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ASX ANNOUNCEMENT/MEDIA RELEASE

15 March 2023

Interim Financial Statements – Half Year Ended 31 December 2022

The Board of Alliance Nickel Limited, (“**Alliance**” or the “Company”) (ASX:**AXN**) is pleased to enclose the Interim Financial Statements for the half year ended 31 December 2022.

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

For further information, please contact:

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About Alliance Nickel Limited:

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

More information is available on the Alliance website at www.alliancenicel.au



**ALLIANCE
NICKEL LTD**

(formerly GME Resources Limited)
(ABN 62 009 260 315)

Interim Report
31 December 2022

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CORPORATE DIRECTORY

DIRECTORS

Peter Sullivan	Chairman
Paul Kopejtka	Managing Director & Chief Executive Officer
Peter Huston	Non-Executive Director
James Sullivan	Non-Executive Director

COMPANY SECRETARY

Mark Pitts B. Bus, FCA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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AUDITORS

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Chartered Accountants
Level 4, 130 Stirling Street
Perth WA 6000

SHARE REGISTRY

Computershare Registry Services Pty Ltd
Level 11
172 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Telephone: (08) 9323 2000

SECURITIES EXCHANGE LISTING

Listed on the Australian Stock Exchange (ASX Code: AXN)

DIRECTORS' REPORT

The directors submit the financial report of the consolidated entity ("Group", "Alliance" or "AXN") for the half year ended 31 December 2022.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Peter Sullivan	Non-Executive Chairman
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Paul Kopejtko	Managing Director (Appointed 20 September 2022)
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James Sullivan	Non-Executive Director
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Peter Huston	Non-Executive Director
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Company Name Change

Following the approval received from shareholders in the General Meeting held on 19 January 2023, the company has changed its name from GME Resources Limited to **Alliance Nickel Limited**. Accordingly, the ASX code also changed to **AXN**.

Review of Operations

NiWest (Nickel-Cobalt) Project

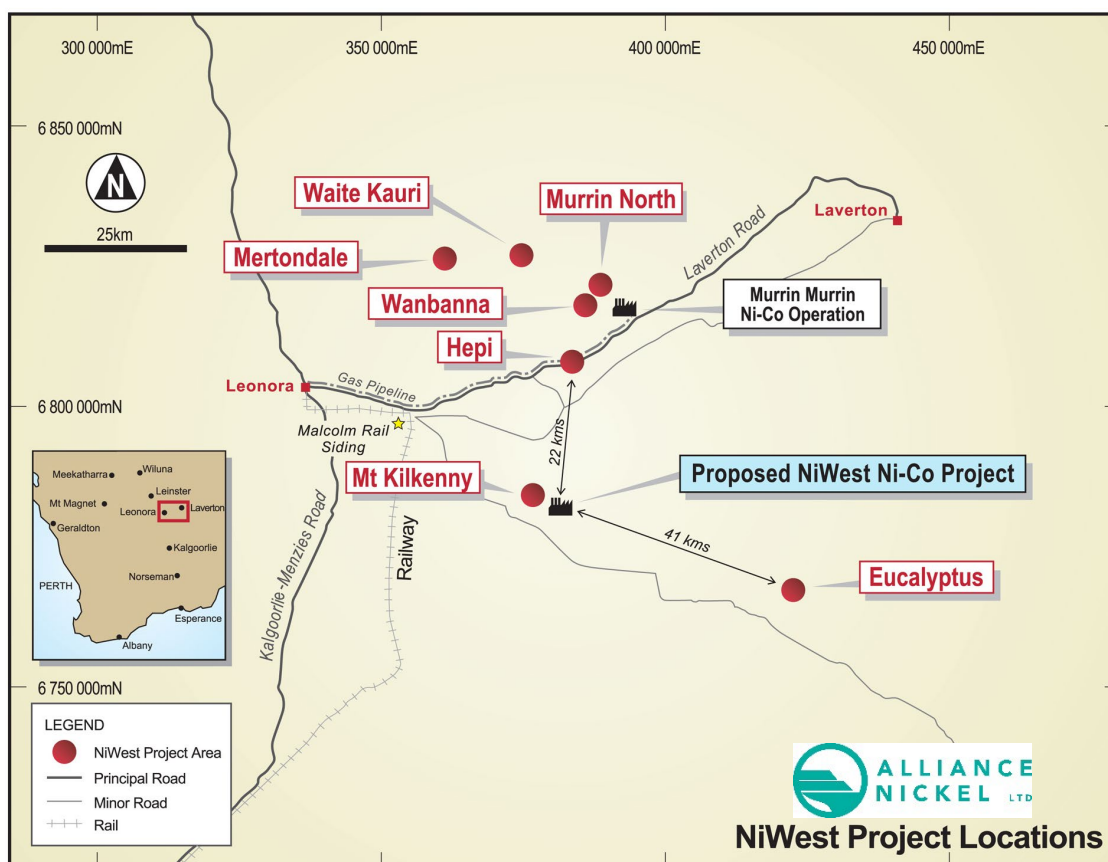


Figure 1: NiWest Project location showing individual deposit areas and proximity to infrastructure

The NiWest Nickel Cobalt Project hosts one of the highest-grade undeveloped nickel laterite resources in Australia estimated to contain 85 million tonnes averaging 1.03% Nickel and 0.06% Cobalt. Over 75% of the resource falls within the Measured and Indicated categories. Refer Table 1.

Alliance and Stellantis sign MOU for future Offtake

Alliance and Stellantis N.V. (“Stellantis”) announced that they had signed a non-binding Memorandum of Understanding (“MOU”) for the future sale of quantities of battery grade nickel and cobalt sulphate products from NiWest. The MOU contemplates the finalisation of a binding definitive agreement between the two parties. (ASX announcement 10 October 2022)

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

Completion of bulk sample collection for Offtake Partners

Alliance completed an eight-week bulk sample collection and sonic metallurgical drilling program. The drilling program was designed to support the revised Definitive Feasibility Study (DFS) mine plan and to further facilitate the Company’s battery metals offtake and partnership strategy. (ASX announcement 22 December 2022)

A bulk 10 tonne sample was produced through a successful costeaning program, with the extracted material awaiting transportation for metallurgical processing. The material will be subjected to the proposed NiWest process route at a pilot scale to produce battery-grade nickel and cobalt sulphate products for provision to offtake partners, including Stellantis, and other potential parties the Company is currently in advanced discussions with.

The results of the sonic drilling are expected in the first quarter of 2023 and will also seek to improve the resource confidence of several deposits at NiWest, particularly the Wanbanna deposit (Figure 1). Wanbanna hosts a resource containing 111kt of nickel and 7.2kt of cobalt and was not included in the 2018 NiWest Pre-Feasibility Study (PFS) mine plan. The inclusion of Wanbanna into the current DFS mine plan has strong potential to further enhance project economics and extended mine life.

Alliance enters partnership with Ausenco for completion of NiWest DFS

Following a competitive tendering process, Alliance entered into an engineering partnership with Ausenco Services Pty Ltd (“Ausenco”) to deliver the process and non-process infrastructure studies for the NiWest DFS. Ausenco brings a depth of knowledge in nickel heap leach and downstream processing operations that is directly applicable to the NiWest development pathway. Ausenco’s role in the DFS includes the following activities:

- Review and optimisation of the NiWest process flowsheet
- Process engineering support in further detailed metallurgical testwork programs
- Pursue a range of value engineering and optimisation studies including opportunities to enhance the future performance of the heap leach and lower site infrastructure costs
- Completion of process and non-process infrastructure engineering designs
- Delivery of high confidence cost estimates for process and non-process infrastructure components

The DFS is expected to be completed during the quarter ending 31 December 2023.

The NiWest Project Mineral Resource Estimates (MRE) for 0.8% and 1% Ni Cut Off Grades are listed in the following Tables 1 and 2.

The Group’s Mineral Resource Statement (Table 1 and Table 2) for the NiWest Nickel Cobalt Project has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

Table 1: Mineral Resource Estimate^{1,2} for NiWest Project at 0.8% Ni Cut-off Grade

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Mt Kilkenny¹	Measured	8.8	1.11	0.063	98	5.6
	Indicated	12.7	1.09	0.079	138	10.0
	Inferred	4.5	0.98	0.051	44	2.3
	Total*	26.0	1.08	0.069	279	17.9
Eucalyptus¹	Indicated	23.7	1.04	0.064	247	15.3
	Inferred	12.8	0.95	0.056	121	7.1
	Total*	36.5	1.01	0.061	368	22.4

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Hepi¹	Measured	1.6	1.20	0.078	19	1.2
	Indicated	1.5	1.01	0.073	15	1.1
	Inferred	1.4	0.95	0.074	14	1.1
	Total*	4.5	1.06	0.075	48	3.4
Mertondale²	Indicated	1.9	0.98	0.070	18	1.3
	Total*	1.9	0.98	0.070	18	1.3
Waite Kauri²	Measured	1.5	1.01	0.062	15	0.9
	Indicated	0.3	0.91	0.025	3	0.1
	Inferred	0.0	0.09	0.015	0	0.0
	Total*	1.8	0.98	0.054	18	1.0
Murrin North²	Measured	3.4	0.98	0.062	33	2.1
	Indicated	0.1	0.88	0.051	1	0.1
	Inferred	0.1	0.86	0.083	1	0.1
	Total*	3.7	0.97	0.062	35	2.3
Wanbanna²	Indicated	10.1	1.03	0.066	104	6.7
	Inferred	0.7	0.99	0.070	7	0.5
	Total*	10.8	1.03	0.066	111	7.2
NiWest Project	Measured	15.2	1.08	0.064	165	9.8
	Indicated	50.4	1.04	0.068	527	34.5
	Inferred	19.5	0.95	0.057	186	11.0
	TOTAL*	85.2	1.03	0.065	878	55.4

* Columns may not total exactly due to rounding. Tonnages are reported as dry tonnage.

1 ASX Release 2 August 2018

2 ASX Release 21 February 2017

Table 2: Mineral Resource Estimate^{1,2} for NiWest Project at 1.0% Ni Cut-off Grade

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Mt Kilkenny¹	Measured	5.7	1.22	0.072	70	4.1
	Indicated	7.8	1.20	0.094	93	7.3
	Inferred	1.7	1.11	0.060	19	1.1
	Total*	15.2	1.20	0.082	182	12.4
Eucalyptus¹	Indicated	12.5	1.16	0.074	145	9.2
	Inferred	3.1	1.08	0.062	34	1.9
	Total*	15.6	1.15	0.072	178	11.2
Hepi¹	Measured	1.1	1.34	0.088	14	0.9
	Indicated	0.7	1.12	0.086	8	0.6
	Inferred	0.4	1.07	0.104	5	0.5
	Total*	2.2	1.21	0.090	27	2.0
Mertondale²	Indicated	0.7	1.14	0.070	8	0.5
	Total*	0.7	1.14	0.070	8	0.5

Deposit	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Nickel Metal (kt)	Cobalt Metal (kt)
Waite Kauri ²	Measured	0.5	1.25	0.087	6	0.5
	Indicated	0.1	1.08	0.015	1	0.0
	Inferred	0.0	1.07	0.000	0	0.0
	Total*	0.6	1.23	0.079	7	0.5
Murrin North ²	Measured	1.2	1.14	0.070	14	0.9
	Indicated	0.0	1.04	0.070	0	0.0
	Inferred	0.0	0.00	0.000	0	0.0
	Total*	1.3	1.14	0.070	14	0.9
Wanbanna ²	Indicated	4.7	1.19	0.080	56	3.8
	Inferred	0.3	1.16	0.080	3	0.2
	Total*	5.0	1.19	0.080	59	4.0
NiWest Project	Measured	8.5	1.22	0.074	104	6.4
	Indicated	26.5	1.18	0.081	311	21.4
	Inferred	5.6	1.09	0.066	61	3.7
	TOTAL*	40.6	1.17	0.077	476	31.4

* Columns may not total exactly due to rounding. Tonnages are reported as dry tonnage.

1 ASX Release 2 August 2018

2 ASX Release 21 February 2017

Table 3: NiWest Ore Reserve Estimate¹ at 0.5% Ni cut-off

Orebody	JORC Classification	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)
Mt Kilkenny	Probable	27.9	0.96	0.06
Eucalyptus	Probable	32.2	0.87	0.05
Hepi	Probable	4.7	0.91	0.06
Total*	Probable	64.9	0.91	0.06

* Columns may not total exactly due to rounding errors. Tonnages are reported as dry tonnage

1 ASX Release 2 August 2018

The Group's Ore Reserve Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

GOLD ASSETS

Whilst the Group's primary focus is the NiWest Nickel project, the Board continue to consider options for development of its gold assets particularly in light of the sustained high gold price. The Company has recently commenced on ground work at the Abednego Gold Project with work programs designed to identify priority prospective prospects. Results from the recent work will determine the nature of future exploration work to be undertaken.

Results from Operations

The Group recorded a net loss (after tax) for the half year to 31 December 2022 of \$663,392 (31 December 2021: \$100,809).

Exploration and evaluation expenditure of \$2,174,152 was capitalised in the half year to 31 December 2022 (full year to 30 June 2022: \$1,052,397).

Subsequent Events

Alliance signed a non-binding Memorandum of Understanding (“MOU”) with VinES Energy Solutions Joint Stock Company (“VinES”), a subsidiary of Vingroup, the largest private conglomerate in Vietnam. The MOU is a framework agreement which relates to the future sale of quantities of battery grade nickel and cobalt sulphate products from the NiWest Nickel Cobalt project. The MOU includes the specification of the nickel and cobalt offtake products, price referencing mechanisms and the mutual understanding of Alliance and VinES to evaluate and discuss a binding definitive agreement based on the concurrent progression and conclusion of product offtake terms and project financing terms. (ASX announcement 6 February 2023)

No other matters or circumstances have arisen since the end of the reporting period which 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.

Auditor’s Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 8 and forms part of this directors’ report for the half-year ended 31 December 2022.

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



Paul Kopejtka

Managing Director

15th March 2023

Competent Person Statements

NiWest Nickel Project

Where the Company refers to the NiWest Nickel-Cobalt Project Prefeasibility Study 2018 and the Mineral Resource Estimate and Ore Reserve Statement (referencing the release made to the ASX on 2 August 2018 and updated pursuant to an ASX market release on 21 July 2022), it confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Forward Looking Statements

This report contains statements related to our future business and financial performance and future events or developments involving Alliance Nickel Limited (AXN) 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 AXN management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond GME's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of AXN to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Reporting of Exploration Results and Previously Reported Information:

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's previous ASX announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. Where the information relates to Exploration Results the Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Alliance Nickel Limited for the half-year ended 31 December 2022, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2023



B G McVeigh
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Continuing Operations			
Other income	2	107,299	165,060
Management and consulting expenditure		(58,375)	(45,000)
Depreciation and amortisation expense		(3,522)	(5,054)
Exploration written off	4	-	(58,491)
Share based payments	14	(231,945)	-
Other expenses		(476,849)	(157,324)
Results from Operations		(663,392)	(100,809)
		<hr/>	<hr/>
Loss Before Income Tax		(663,392)	(100,809)
Income tax benefit		-	-
Net Loss for the Half Year		(663,392)	(100,809)
		<hr/>	<hr/>
Total Comprehensive loss for the Half Year		(663,392)	(100,809)
		<hr/>	<hr/>
Basic loss per share (cents)		(0.108)	(0.018)
Diluted loss per share (cents)		(0.108)	(0.018)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current Assets			
Cash and cash equivalents		3,033,267	573,540
Trade and other receivables	3	189,580	14,961
Prepayments		186,135	34,475
Total Current Assets		3,408,982	622,976
Non-Current Assets			
Trade and other receivables	3	8,518	8,516
Plant and equipment		34,154	20,329
Deferred exploration and evaluation expenditure	4	36,491,312	34,317,160
Total Non-Current Assets		36,533,984	34,346,005
Total Assets		39,942,966	34,968,981
Liabilities			
Current Liabilities			
Trade and other payables	5	1,215,201	82,491
Other liabilities		66,219	37,222
Total Current Liabilities		1,281,420	119,713
Total Liabilities		1,281,420	119,713
Net Assets		38,661,546	34,849,268
Equity			
Issued capital	6	63,894,934	59,760,709
Share option reserve	7	341,445	-
Accumulated losses		(25,574,833)	(24,911,441)
Total Equity		38,661,546	34,849,268

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	58,125,902	-	(24,609,526)	33,516,376
Loss for the period	-	-	(100,809)	(100,809)
Total comprehensive loss for the period	-	-	(100,809)	(100,809)
Shares issued net of costs	1,634,807		-	1,634,807
Balance at 31 December 2021	59,760,709	-	(24,710,335)	35,050,374
Balance at 1 July 2022	59,760,709	-	(24,911,441)	34,849,268
Loss for the period	-	-	(663,392)	(663,392)
Total comprehensive loss for the period	-	-	(663,392)	(663,392)
Shares issued net of costs	4,134,225		-	4,134,225
Share options issued	-	341,445	-	341,445
Balance at 31 December 2022	63,894,934	341,445	(25,574,833)	38,661,546

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(518,972)	(283,482)
Interest received	7,299	60
Facilitation fee received	100,000	100,000
Net cash outflow from operating activities	(411,673)	(183,422)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,359,268)	(436,725)
Proceeds from sale of property, plant & equipment	-	65,000
Purchase of property, plant & equipment	(13,057)	-
Receipt of bonds	-	2,998
Net cash outflow from investing activities	(1,372,325)	(368,727)
Cash flows from financing activities		
Proceeds from the issue of shares	4,499,999	1,670,668
Payment of costs associated with the issue of shares	(256,274)	(35,861)
Net cash inflow from financing activities	4,243,725	1,634,807
Net increase in cash and cash equivalents	2,459,727	1,082,658
Cash and cash equivalents held at the start of the period	573,540	212,691
Cash and cash equivalents held at the end of the period	3,033,267	1,295,349

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Group is a for-profit entity. The interim financial statements were authorised for issue on 15 March 2022.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2022 and any public announcements made by Alliance Nickel Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Group is a for-profit entity, domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted are consistent those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised standards

New Standards and Interpretations applicable for the half year ended 31 December 2022

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that, with the exception below, there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period ended 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet effective on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Significant accounting judgements and key estimates

The preparation of half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Significant accounting judgements and key estimates (cont)

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

(d) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets, given exploration expenditure is capitalized, and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded a loss for the period of \$663,392, and a cash outflow from operating and investing activities of \$1,783,998 for the period ended 31 December 2022 and at balance date, had net current assets of \$2,127,562.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds to continue its exploration program and fund its corporate costs. During the reporting period, the Group raised \$4.5 million (before costs) from Placements undertaken during the period. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group be unable to raise the additional funds required, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTE 2: OTHER INCOME

	31 Dec 2022	31 Dec 2021
	\$	\$
(a) Other income		
Facilitation fee	100,000	100,000
Proceeds from sale of assets	-	65,000
Interest income	7,299	60
	107,299	165,060

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 3: TRADE AND OTHER RECEIVABLES

	31 Dec 2022	30 June 2022
	\$	\$
Current		
GST refundable	189,580	14,961
	<u>189,580</u>	<u>14,961</u>
Non-current		
Performance bonds	8,518	8,516
	<u>8,518</u>	<u>8,516</u>

NOTE 4: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2022	30 June 2022
	\$	\$
Balance at beginning of the period	34,317,160	33,323,254
Direct expenditure	2,174,152	1,052,397
	<u>36,491,312</u>	<u>34,375,651</u>
Less expenditure written off	-	(58,491)
Total deferred exploration and evaluation expenditure	<u><u>36,491,312</u></u>	<u><u>34,317,160</u></u>

The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas at amounts sufficient to recover the expenditure.

NOTE 5: TRADE AND OTHER PAYABLES

	31 Dec 2022	30 June 2022
	\$	\$
Trade payables and accruals	1,215,201	82,491
	<u>1,215,201</u>	<u>82,491</u>

Trade payables and accruals are non-interest bearing and normally settled on 30-day terms.

NOTE 6: ISSUED CAPITAL

	31 Dec 2022	30 June 2022
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	63,831,934	59,760,709
	<u>63,831,934</u>	<u>59,760,709</u>
	Number	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2021	556,866,930	58,125,902
Entitlement Issue	37,123,832	1,670,572
Transaction costs	-	(35,765)
At 30 June 2022	<u>593,990,762</u>	<u>59,760,709</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 6: ISSUED CAPITAL (cont)

	Number	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2022	593,990,762	59,760,709
Placement	48,515,520	4,499,999
Transaction costs	-	(365,774)
At 31 December 2022	642,506,282	63,894,934

NOTE 7: SHARE OPTIONS ISSUED

	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Share Options</i>		
Expensed through profit & loss	231,945	-
Expensed through share issue costs	109,500	-
	341,445	-
	Number	\$
<i>Movements in options on issue</i>		
At 1 July 2022	-	-
Options issued	33,000,000	341,445
At 31 December 2022	33,000,000	341,445

NOTE 8: LEASE LIABILITIES

The Company terminated the lease of its premises in West Perth on 30 November 2022 and entered into a new 12-month lease in Nedlands. In accordance with AASB 16, the new lease has not been brought to account in the Statement of Financial Position. The Company has chosen to not capitalise short-term leases on the Statement of Financial Position, and instead recognises short-term lease payments as an expense on a straight-line basis.

NOTE 9: DIVIDENDS

No dividends were paid or declared during the period.

NOTE 10: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Alliance Nickel Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period, the Group operated predominantly in one business and geographical segment being the resources sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 12: FINANCIAL INSTRUMENTS

The group has a number of financial instruments which are not measured at fair value in the statement of financial position. The Directors consider that the carrying amount of these financial instruments are a reasonable approximation of their fair value.

NOTE 13: EVENTS AFTER BALANCE DATE

On 6 February 2023, the Company announced the signing of a non-binding Memorandum of understanding (MOU) with VinES Energy Solutions Joint Stock Company, a subsidiary of Vingroup, the largest private conglomerate in Vietnam. The MOU is a framework agreement which relates to the future sale of quantities of battery grade nickel and cobalt sulphate products from the NiWest Nickel-Cobalt Project in Western Australia.

No other matters or circumstances have arisen since the end of the reporting period which 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.

NOTE 14: SHARE BASED PAYMENTS

a) *Options issued to key management personnel*

A share option plan has been established by the company and approved by shareholders at a general meeting, whereby the company may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the company. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

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

Grant date	Expiry date	Exercise price (\$)	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
18/07/2022	18/07/2025	0.20	-	10,000,000	-	-	10,000,000
18/07/2022	18/07/2026	0.30	-	10,000,000	-	-	10,000,000
18/07/2022	18/07/2027	0.40	-	10,000,000	-	-	10,000,000

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date (\$)	Exercise price (\$)	Expected volatility	Risk-free interest rate	Fair value at grant date (\$)	Expense for the period (\$)
18/07/2022	18/07/2025	0.075	0.20	90%	1.35%	0.027	122,795
18/07/2022	18/07/2026	0.075	0.30	90%	1.35%	0.028	63,671
18/07/2022	18/07/2027	0.075	0.40	90%	1.35%	0.030	45,479

b) *Performance rights issued to key management personnel*

The company operates an equity-settled, share based compensation plan to grant performance rights to its employees. The fair value of the employee services received in exchange for the grant of performance rights is recognised as an expense in the income statement with a corresponding increase in the equity reserve over the vesting period.

The number of shares that will vest depends on the achievement of non-market-based performance conditions. The Directors have estimated the likelihood of the achievement of the conditions by reference to the achievement of key project milestones.

Set out below are summaries of performance rights granted under the plan:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 14: SHARE BASED PAYMENTS (cont)

	Grant date	Number of performance rights	Fair value (\$)	Probability assigned	Expense for the current period (\$)	Cumulative expense to 31 December 2022
Tranche 1	19/09/2022	20,000,000	0.064	18%	-	-
Tranche 2	19/09/2022	20,000,000	0.064	9%	-	-
Tranche 3	19/09/2022	10,000,000	0.064	5%	-	-

c) Options issued to service providers

Following a successful capital raising in September 2022, the company issued unlisted options to the lead brokers facilitating the raising.

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

Grant date	Expiry date	Exercise price (\$)	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
28/09/2022	28/09/2025	0.20	-	1,500,000	-	-	1,500,000
28/09/2022	28/09/2026	0.30	-	1,500,000	-	-	1,500,000

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date (\$)	Exercise price (\$)	Expected volatility	Risk-free interest rate	Fair value at grant date (\$)	Expense for the period (\$)
28/09/2022	28/09/2025	0.089	0.20	90%	2.35%	0.036	54,000
28/09/2022	28/09/2026	0.089	0.30	90%	2.35%	0.037	55,500

NOTE 15: RELATED PARTY TRANSACTIONS

Option holding

The number of options over ordinary shares in the company held during the period by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
Paul Kopejtka	-	30,000,000	-	-	30,000,000

Performance rights

The number of performance rights in the company held during the period by each director and other members of key management personnel of the company, including their personally related parties, is set out below:


	Balance at start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
Paul Kopejtka	-	50,000,000	-	-	50,000,000

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 18 are in accordance with the *Corporations Act 2001* including:
 - a. complying with the Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors, made pursuant to s303(5) of the *Corporations Act 2001*.



Paul Kopejtko
Managing Director

15th March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alliance Nickel Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Alliance Nickel Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alliance Nickel Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the interim ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2023



B G McVeigh
Partner