor	-	500,000	-	-	500,000
Paul Bennett	-	500,000	-	-	500,000
Donald James	-	500,000	-	-	500,000
Craig Moulton ⁽ⁱⁱ⁾	-	2,000,000	2,000,000	-	-
Total					2,000,000
(i) In accordance with the terms of her engagement and as approved by shareholders at the 2022 annual general meeting, Ms Duncan was issued 2,000,000 options under the Company's Employee Incentive Plan, and 200,000 ordinary shares in the Company.					
(ii) Mr Moulton was issued 2,000,000 options in accordance with the terms of his contract of employment. Following his resignation on 15 December 2021, the options were cancelled with effect from 15 January 2022.					

Terms and conditions of share-based payment arrangements – Options

Options over ordinary shares that were granted to each KMP during the period and details of options that vested are as follows:

2023	Grant date	Number granted	Expiry date	Exercise price per option \$	Fair value per option at grant date	Value of options at grant date \$	% Vested and exercised
Nicole Duncan	23/11/22	2,000,000	18/10/24	\$0.25	\$0.0477	\$95,317	0%
Nicole Duncan	23/11/22	370,572	30/6/25	-	\$0.1209	\$44,802	0%
Nicole Duncan	23/11/22	370,572	30/6/25	-	\$0.1062	\$39,355	0%
Nicole Duncan	23/11/22	370,572	30/6/25	-	\$0.1450	\$53,733	0%
Mark Connelly	19/6/23	570,000	19/6/26	\$0.10	\$0.0425	\$24,225	0%
Lynda Burnett	19/6/23	500,000	19/6/26	\$0.10	\$0.0425	\$21,250	0%
Total		4,181,716				\$278,682	

Vesting criteria

The 2,000,000 options issued to Nicole Duncan will vest upon completion of two years continued service from the date of issue (by 18 October 2023).

Directors' Report (Cont.)

The 1,111,716 performance options issued to Nicole Duncan will vest in 3 tranches upon achievement of certain performance targets within a three-year period ending 30 June 2025.

The 1,070,000 options issued to Mark Connelly and Lynda Burnett are exercisable at any time on or prior to the expiry date.

Refer to Note 22 – Share based payments for more details on the share-based payment arrangements.

Other equity related KMP transactions

Apart from the details disclosed above, no Director or other KMP has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts or balances involving Directors' interests existing at year end.

i. Payments to persons before taking office

During the year, there were no payments to persons before taking office.

j. Voting and comments made at the Company's Annual General Meeting ('AGM')

The Company received 99.5% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback from shareholders at the 2022 Annual General Meeting on its remuneration practices.

End of Remuneration Report

This report is signed in accordance with a resolution of the Board of Directors:



Nicole Duncan
Managing Director
Dated at Perth: 29/09/2023

Auditors Independence Declaration



Nexia Perth Audit Services Pty Ltd
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Auditor's independence declaration under section 307C of the Corporations Act 2001

To the Board of Directors of NickelSearch Limited

As lead auditor for the audit of the financial statements of NickelSearch Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

NPAS

Nexia Perth Audit Services Pty Ltd

A handwritten signature in black ink, appearing to read 'J. Mulhair'.

Justin Mulhair
Director

Perth
29 September 2023

Advisory. Tax. Audit

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information, please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Other income	2	41,591	1,621
Expenditure on technical studies		(75,688)	-
Consulting fees		(221,590)	(104,842)
Corporate and administrative costs		(544,496)	(774,942)
Finance costs	4	(9,097)	(568)
Employee benefits expense	5	(651,012)	(669,960)
Depreciation	10	(86,184)	(14,411)
Legal expenses		(69,812)	(38,332)
Share-based payment expense		(328,974)	(165,869)
Tenement fees		(133,309)	(115,867)
Loss before income tax		(2,078,571)	(1,883,170)
Income tax expense	6	-	-
Loss for the year		(2,078,571)	(1,883,170)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(2,078,571)	(1,883,170)
Loss Per Share			
Basic loss per share (cents)	24	(1.99)	(2.01)
Diluted loss per share (cents)	24	(1.99)	(2.01)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,899,087	4,607,478
Other receivables	8	156,022	99,236
Other assets	9	44,834	38,009
Total current assets		2,099,943	4,744,723
Non-current assets			
Property, plant and equipment	10	329,134	221,507
Exploration and evaluation assets	11	13,534,620	9,348,447
Total non-current assets		13,863,754	9,569,954
TOTAL ASSETS		15,963,697	14,314,677
Liabilities			
Current liabilities			
Trade and other payables	13	793,971	208,482
Provisions	14	47,585	19,114
Lease liabilities	15	57,501	-
Total current liabilities		899,057	227,596
Non-current liabilities			
Provisions	14	2,111,004	1,664,292
Lease liabilities	15	75,342	-
Total non-current liabilities		2,186,346	1,664,292
TOTAL LIABILITIES		3,085,403	1,891,888
NET ASSETS		12,878,294	12,422,789
Equity			
Issued capital	16	16,085,125	14,320,478
Reserves	17	1,146,498	377,069
Accumulated losses		(4,353,329)	(2,274,758)
TOTAL EQUITY		12,878,294	12,422,789

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total \$
Balance at 30 June 2021					
Loss for the year		-	(1,883,170)	-	(1,883,170)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	(1,883,170)	-	(1,883,170)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares		13,408,732	-	-	13,408,732
Share issue costs		(913,038)	-	-	(913,038)
Share-based payment, options granted				377,069	377,069
Share-based payment, options cancelled		-	-	(216,800)	(216,800)
Total transactions with owners and transfers		12,495,694	-	160,269	12,655,963
Balance at 30 June 2022					
Loss for the year		-	(2,078,571)	-	(2,078,571)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	(2,078,571)	-	(2,078,571)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares		2,432,827	-	-	2,432,827
Share issue costs		(697,180)	-	-	(697,180)
Share-based payment		29,000	-	769,429	798,429
Total transactions with owners and transfers		1,764,647	-	769,429	2,534,076
Balance at 30 June 2023	16	16,085,125	(4,353,329)	1,146,498	12,878,294

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash from operating activities:			
Payments to suppliers and employees		(1,553,734)	(1,762,396)
Interest paid		(9,097)	(568)
Interest received		34,522	571
Net cash used in operating activities	19	(1,528,309)	(1,762,393)
Cash flows from investing activities:			
Exploration expenditure		(3,324,216)	(3,129,925)
Stamp duty on acquisition of assets		-	(113,910)
Purchase of plant and equipment		(15,588)	(98,512)
Funds received (sale of AML Pty Ltd)		-	-
Net cash used in investing activities		(3,339,804)	(3,342,347)
Cash flows from financing activities:			
Proceeds from issue of shares		2,432,847	10,010,000
Costs associated with share and option issues		(227,745)	(918,638)
Borrowings received		-	50,000
Borrowings repaid		(45,380)	(50,000)
Net cash generated by financing activities		2,159,722	9,091,362
Cash flows from financing activities:			
Net (decrease)/ increase in cash and cash equivalents		(2,708,391)	3,986,622
Cash and cash equivalents at beginning of year		4,607,478	620,856
Cash and cash equivalents at end of year	7	1,899,087	4,607,478

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of NickelSearch Limited and its subsidiaries (the Group).

a. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. NickelSearch Limited is a for-profit entity for the purpose of preparing financial statements.

(i) Compliance with IFRS

The consolidated financial statements of NickelSearch Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

Except for the cashflow information, the financial statements have been prepared on an accrual basis and are based on historical cost, except for the following:

- certain financial assets and liabilities, certain classes of property, plant and equipment that is measured at fair value, and
- share based payments measured at fair value.

(iii) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group achieved a net loss of \$2,078,571 (2022: net loss of \$1,883,170) and net operating cash outflows of \$1,573,689 (2022: outflow \$1,762,393). As at 30 June 2023, the Group had a cash and cash equivalents balance, inclusive of short term deposits, of \$1,899,087.

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- there is sufficient cash available at balance date for the Group to continue operating; and
- the Group do not consider there are any valid reasons as to why future capital funding will not be available and remain confident that sufficient funding will be obtained when required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

b. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (NickelSearch Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 12 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All intergroup balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the Group.

c. Share-based payments

Share based payments take the form of ordinary shares, or options. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. Share based payments in the form of ordinary shares are credited to Issued Capital. Options issued are credited to Options Reserve.

Determination of fair value

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of premium priced options has been determined using a Black Scholes option pricing model while the fair value of performance options has been determined using a Trinomial option pricing methodology, taking into account the terms and conditions upon which the instruments were granted, and the assumptions detailed in note 22.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Ordinary shares are also issued in settlement of employee liabilities.

d. Exploration and evaluation expenditure

Exploration, evaluation, and development expenditure incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made.

When production commences the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with local laws and

Notes to the Financial Statements (Cont.)

regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. Property, plant, and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in profit or loss. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is charged to profit and loss on a straight-line basis over the estimated useful lives of each asset. Land is not depreciated.

In the current and comparative periods, useful lives are as follows:

Plant and equipment:	2 - 20 years
Office equipment:	3 - 7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date

f. Income taxes

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The Company and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income.

g. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

The Group recognises a loss allowance for expected credit losses, using the simplified approach under *AASB 9 Financial Instruments*, which requires the recognition of lifetime expected credit loss at all times.

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in profit or loss.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and

- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

A financial liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

h. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

j. Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to the Financial Statements (Cont.)

k. Revenue and other income

Interest income is recognised using the effective interest method.

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Provision for rehabilitation

The Group has an obligation to dismantle, remove, restore and rehabilitate certain areas disturbed during mine operations. A provision for future rehabilitation obligations is recognised based upon the estimated cost to restore disturbed areas, discounted to the present value of the expected future cash flows. Changes to the estimated cost for rehabilitation, including fluctuations of inflation or discount rates, will be recognised as a change to the corresponding rehabilitation asset and rehabilitation liability.

n. Issued capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

o. Trade and other receivables

Trade and other receivables include amounts due in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially measured at the transaction price if the trade receivable does not contain a significant financial component.

Trade receivables are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

p. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Amounts are initially recognised at fair value, and subsequently measured at amortised cost.

q. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

r. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

s. Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates/judgments used in the financial statements are:

(i) Exploration and evaluation asset

Exploration and evaluation expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or sale, of the respective areas of interest. The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

(ii) Provision for rehabilitation

The value of the rehabilitation provision is based on a number of assumptions with significant judgement including the nature of rehabilitation activities required, estimates of the cost of performing the work, changes in legislation, changes in technology, the timing of future cash flows and the appropriate risk-free discount rate. A change in any, or a combination, of these assumptions used to determine current provisions may have a material impact on the value of the provision.

During the year, the Group has remeasured the rehabilitation provision to reflect changes in estimated future costs to be incurred due to changes in the economic environment and an increase in rates of inflation, with reference to rates published as the consumer price index. Such changes in the estimated liability are accounted for prospectively and added to the rehabilitation provision and corresponding rehabilitation asset.

Notes to the Financial Statements (Cont.)

(iii) Share based payments - performance conditions

During the year, the Company granted 3,070,000 premium priced and 2,650,817 performance options under the Company's Employee Incentive Plan to directors' and employees of the Company. The Company granted a further 39,754,946 premium priced options to advisors for services provided during the equity entitlement offer.

The premium priced options granted to Directors are subject to a restriction that requires continuous service for a period of 2 years from grant date, which must be satisfied in order for the options to be exercised and tradeable.

Performance options granted during the year will vest in three tranches upon the achievement of three separate performance targets within the performance period. The premium priced options granted to advisors have vested upon completion of services provided to the Company during the equity entitlement offer.

The Company will recognise a share-based payment expense over the relevant vesting period or as services that give rise to the share-based payment are received.

Refer to note 22 for further details regarding the option grants and valuations.

u. New accounting standards

There have been no new accounting standards applied for the first time in the preparation of the financial statements for the year ended 30 June 2023. New accounting standards issued as at 30 June 2023 that are not yet applicable are not expected to have a material effect on the amounts reported in the financial statements.

2. Other income

	2023 \$	2022 \$
- Interest	34,522	571
- Sundry recoveries	7,069	1,050
Total for the year	41,591	1,621

3. Expenses

	2023 \$	2022 \$
Included in expenses are the following items:		
Exploration expenditure expensed during year	75,688	-
Management fees	262,786	370,085
Marketing and promotion expense	193,090	145,600

4. Finance expense

	2023 \$	2022 \$
Interest payable		
- Related entity	-	182
- Unrelated entity	9,097	386
Total for the year	9,097	568

5. Employee benefits expense

	2023 \$	2022 \$
Wages, salary and benefits	536,598	583,599
Contributions to defined contributions plans	114,414	86,361
Total for the year	651,012	699,960

Notes to the Financial Statements (Cont.)

6. Income tax expense

	2023 \$	2022 \$
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Accounting profit / (loss) before income tax	(2,078,571)	(1,883,170)
Income tax at 25.0% (2022: 25.0%)	(519,643)	(470,792)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
- Non-deductible expenses	82,244	-
- Non-assessable income	-	(12,070)
- Adjustments that would be recognised in the current year in relation to the current tax of prior years	(478,013)	-
- Amounts that would arise from recognition of new DTA/DTL's	500	-
- Effect of temporary differences that would be recognised directly in equity	(56,936)	-
- Temporary differences not recognised	971,848	482,862
Income tax expense	-	-
(b) Deferred tax balances		
At 30 June 2023, net deferred tax assets of \$1,683,127(2022: \$711,278) have been reversed in terms of AASB112 Income Taxes. The Company does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.		

(b) Deferred tax balances			
Unrecognised deferred tax assets and liabilities at 30 June 2023 comprise:			
	Deferred Tax Assets \$	Deferred Tax Liabilities \$	Net \$
Detailed breakdown of DTA's and DTL's			
Exploration assets	-	(859,655)	(859,655)
Right of use assets	-	(32,179)	(32,179)
Lease liabilities	33,211	-	33,211
Trade and other payables	20,958	-	20,958
Unused tax losses	2,321,608	-	2,321,608
Other future deductions	199,184	-	199,184
Unrecognised deferred tax assets / liabilities before set-off	2,574,961	(891,834)	1,683,127
Set-off of deferred tax liabilities	(891,834)	891,834	-
Net unrecognised deferred tax asset	1,683,127	-	1,683,127

Notes to the Financial Statements (Cont.)

7. Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	103	103
Cash at bank	1,898,984	4,607,375
Balance at the end of the year	1,899,087	4,607,478
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	1,899,087	4,607,478

8. Trade and other receivables

	2023 \$	2022 \$
Current		
Sundry receivables	156,022	99,236
Balance at the end of the year	156,022	99,236
Credit Risk — Other Receivables		
Of the total balance receivable, \$153,612 relates to GST receivable from the Australian Taxation Office. The remaining \$2,410 is receivable from Alpha Fine Chemicals (a related party) for shared office accommodation and other equipment. Otherwise, the Group has no significant concentration of credit risk with respect to counter parties.		
The class of assets described as Other Receivables is considered to be the main source of credit risk related to the Group. All other receivables are within normal credit terms and are therefore not considered past due or impaired.		

9. Other assets

	2023 \$	2022 \$
Current		
Prepayments	42,434	35,609
Deposits	2,400	2,400
Balance at the end of the year	44,834	38,009

Notes to the Financial Statements (Cont.)

10. Property, plant, and equipment

	Land & buildings \$	Plant & equipment \$	Office equipment \$	Right of use assets \$ ⁽¹⁾	Total \$
Year ended 30 June 2022					
Opening net book amount	-	-	-	-	-
Additions	137,406	57,090	41,422	-	235,918
Depreciation expense	-	(4,004)	(10,407)	-	(14,411)
Closing net book amount	137,406	53,086	31,015		221,507
At 30 June 2022					
Cost or fair value	137,406	57,090	41,422	-	235,918
Accumulated depreciation	-	(4,004)	(10,407)	-	(14,411)
Net book amount	137,406	53,086	31,015	-	221,507
Year ended 30 June 2023					
Opening net book amount	137,406	53,086	31,015	-	221,507
Additions	-	4,318	11,270	178,223	193,811
Depreciation expense	-	(19,499)	(17,179)	(49,506)	(86,184)
Closing net book amount	137,406	37,905	25,106	128,717	329,134
At 30 June 2023					
Cost or fair value	137,406	61,408	52,692	178,223	429,729
Accumulated depreciation	-	(23,503)	(27,586)	(49,506)	(100,595)
Net book amount	137,406	37,905	25,106	128,717	329,134

(1) Refer to note 15 for further information on the recognition of Right of use assets

11. Exploration and evaluation assets

	2023 \$	2022 \$
Non-current		
Exploration expenditure capitalised:		
Opening balance	9,348,447	5,410,765
Exploration expenditure incurred	3,739,461	-
Increase in rehabilitation asset	446,712	-
Acquisition of tenements	-	5,039,528
Less impairment	-	(1,101,846)
Carrying amount at the end of the year	13,534,620	9,348,447

12. Controlled entities

Name	Country of incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Parent entity:			
NickelSearch Limited	Australia		
Subsidiaries of parent entity:			
AML (Ravensthorpe) Pty Ltd	Australia	100%	100%
AML Employee Equity Plan Pty Ltd	Australia	100%	100%
Phanerozoic Energy Pty Ltd	Australia	100%	100%

Notes to the Financial Statements (Cont.)

13. Trade and other payables

	2023 \$	2022 \$
Current		
Unsecured liabilities:		
Trade and other payables	793,971	208,482
Balance at the end of the year	793,971	208,482
Trade and other payables are unsecured, non-interest bearing and normally settled within 7 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.		
Financial liabilities at amortised cost classified as trade and other payables (Refer note 27)	793,971	208,482
Balance at the end of the year	793,971	208,482

14. Provisions

	Mine Rehabilitation \$	Employee Benefits \$	Total \$
Opening balance at 1 July 2022	1,664,292	19,114	1,683,406
Additional provisions	446,712	28,471	475,183
Closing balance as at 30 June 2023	2,111,004	47,585	2,158,589
Analysis of total provision		2023 \$	2022 \$
Current		47,585	19,114
Non-current		2,111,004	1,664,292
Total		2,158,589	1,683,406
The rehabilitation provision relates to the former mine site at RAV8 which was acquired from MM8 pursuant to the Asset Sale Agreement dated 20 May 2021 and settled on 5 October 2021. The provision for rehabilitation has been adjusted to reflect an increase in the estimated future cost of restoring and rehabilitating the RAV8 site.			
Provision for employee benefits represents amounts accrued for annual leave.			

Notes to the Financial Statements (Cont.)

15. Lease Liabilities

	2023 \$	2022 \$
Right of use asset		
Right of use asset recognised at inception	178,223	-
Amortised during the period	(49,506)	-
Balance at the end of the year	128,717	-
Lease liability		
Lease liability recognised at inception	176,223	-
Add: Finance charges	9,097	-
Less: Payments	(52,477)	-
Balance at 30 June 2023	132,843	-
Disclosure in the statement of financial position		
Current lease liability	57,501	-
Non-current lease liability	75,342	-
Total lease liability	132,843	-
<p>During the financial year, the Company entered into an agreement to lease corporate office space for a minimum period of 3 years on standard commercial terms. At the end of the prior financial year, the Company did not have any leases or contracts containing leases that would require disclosure under this standard.</p> <p>Right of use assets are measured at amounts equal to the carrying value of their respective lease liabilities on the inception date, adjusted for incentives, accruals and prepayments relating to the contractual agreement. Right of use assets are amortised over the shorter of the asset's useful life and the lease term on a straight term basis. Right of use assets have been disclosed as part of property, plant and equipment in the statement of financial position, refer to Note 10 for further detail.</p> <p>Lease liabilities are measured at amounts equal to the net present value of lease payments over the remaining term of the lease, discounted at the Company's incremental borrowing rate. The discount rate used in calculating the carrying value of lease liabilities considers the circumstances applicable to the underlying leased assets, in particular the lease value, the term of the lease and the economic environment.</p>		

Notes to the Financial Statements (Cont.)

16. Issued capital

	2023 \$	2022 \$
139,018,964 (2022: 104,064,018) fully paid ordinary shares	17,961,362	15,499,516
Less: Capital raising costs	(1,876,237)	(1,179,038)
Total	16,085,125	14,320,478
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At Shareholder meetings each ordinary shareholder is entitled to one vote per share held when a poll is called.		
Capital Management		
The Board and management collectively control the capital of the Group in order to ensure that the Group can fund its business plan and current operations. There are no externally imposed capital requirements.		
Movements in Share Capital	Number of shares	Total \$
Opening balance 1 July 2021	37,020,356	1,824,784
6 July 2021 – Issue to Lead Manager for Initial Public Offering	1,330,000	266,000
5 October 2021 – Issue for the acquisition of new tenements	15,713,662	3,142,732
6 October 2021 – Issue for Initial Public Offering	50,000,000	10,000,000
Capital raising costs ³	-	(913,038)
Balance at 30 June 2022	104,064,018	14,320,478
Movements in Share Capital	Number of shares	Total \$
Balance at 1 July 2022	104,064,018	14,320,478
23 November 2022 - Appointment issue to Managing Director ¹	200,000	29,000
30 June 2023 – Issue for Entitlement Offer ²	34,754,946	2,432,827
Capital raising costs ³	-	(697,180)
Balance at 30 June 2023	139,018,964	16,085,125
¹ Refer to Note 20 – Related Party Transactions for further information on issue of shares to Managing Director.		
² On the third of May 2023, the Company announced its intention to undertake an entitlement offer on the basis of one new share for every three shares held by eligible shareholders. The offer raised \$2.43M (before costs) and resulted in the issue of 34,754,946 new ordinary shares.		
³ Capital raising costs include both cash and non-cash payments for services provided. Refer to Note 19 for further information on the non-cash component of \$469,455 (2022: \$211,200)		

Notes to the Financial Statements (Cont.)

17. Reserves

	2023 \$	2022 \$
Option Reserve		
Opening balance	377,069	216,800
Options expensed to profit and loss during the year	299,974	165,869
Options recognised as a cost of share capital during the year	469,455	211,200
Options cancelled / (lapsed) during the year	-	(216,800)
Balance at end of year	1,146,498	377,069
The option reserve records the cumulative amounts charged to profit and loss or share capital costs in respect of share-based payment arrangements. Refer to note 22 for details on share-based payments and the basis of valuation for options issued.		
The Company has share options on issue. Movement in the share options is as follows	2023 No.	2022 No.
Balance at beginning of year	8,700,000	4,000,000
Options granted during the year ⁽ⁱ⁾	80,230,710	7,700,000
Options exercised during the year	-	-
Options cancelled during the year	(533,625)	(1,000,000)
Options lapsed during the year	(100,000)	(2,000,000)
Balance at end of year	88,297,085	8,700,000
(i) Options granted during the year includes a total of 34,754,946 free attaching options granted to subscribers as per the terms of the Entitlement Offer.		

Notes to the Financial Statements (Cont.)

18. Expenditure commitments

(a) Operating lease commitments

There are no operating lease commitments, other than those included in note 15.

(b) Expenditure commitments

Upon completion of the acquisition of assets from MM8 during the 2022 financial year, the Group has assumed various rehabilitation obligations (refer note 14).

The Group must meet minimum expenditure commitments in respect of its exploration tenements or obtain expenditure exemptions from respective jurisdictional departments to maintain those tenements in good standing. If the relevant tenement is relinquished the expenditure commitment also ceases.

The following commitments for the next 5 years exist at reporting date but have not been brought to account. Additional commitments exist through to the expiry dates of the tenements that range from 2024 to 2039:

	2023 \$	2022 \$
Commitments on the exploration tenements for the next 12 months	492,400	492,400
Commitments between 12 months and 5 years	1,969,600	1,969,600
Total commitment over 5 years	2,462,000	2,462,000

The Group has also entered into a Native Title Agreement with the Wagyl Kaip People and Southern Noongar People in relation to exploration tenements under the John Ellis project. A fee of \$5,000 is payable each year up to a maximum of \$50,000 in total. These obligations have been accrued to date and an amount of \$10,000 is owing as at 30 June 2023. Additional amounts totalling \$100,000 are also payable subject to receiving certain approvals and making sales. Royalty payments of 0.35% of revenue are also payable from the sale of product.

As part of the agreement to acquire tenements M74/104 and M74/107 in 2012, the Group has agreed to pay the sellers (now shareholders of the Company) a royalty of 5% of the net profits derived from the sale of commodities other than nickel, cobalt, manganese and magnesium until the tenements are sold, surrendered, or otherwise relinquished.

Notes to the Financial Statements (Cont.)

19. Cash flow information

(a) Reconciliation of cashflows from operating activities with loss after income tax	2023 \$	2022 \$
Loss for the year	(2,078,571)	(1,883,170)
Non-cash flows in loss:		
Depreciation	36,678	14,411
Right of use asset amortisation	49,506	-
Share-based payments	328,974	165,869
Changes in working capital:		
• (increase) in trade or other receivables	(2,175)	(72,547)
• (increase) / decrease in other assets	(6,825)	67,213
• increase / (decrease) in trade and other payables	74,634	(54,169)
• increase in provisions	69,470	-
Cashflow from operations	(1,528,309)	(1,762,393)
(b) Non-cash financing activities:	2023 \$	2022 \$
Issue of 15,713,662 shares as payment for tenements acquired from Medallion Metals Limited	-	3,142,732
Issue of 1,330,000 shares to Discovery Capital for corporate advisory services in relation to the MM8 Asset acquisition (\$10,000 was subscribed for these shares)	-	256,000
Issue of 7,700,000 options for share issue costs	-	211,200
Issue of 39,754,946 options in relation to entitlement offer costs	469,455	-

20. Related party transactions

(a) Related parties:

The Group's main related parties are as follows:

(i) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, are considered key management personnel. The directors of the Company are the only key management personnel.

(ii) Other related entities:

Director Norman Taylor is the director of Keemun Pty Ltd, Tayhil Pty Ltd and Tayhil Pty Ltd ATF Cahlor Superannuation Fund which beneficially holds shares in the Company as at 30 June 2023. He is also a director and substantial shareholder in Alpha Fine Chemicals Ltd.

Director Paul Bennett is the Managing Director and substantial shareholder of Medallion Metals Limited (MM8).

At the reporting date directors hold 8,282,942 Shares in the Company. A number of these Shares are subject to a period of escrow / ASX restriction, as detailed in the Company's Prospectus dated 23 August 2021. In addition, the AML Employee Equity Trust of which the Company is a trustee holds 3,074,860 Shares in the Company on behalf of employees, including 1,846,711 on behalf of directors.

At the direction of the Trustee these shares cannot currently be accessed by employees.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2023 \$	2022 \$
(i) Other related parties:		
Acquisition of exploration assets and land from MM8 by way of issue of 15,713,662 shares.	-	3,142,732
Reimbursement of MM8 for use of their accommodation and meals.	-	83,890
Reimbursement paid or payable to Alpha Fine Chemicals Ltd for shared office accommodation, equipment, and administrative support personnel.	39,053	131,228
Reimbursement received or receivable from Alpha Fine Chemicals Ltd for shared office accommodation and equipment	7,069	-
Loan and interest from Tayhil Pty Ltd of \$50,182.	-	182
(ii) Key management personnel:		
Issue of 200,000 shares to Nicole Duncan as per terms of her appointment and approved by shareholders at an annual general meeting.	29,000	-
Grant of 2,000,000 options to Managing Director, Nicole Duncan as per her contract of employment and approved by shareholders at the Annual General Meeting. The value disclosed represents the balance expensed as a share-based payment during the year.	63,448	-
Grant of 1,111,716 performance options to Managing Director, Nicole Duncan as per the terms of the contract of employment and approved by shareholders at the Annual General Meeting. The value disclosed represents the balance expensed as a share-based payment during the year.	31,787	-
Consideration received under a sub-underwriting agreement for the Entitlement Offer between the Company and Duncan-Fehlberg Pty Ltd, a company related to Ms Nicole Duncan.	43,910	-
Consideration received under a sub-underwriting agreement for the Entitlement Offer between the Company and Mr Norm Taylor.	40,560	-

Notes to the Financial Statements (Cont.)

20. Related party transactions – continued

	2023 \$	2022 \$
(ii) Key management personnel transactions continued:		
Grant of 570,000 options to Non-executive Chair, Mark Connelly as per the terms of his engagement and approved by shareholders at a General Meeting. The value disclosed represents the balance expensed as a share-based payment during the year.	365	-
Grant of 500,000 options to Non-executive Director, Lynda Burnett as per the terms of her engagement and approved by shareholders at a General Meeting. The value disclosed represents the balance expensed as a share-based payment during the year.	320	-
Mr David Royle management fees (including superannuation)	-	84,854
(c) Amounts payable to related parties:		
(i) Loans from other related parties		
Loans advanced	-	50,000
Loan amounts repaid	-	(50,000)
Interest charged	-	182
Interest repaid	-	(182)
End of the year	-	-

21. Segment information

2023

The Group operates entirely in the mineral exploration industry, within Australia. The Group has therefore identified only one operating and reporting segment and no further disclosures are required.

22. Share based payments

Share-based payments made by the Company in the year are:

The Company has established an Employee Securities Incentive Plan (the Plan) which was approved by shareholders at the annual general meeting held on 23 November 2022. All directors, officers, employees and consultants (whether full or part-time) are eligible to participate in the Plan at the Boards discretion.

The allocation of Awards under the Plan is at the discretion of the Board. The exercise price or performance targets of options granted will be determined by the Board and will be equal to, or higher than the market value of the Company's shares at the time the Board resolves to issue the options.

Options are forfeited one month after the holder ceases to be employed by the Group however the terms of the Option Plan allow the Board to exercise its discretion as to whether options are forfeited.

All Company options granted are over ordinary shares in NickelSearch Limited, which confer a right of one ordinary share per option. The options hold no voting or dividend rights.

Notes to the Financial Statements (Cont.)

Note 22. Share based payments - continued

Set out below are summaries of options granted under the Plan:

For the year ended 30 June 2023

Grant date	Expiry date	Exercise Price	Balance at start of the year	Granted	Exercised	Expired / Cancelled / other	Balance at the end of the year
18/10/2021	18/10/2024	\$0.2500	7,000,000	-	-	-	7,000,000
29/03/2021	18/10/2024	\$0.2500	1,600,000	-	-	-	1,600,000
23/11/2022	18/10/2024	\$0.2500	-	2,000,000	-	-	2,000,000
23/11/2022	30/06/2025	-	-	370,572	-	-	370,572
23/11/2022	30/06/2025	-	-	370,572	-	-	370,572
23/11/2022	30/06/2025	-	-	370,572	-	-	370,572
16/12/2022	30/06/2025	-	-	513,032	-	(177,875)	335,157
16/12/2022	30/06/2025	-	-	513,035	-	(177,875)	335,160
16/12/2022	30/06/2025	\$-	-	513,035	-	(177,875)	335,160
19/06/2023	19/06/2026	\$0.1000	-	1,070,000	-	-	1,070,000
30/06/2023	30/04/2024	\$0.1000	-	34,754,946	-	-	34,754,946
30/06/2023	30/06/2026	\$0.1000	-	5,000,000	-	-	5,000,000

Weighted average exercise price	\$0.25	\$0.10	-	-	\$0.13
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For the year ended 30 June 2022

Grant date	Expiry date	Exercise Price	Balance at start of the year	Granted	Exercised	Expired / Cancelled / other	Balance at the end of the year
18/10/2021	18/10/2024	\$0.2500	-	7,000,000	-	-	7,000,000
29/03/2021	18/10/2024	\$0.2500	-	1,600,000	-	-	1,600,000

Weighted average exercise price	-	\$0.25	-	-	\$0.25
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Options exercisable at the end of the financial year:

Grant Date	Expiry Date	30 June 2023 Number	30 June 2022 Number
19/06/2023	19/06/2026	1,070,000	-
30/06/2023	30/04/2024	34,754,946	-
30/06/2023	30/06/2026	5,000,000	-

The weighted average share price during the financial year was \$0.11 (2022: \$0.20)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.205 years (2022: 2.00 years)

Notes to the Financial Statements (Cont.)

Note 22. Share based payments - continued

Valuation of options granted						
Premium priced options issued during the year were measured using the Black- Scholes option pricing formula. Inputs used to determine the fair value of these options granted during the period as follows						
	MD Options	Director Options	Underwriting Options	Lead Manager Options		
Fair value at grant date	\$0.0477	\$0.0425	\$0.0096	\$0.0273		
Expected dividends	0%	0%	0%	0%		
Contractual life (years)	0.9 ⁽ⁱ⁾	3.0 ⁽ⁱⁱ⁾	0.84 ⁽ⁱⁱⁱ⁾	3.0 ^(iv)		
Market value of underlying shares	\$0.145	\$0.080	\$0.059	\$0.059		
Exercise price	\$0.25	\$0.10	\$0.10	\$0.10		
Expected volatility of the underlying shares	88%	88%	88%	88%		
Risk free rate applied	3.45%	4.02%	4.02%	4.02%		
Number Granted	2,000,000	1,070,000	34,754,946	5,000,000		
Notes to premium priced options granted:						
(i)	Managing Director options vest on 18 October 2023 and expire on 18 October 2024.					
(ii)	Director options vest at grant date but are subject to a two-year service condition. These options expire 3 years from grant date.					
(iii)	Options issued to consultants for services related to the entitlement offer vest upon grant and expire on 30 April 2024.					
(iv)	Options issued for lead management services related to the entitlement offer vest upon grant and expire on 30 June 2026.					
Performance options issued during the year were measured using a Trinomial option pricing methodology utilising the variables and performance targets noted below.						
	Performance Options 1	Performance Options 2	Performance Options 3	Performance Options 4	Performance Options 5	Performance Options 6
Fair value at grant date	0.1209	0.1062	0.1450	0.1320	0.1166	0.1550
Expected dividends	-	-	-	-	-	-
Contractual life (years)	2.60	2.60	2.60	2.54	2.54	2.54
Market value of underlying shares	0.1450	0.1450	0.1450	0.1550	0.1550	0.1550
Exercise price	-	-	-	-	-	-
Expected volatility of the underlying shares	86.68%	86.68%	86.68%	87.58%	87.58%	87.58%
Risk free rate applied	3.23%	3.23%	3.23%	3.15%	3.15%	3.15%
Number Granted	370,572	370,572	370,572	513,032	513,034	513,035
Performance options have a three-year period to expiry ending on 30 June 2025. Options vest upon achievement of certain targets within that period. The performance targets related to each tranche of options granted are set out below;						
Performance target for Tranches 1 and 4		The 20-day VWAP of Shares is greater than or equal to \$0.22				
Performance target for Tranches 2 and 5		The 20-day VWAP of Shares is greater than or equal to \$0.30				
Performance target for Tranches 3 and 6		Declaration of a 250kt JORC compliant nickel resource at the Carlingup project, at an average grade of at least 0.57% Ni.				

Notes to the Financial Statements (Cont.)

23. KMP compensation

The names of key management personnel of the entity who have held office during the financial year are:		
(a) Key management person		
Mark Connelly	Non-Executive Chairman	
David Royle	Non-Executive Chairman	
Nicole Duncan	Managing Director	
Paul Bennett	Non-Executive Director	
Lynda Burnett	Non-Executive Director	
Donald James	Non-Executive Director	
Norman Taylor	Non-Executive Director	
(b) Key management personnel compensation		
	2023 \$	2022 \$
Short-term employee benefits	478,677	508,385
Post-employment benefits	44,457	47,345
Share-based payments	178,721	37,588
Total KMP compensation	701,855	593,318

Individual directors and executives' compensation disclosures

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report in note 20.

24. Loss per share

	2023 \$	2022 \$
Basic loss per share (cents)	(1.99)	(2.01)
Diluted loss per share (cents)	(1.99)	(2.01)
Net loss used to calculate basic and dilutive EPS	2,078,571	1,883,170
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	104,309,722	86,441,538

Notes to the Financial Statements (Cont.)

25. Contingent assets and contingent liabilities

(a) Contingent assets

- A third party, First Quantum Minerals (FQM), hold the rights to any lateritic nickel on some of the tenements that the Company holds. Should any lateritic nickel be mined on these tenements then a royalty is payable to NickelSearch. No mining of lateritic nickel has been undertaken to date.
- The Group has an agreement with Alpha Fine Chemicals Limited, a director related entity, granting right of first refusal to purchase nickel product if derived from certain of the Group's tenements.

(b) Contingent liabilities

At the date of this Report, there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Group's financial position or results from operations, other than as set out below.

- From 5 October 2021 the Group assumed various liabilities pursuant to the acquisition of certain assets from Medallion Metals Limited (MM8) (the MM8 Assets), including but not limited to the RAV8 Royalty Agreement, any third party agreements relating to the MM8 Assets (MM8 Third Party Agreements) and the Group has also indemnified MM8 from and against all claims and loss that MM8 may suffer or incur as a result of any breach of any MM8 Third Party Agreement.
- From the date of acquisition, any environmental and rehabilitation obligations pertaining to the MM8 Assets.
- From 5 October 2021 the Group has assumed various liabilities from the Mineral Rights Deed with MM8, including State and third-party royalties payable on any future activity on the Mineral Rights Tenements, rehabilitation obligations, heritage surveys and any native title obligations.
- The Group also has a range of royalty commitments payable to various parties on certain of its tenements if sale of certain prescribed mineral product is achieved.
- The Group has also entered into a Native Title Agreement with the Wagyl Kaip People and Southern Noongar People in relation to exploration tenements under the Nindilbillup project. A fee of \$5,000 is payable each year for a maximum of 10 years from tenement grant date, with the total capped at \$50,000 in total. Additional amounts totalling \$100,000 are also payable subject to receiving certain approvals and making sales. Royalty payments of 0.35% of revenue are also payable from the sale of product.

As part of the agreement to purchase certain tenements in 2012, the Group has agreed to pay the sellers (now shareholders of the Company) a royalty of 5% of the net profits derived from the sale of commodities other than Nickel, Cobalt, Manganese and Magnesium until the tenements are sold, surrendered or otherwise relinquished.

26. Auditor remuneration

	2023 ⁽ⁱ⁾ \$	2022 ⁽ⁱⁱ⁾ \$
Remuneration of the auditor for:		
auditing or reviewing the financial statements	28,500	25,000
auditing or reviewing in relation to issue of prospectus	-	15,000
	28,500	40,000
(i) 2023 Auditor remuneration is payable to Nexia Perth Audit Services Pty Ltd		
(ii) 2022 Auditor remuneration is payable to Nexia Brisbane Audit Services Pty Ltd		

Notes to the Financial Statements (Cont.)

27. Financial risk management

Financial risk management		
The Group's financial instruments comprise of cash and cash equivalents, other receivables, trade, and other payables. The totals for each category of financial instruments measured in accordance with AASB 139: <i>Financial instruments</i> , as detailed in the accounting policies to these financial statements as follows:		
	2023 \$	2022 \$
Financial assets:		
Financial assets at amortised cost		
Cash and cash equivalents	1,899,087	4,607,478
Other receivables	156,022	99,236
Total financial assets	2,055,109	4,706,714
Financial liabilities at amortised cost		
Trade and other payables	793,971	208,482
Lease liability	132,843	-
Total financial liabilities	926,814	208,482
(a) Financial risk management policies		
The main purpose of these financial instruments is to provide finance for Group operations.		
Risk management		
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.		
Specific financial risk exposures and management		
The main risks the Group is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cashflows, interest rates, economic conditions and ensuring adequate funds are available.		
(i) Interest rate risk		
The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances.		
This risk is managed through the use of variable rates.		
The Group has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 0.5% change in the interest rate, with all other variables remaining constant would be + \$18,485 / (\$18,485) (2022: \$620/(\$620) using a 1% change in interest rate).		
(ii) Credit risk		
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.		
Credit risk arises from exposures to deposits with financial institutions and sundry receivables.		
Credit risk is managed and reviewed regularly by the Board. The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties, including:		
- only banks and financial institutions with an 'A' rating are utilised.		

Notes to the Financial Statements (Cont.)

27. Financial risk management - continued

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The directors manage liquidity risk by sourcing long-term funding primarily from equity sources and short term, unsecured loans from shareholders.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk

Financial liability and financial asset maturity analysis

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and reflects management's expectations as to the timing of termination and realisation of financial assets and liabilities.

	2023 \$	2022 \$
Financial assets:		
Within 1 year		
- cash and cash equivalents	1,899,087	4,607,478
- other receivables	156,022	99,236
Total	2,055,109	4,706,714
Within 1 – 2 years		
- other receivables	-	-
Total	2,055,109	4,706,714
	2023 \$	2022 \$
Financial liabilities:		
Within 1 year		
- trade and other payables	(793,971)	(208,482)
- lease liability	(57,501)	-
Total	(851,472)	(208,482)
Within 1 – 2 years		
- lease liability	(75,342)	-
Total	(75,342)	-
Net inflow:		
Within 1 year	1,203,637	4,499,519
Within 1 - 2 years	(75,342)	-
Total net inflow:	1,128,295	4,499,519

Floating interest rates, with weighted average effective interest rate 0% (2022: 0%).

Non-interest bearing.

(b) Fair Values

Financial assets where the carrying amount exceeds net fair values have not been written down, as the Company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and notes to the financial statements. Fair values are materially in line with carrying values.

Notes to the Financial Statements (Cont.)

28. Events after the end of the reporting period

In the period since 30 June 2023, no further matter or circumstance has arisen that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

29. Parent entity information

	2023 \$	2022 \$
The following details information related to the parent entity, NickelSearch Limited, at 30 June 2023. The information presented here has been prepared using consistent accounting policies presented in Note 1(a).		
Current assets		
Cash and cash equivalents	1,898,985	4,607,376
Other receivables	8,877,440	7,384,092
Other assets	198,447	38,009
Total current assets	10,974,872	12,029,477
Non-current assets		
Property, plant and equipment	191,728	84,101
Investments at cost	2,675,804	1,897,020
Total non-current assets	2,867,532	1,981,121
Total assets	13,842,404	14,010,598
Current liabilities		
Trade and other payables	783,681	180,363
Current lease liability	57,501	-
Provisions	47,586	19,114
Total current liabilities	888,768	199,477
Non-current liabilities		
Non-current lease liability	75,342	-
Total non-current liabilities	75,342	-
Total liabilities	964,110	199,477
Net assets	12,878,294	13,811,121
Equity		
Issued capital	16,085,125	14,320,478
Reserves	1,146,498	377,069
Accumulated losses	(4,353,329)	(886,426)
Total equity	12,878,294	13,811,121
Loss for the year	(1,975,518)	(1,778,542)

Notes to the Financial Statements (Cont.)

30. Company details

The registered office and principal place of business is:

Suite 14, 92 Walters Drive
Osborne Park WA 6017

Directors Declaration

In accordance with a resolution of the Directors of NickelSearch Limited, I declare that:

1. In the opinion of the Directors:
 - a) The consolidated financial statements and notes of NickelSearch Limited for the year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a).
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with section 295A of the Corporations Act 2001 as at 30 June 2023.

On behalf of the Board:



Nicole Duncan

Managing Director

Dated at Perth, 29/09/2023

ABN 11 110 599 650

Independent auditor's report

Report on the Audit of the Financial Report



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Independent Auditor's Report to the Members of NickelSearch Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NickelSearch Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended;
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

Without modifying our opinion, we draw attention to Note 1.a.(iii) of the financial report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, along with other matters as set forth in Note 1.a.(iii) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Advisory. Tax. Audit

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information, please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Rehabilitation Provision (Refer to note 14 - Provisions in the financial report)</p> <p>As a consequence of its acquisition of exploration assets the Group has an obligation to rehabilitate and restore the disturbances to the environment arising from past exploration and mining activities.</p> <p>The nature of the rehabilitation activities that will be required are governed by local legislative requirements.</p> <p>This is a key audit matter because estimating the costs associated with these future rehabilitation activities requires judgement and estimation for factors such as the timing of when the rehabilitation works will take place, the extent of the rehabilitation and restoration activities that will be required and inflation rates and discount rates pertinent to the rehabilitation work.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing the competency, objectivity and experience of the management who calculated the rehabilitation provision; Checking the basis of management's calculations of the rehabilitation provision; Assessing the reasonableness of the costs used in the Group's rehabilitation estimates against external sources; Testing the mathematical accuracy of management's cash flow model; and Checking the appropriateness of the disclosures of rehabilitation provisions in the notes to the financial statements.
<p>Share-based payments (Refer to notes 17 - Reserves and 22 - Share based payments in the financial report)</p> <p>NickelSearch is an early-stage nickel sulphide explorer focused on advancing its flagship Carlingup Nickel Project.</p> <p>In order to preserve cash, the Group uses share-based payment arrangements to remunerate directors and employees as well as payment for certain capital raising cost like lead manager and underwriting.</p> <p>This is a key audit matter as the valuation of share-based payments is complex and subject to significant management estimates and judgement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Verifying the key terms of share-based payment arrangements by agreeing them to the relevant board approvals and award documents; Ensuring appropriateness of the valuation model used based on the terms and conditions of the share-based payments awarded; Assessing the fair value calculation of share-based payments granted by checking the reasonableness of the assumptions and accuracy of the inputs used to the model adopted for that purpose; Assessing the experience and competence of the expert used in valuing the relevant share-based payments;



Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none">• Testing the accuracy of the share-based payment expensed over the vesting periods either the Statement of Profit or Loss or directly in equity; and• Checking the appropriateness of the disclosures of share-based payments in notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the Annual financial report is located at the Australian Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 29 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of NickelSearch Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd

A handwritten signature in black ink, appearing to read 'J. Mulhair'.

Justin Mulhair
Director

Perth
29 September 2023

Resources Statement

The Company's JORC 2012 Mineral Resources as at 30 June 2023 are as follows:

Deposit Type	Deposit	Ore Type	Class*	Tonnes (Mt)	Grade	Grade	Grade	Metal
					(% Ni)	(% Cu)	(% Co)	(Kt Ni)
Laterite	John Ellis	Goethite	Inf	10.00	0.60		0.03	59.00
		Saprolite	Inf	6.00	0.51		0.02	31.00
	Total Laterite			16.00	0.56		0.03	90.00
Nickel Sulphide	RAV8	Open Pit	Ind	3.30	0.56	0.12	0.01	18.10
			Inf	0.60	0.61	0.02	0.01	3.80
		Underground	Inf	0.30	2.99	0.09	0.01	8.40
		Subtotal	All	4.20	0.73	0.10	0.01	30.30
	RAV1	Open Pit	Ind	1.20	0.58	-	0.01	6.90
			Inf	0.10	0.45	-	0.01	0.30
		Subtotal	All	1.30	0.57	-	0.01	7.20
	RAV4	Open Pit	Ind	2.40	0.40	0.01	0.01	9.50
			Inf	2.10	0.42	0.02	0.01	8.80
		Subtotal	All	4.40	0.41	0.02	0.01	18.20
	RAV4-West	Open Pit	Ind	1.40	0.56	0.03	0.02	7.80
			Inf	0.30	0.44	0.02	0.02	1.30
		Subtotal	All	1.70	0.53	0.03	0.02	9.10
	Total Sulphide			11.60	0.56	0.05	0.01	64.90
Total				27.60	0.56			154.90

Table 1 – Carlingup Mineral Resource Estimate 1 March 2023 and at 30 June 2023

Competent Persons Statements

The information in this document that relates to Exploration Targets, Exploration Results and Mineral Resources in the Report are prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code (2012 Edition) (JORC Code).

Information relating to the Mineral Resources has been compiled or prepared by Mr Andrew Weeks, Principal of 2020 Resources Pty Ltd and a Fellow of the Australian Institute of Mining and Metallurgy. Mr Weeks has sufficient relevant experience to the styles of mineralisation and types of deposits under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in JORC Code (2012 Edition).

Mr Weeks consents to the inclusion in this document of the matters based on their information in the form and context in which it appears. Mr Weeks is not independent of NickelSearch Limited and has a minor holding in securities of the Company.

Resources Statement (Cont.)

Annual Review and material changes since 30 June 2022

On the 30th of March 2023, the Group released its updated Mineral Resource Estimate presenting an increased confidence in the Mineral Resources for the Carlingup Nickel Sulphide Project near Ravensthorpe. The updated JORC 2012 Mineral Resource Estimate (MRE), comprising 154.9kt of contained nickel (see Table 1), of which 64.9kt is from nickel sulphides. The Group reported an increase of Indicated Resources within the nickel sulphides to 42.3kt, which represent 65% of the total resource. This increase in confidence is a result of the success of the in-fill drill programs completed during the 2022 calendar year. Going forward, the Group plans to support its existing shallow resource base through the identification of high-grade nickel sulphides at depth and new discoveries.

The in-fill resource development drilling program focused on:

- shallow nickel deposits that are mineable through an open pit,
- upgrading RAV1, RAV4 and RAV4-West Exploration Targets to JORC 2012,
- testing the possibility of converting RAV5 to a resource, and
- upgrading the disseminated halo at RAV8.

For information regarding the estimation and reporting methodologies used in relation to the Updated MRE, please refer to the Company's ASX Announcement dated 30 March 2023.

In comparison to the prior year ended 30 June 2022, the Mineral Resource Estimate for the Carlingup Project was:

Deposit Type	Deposit	Ore Type	Class*	Tonnes (Mt)	Grade	Grade	Grade	Metal
					(% Ni)	(% Cu)	(% Co)	(Kt Ni)
Laterite	John Ellis	Goethite	Inf	10.00	0.60		0.03	59.00
		Saprolite	Inf	6.00	0.51		0.02	31.00
	Total Laterite			16.00	0.56		0.03	90.00
Nickel Sulphide	RAV8	Open Pit	Ind					
			Inf	13.20	0.56	0.02	-	74.60
		Underground	Inf	0.03	1.86	1.20	-	0.50
		Subtotal	All	13.23	0.60	-	-	75.10
	RAV1	Open Pit	Ind	0.37	1.10	-	-	4.03
			Inf					
		Subtotal	All	0.37	1.10	-	-	4.03
	RAV4	Open Pit	Ind					
			Inf	0.02	0.80			0.19
		Subtotal	All	0.02	0.80			0.19
	RAV4-West	Open Pit	Ind					
			Inf	0.13	1.10			1.36
		Subtotal	All	0.13	1.10			1.36
	Total Sulphide			13.75	0.56			80.68
Total				29.75	0.56			170.68

Table 2 – Carlingup Mineral Resource Estimate at 30 June 2022

Resources Statement (Cont.)

Mineral Resource Governance Controls

All Mineral Resource Estimates are prepared by Competent Persons using data that they have reviewed and consider to have been collected using industry standard practices and which, to the most practical degree possible are representative, unbiased and collected with appropriate QA/QC practices in place. All Mineral Resource Estimates quoted above have been estimated by sufficiently independent consultants in accordance with the JORC 2012 code.

Corporate Governance Statement

NickelSearch reviews its corporate governance policies and practices on an annual basis to ensure they are appropriate for the Company's stage of development. These reviews are made in consideration of the ASX Corporate Governance Council's Principles and Recommendations which are applicable at the time of the review. The Company's Corporate Governance Statement for the year ended 30 June 2023 was approved by the Board on 29 September 2023 and is available on the Company's website: www.nickelsearch.com.

Forward looking statements

This Annual Report includes certain "Forward-looking Statements". The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and future expansion plans and development objectives of NiS involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Previously released information

This report contains information extracted from announcements previously released to the ASX as listed in the table below and available on the Company's website at www.nickelsearch.com or the ASX website of www.asx.com under the company code NIS.

30 March 2023	Significant Upgrade of Nickel Sulphide Indicated Resources
5 April 2023	Lithium and VHMS Potential Identified at Carlingup
25 May 2023	Nickel Sulphides Intersected at B1
14 June 2023	Massive Visual Sulphide Intersected at Sexton
12 July 2023	Massive Nickel Sulphide Mineralisation Extended at Sexton
27 July 2023	NickelSearch Nickel Sulphides Continue Down Plunge at B1
7 August 2023	Massive Sulphide Mineralisation Extends to DHEM Survey Limit
28 August 2023	Massive Nickel Sulphide Mineralisation Confirmed at Sexton
19 September 2023	Allkem Technical Collaboration on Lithium Potential

ASX Additional Information

As at 31 August 2023

1. Securities on issue

NickelSearch Limited shares and are listed on the Australian Stock Exchange (**ASX**) and quoted under the ASX code NIS.

2. Quoted securities

There is one class of quoted securities, being fully paid ordinary shares.

3. Twenty largest shareholders (fully paid ordinary shares)

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each hold at 31 August 2023 is as follows;

Rank	Name	Units	%
1	Medallion Metals Limited	15,713,662	11.27%
2	Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	9,268,615	6.65%
3	Heather Margaret Ellis	8,088,947	5.80%
4	Citicorp Nominees Pty Limited	8,075,832	5.79%
5	Marana Kyrios Pty Ltd <Lipple Discretionary A/C>	3,638,432	2.61%
6	KGBR Future Fund Pty Ltd	3,095,983	2.22%
7	AML Employee Equity Plan Pty Ltd	3,074,860	2.21%
8	Sundew WA Pty Ltd <Geoscience Super Fund A/C>	2,630,478	1.89%
9	Tayhil Pty Ltd	1,930,418	1.38%
10	BilBil Pty Ltd <Wadley Discretionary A/C>	1,860,975	1.34%
11	Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly <The Daly Family Super A/C>	1,790,960	1.28%
12	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	1,773,862	1.27%
13	Mr Michael Patrick Lynch <Lynch Family A/C>	1,554,870	1.12%
14	BNP Paribas Noms Pty Ltd <DRP>	1,529,002	1.10%
15	Norman Taylor	1,428,840	1.03%
16	Horizon Investment Services Pty Ltd	1,330,000	0.95%
17	Mr Lynn Geoffrey Bernard Wadley & Mrs Rosalie Wadley	1,237,881	0.89%
18	Boyin Jin	1,184,981	0.85%
19	Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly <The Daly Family Super A/C>	1,171,839	0.84%
20	Atlantis MG Pty Ltd <MG Family A/C>	1,140,583	0.82%
Total Top 20 Shareholders		71,521,020	51.31%

4. Distribution of shareholders

Range	Total holders	Units	% Units
1 - 1,000	19	4,027	0.00%
1,001 - 5,000	99	369,553	0.27%
5,001 - 10,000	142	1,177,935	0.85%
10,001 – 100,000	371	14,821,223	10.63%
100,001 Over	176	123,016,238	88.25%
Total	807	139,388,976	100.00%

5. Unmarketable parcels

The number of shareholders holding less than a Marketable Parcel is 285.

6. Substantial shareholders

The names of substantial shareholders as disclosed in substantial shareholding notices given to the Company are:

Name	Units	%
Medallion Metals Limited	15,713,662	11.27%
Citicorp Nominees Pty Ltd	8,075,832	5.79%

Unquoted securities

Securities (Unquoted)	Number of Securities	Number of Holders	Holdings with more than 20%
Options (exercisable at \$0.25, expiring 18 October 2024)	10,600,000	30	Nil
Performance Options (expiring 30 June 2025)	2,117,193	5	Duncan Fehlberg Pty Ltd <Duncan-Fehlberg Family A/C> own 1,111,716 options or 52% of that class.
Options (exercisable at \$0.07, expiring 30 November 2023)	34,384,934	168	Nil
Options (exercisable at \$0.10, expiring 30 April 2024)	34,754,946	58	Nil
Options (exercisable at \$0.10, expiring 30 June 2026)	5,000,000	6	H2 Investment Services Pty Ltd <H2 Investment A/C> own 2,500,000 options or 50% of that class. Atlantis MG Pty Ltd <MG Family A/C> own 2,000,000 options or 40% of that class.
Options (exercisable at \$0.10, escrowed to 30 June 2025, expiring 30 June 2026)	1,070,000	2	Mark Connelly owns 570,000 options or 53% of that class. Lynda Burnett owns 500,000 options or 47% of that class.

7. Distribution of unlisted options

Range	Total holders	Units	% Units
1 - 1,000	5	2,468	0%
1,001 - 5,000	28	72,421	0.08%
5,001 - 10,000	21	166,585	0.19%
10,001 – 100,000	55	2,903,259	3.30%
100,001 Over	107	84,782,340	96.42%
Total	216	87,927,073	100.00%

8. On market buy back

The company has not initiated an on-market buy back of any of its securities.

9. Voting rights

Ordinary shares

Every shareholder present in person or by proxy can vote upon a poll, with each share held representing one vote.

Options

Option holders have no voting right.

Use of cash and assets

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the period from its admission to the Official List of the ASX to the financial year ended 30 June 2023.

10. Restricted escrowed securities

The following securities are restricted or subject to voluntary escrow:

Class	Number	Restriction or escrow end date
Ordinary shares	43,758,597	ASX 24-month escrow Release 18 October 2023
Ordinary shares	4,591,135	Voluntary escrow Release 18 October 2023
Unquoted options over ordinary shares exercisable at \$0.25 on or before 18 October 2024	7,000,000	ASX 24-month escrow Release 18 October 2023
Unquoted options over ordinary shares exercisable at \$0.10 on or before 30 June 2026	1,070,000	Voluntary escrow Release 19 June 2025

12. Mineral tenements

Details of the tenements that companies the Carlingup project are set out below:

Tenement schedule				
Tenement number	Registered holder	Date expiry	Application date	Hectares
M74/0104	Phanerozoic Energy Pty Ltd	29/01/2039	12/08/1996	64.75
M74/0107	Phanerozoic Energy Pty Ltd	07/04/2030	25/09/1996	408.85
M74/0082-I	AML (Ravensthorpe) Pty Ltd	18/08/2034	11/03/1992	766.10
M74/0084-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	219.50
M74/0085-I	AML (Ravensthorpe) Pty Ltd	18/08/2035	09/04/1992	990.05
M74/0106-I	AML (Ravensthorpe) Pty Ltd	01/07/2029	25/09/1996	511.50
E74/0675	AML (Ravensthorpe) Pty Ltd	21/04/2026	12/11/2020	1215.42
E74/0685	AML (Ravensthorpe) Pty Ltd	10/06/2026	05/05/2021	1404.42
M74/0013	Medallion Metals Limited	05/03/2027	06/12/1983	427.60
E74/0657	Medallion Metals Limited	01/12/2025	23/04/2020	148.88
M74/0083-1	Medallion Metals Limited	18/08/2035	09/04/1992	246.75
E74/0683	Medallion Metals Limited	20/04/2026	16/03/2021	1690.64
E74/0656	Medallion Metals Limited	01/12/2025	23/04/2020	284.34
E74/0602	Medallion Metals Limited	17/01/2027	15/06/2016	265.11
E74/0638	Medallion Metals Limited	16/04/2024	17/09/2018	2096.33
				10,740.24

Notes::

(i) Each Registered Holder of the Tenements has 100% beneficial ownership of the relevant Tenements.

The yellow shaded tenements represent the Company's initial suite of tenements

The green shaded tenements represent the tenements acquired via the MM8 Acquisition

The blue shaded tenements represent the Mineral Rights Tenements. The Company entered into an agreement with MM8 to explore for and develop nickel, cobalt or platinum group element discoveries on these tenements - all of which are owned by MM8.

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