

1 May 2023

Alliance Nickel executes Binding Offtake Agreement and Cornerstone Equity Investment with Stellantis N.V.

Highlights

- Alliance Nickel and Stellantis N.V. execute Binding Offtake Agreement for approximately 40% of future annual forecast NiWest nickel and cobalt sulphate production for an initial term of 5 years
- Share Subscription Agreement for A\$15 million giving Stellantis an 11.5% shareholding in Alliance and the right to nominate one director to the Alliance Board
- The partnership strengthens Stellantis' value chain for electric vehicle battery production and strongly supports the NiWest Definitive Feasibility Study and the future project funding and development pathway

Alliance Nickel Ltd (formerly GME Resources Ltd) (ASX: AXN) (**Alliance** or the **Company**) is pleased to announce it has entered into a Binding Offtake Agreement and Share Subscription Agreement (the Binding Agreements) with Stellantis N.V. (NYSE: STLA / Euronext Milan: STLAM / Euronext Paris: STLAP) (**Stellantis**) relating to future offtake from the NiWest Nickel Cobalt Project in Western Australia (**NiWest**).

Commenting on the Binding Agreements and Stellantis partnership, Alliance Managing Director and CEO, Mr. Paul Kopejtka said:

"The Binding Agreements with Stellantis, one of the world's leading and most forward-thinking vehicle manufacturers, are transformative for the future of Alliance. It validates our development strategy for the NiWest Nickel-Cobalt Project and opens critical new funding options by securing a premier Tier 1 cornerstone customer and investor. We look forward to a long partnership with Stellantis as we continue to execute our strategy to become the next Australian supplier to the global markets of premium battery-grade nickel and cobalt sulphate. This is truly a 'We Win Together' outcome for both companies".

Commenting on the partnership with Alliance, Stellantis CEO Carlos Tavares said:

"The commitments of Dare Forward 2030 and our industry-leading decarbonization drive are built on the foundation of a guaranteed supply of key materials for our battery electric vehicles. The partnership with Alliance Nickel is an important element of our plan to provide clean, safe and affordable mobility for people throughout the world."

The Binding Agreements solidify the partnership between Stellantis and Alliance, inaugurated in October 2022 with a non-binding memorandum of understanding for the supply of electric vehicle battery materials (see ASX announcement dated 10 October 2022).

Since this time, Stellantis and Alliance have been working closely to finalise the Binding Agreements. This has included the completion of technical due diligence by Arethuse Geology, which involved a site visit and comprehensive review of all technical data relating to the proposed heap leach development at NiWest. Corporate and sustainability due diligence was conducted by international accounting firm, PwC, evaluating environmental and social responsibility and potential greenhouse gas emissions during the NiWest operations phase.

Binding Offtake Agreement

The Binding Offtake Agreement for battery grade materials is for the first five years of operations for the NiWest Project and Alliance will supply approximately 170,000t of nickel sulphate and 12,000t of cobalt sulphate in total over this initial five year period.

Conditions precedent include successful start-up of commercial production, product qualification and other clauses customary for an agreement of this nature. Pricing will be linked to index pricing on a take-or-pay basis.

Share Subscription Agreement

Stellantis will subscribe for A\$15 million in new equity in Alliance at a subscription price of A\$0.18 per share (the **Placement**).

The Placement is structured in two tranches. Issue of, and proceeds for, the first tranche of 70.6 million shares is set to be completed within the next five business days. Issue of the second tranche of approximately 12.73 million shares is subject to Australian Foreign Investment Review Board approval, which Stellantis is seeking and expects to receive during the June quarter 2023. The share issue for both Placement tranches will be made pursuant to the Company's Listing Rule 7.1 capacity.

Completion under the Share Subscription Agreement is conditional upon the Binding Offtake Agreement having not been terminated by Alliance and other customary provisions for an agreement of this nature.

Under the Share Subscription Agreement, Stellantis will have an ongoing right to appoint a nominee director provided its Alliance shareholding is maintained above 9% of the Company.

Funding from the Placement is to be applied towards the completion of the NiWest DFS and engineering design works.

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

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About Stellantis

Stellantis N.V. (NYSE: STLA / Euronext Milan: STLAM / Euronext Paris: STLAP) is one of the world's leading automakers and a mobility provider. Its storied and iconic brands embody the passion of their visionary founders and today's customers in their innovative products and services, including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move and Leasys. Powered by our diversity, we lead the way the world moves – aspiring to become the greatest sustainable mobility tech company, not the biggest, while creating added value for all stakeholders as well as the communities in which it operates. **For more information, visit: www.stellantis.com**

About Alliance Nickel Limited

Alliance Nickel Limited is an ASX-listed nickel and Critical Minerals development company with its principal asset being its flagship 100% owned NiWest Nickel Cobalt Project containing one of the highest-grade undeveloped nickel laterite resources in Australia. The Project has access to existing primary mining infrastructure such as an established network of roads, a railway and gas pipeline and is strategically situated adjacent to Glencore's Murrin Murrin Operations. The Company has completed a Pre-Feasibility Study which has confirmed the technical and economic viability of a heap leach and direct solvent extraction operation where it aims to manufacture low-cost, high-quality Class 1 nickel and cobalt sulphate for battery manufacturers and automakers in the Electric Vehicle (EV) sector. **For more information, visit: www.alliancenickel.au**

COMPETENT PERSON STATEMENT

Where Alliance refers to the NiWest Mineral Resource Estimate and the NiWest Ore Reserve Estimate, as disclosed in an ASX market release on 2 August 2018 and titled "Pre-Feasibility Study Delivers Outstanding Results" and updated pursuant to an ASX market release on 21 July 2022 and entitled "Updated PFS Outcomes for NiWest Nickel-Cobalt Project", it confirms that it is not aware of any new information or data that materially affects the information included in the relevant market releases and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market release continue to apply and have not materially changed.

Forward Looking Statement

This announcement contains statements related to our future business and financial performance and future events or developments involving Alliance Nickel Limited (Alliance) that may constitute forward-looking statements. These statements may be identified by words such as "potential", "exploitable", "proposed open pit", "evaluation", "expect," "future," "further," "operation," "development," "plan," "permitting", "approvals", "processing agreement" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Alliance management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Alliance's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Alliance to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.