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ALLIANCE NICKEL LTD

FINANCIAL REPORT

Half Year Ended 31 December 2023

ABN: 62 009 260 31

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Competent Person Statements

Where Alliance refers to the NiWest Mineral Resource Estimate for Mt Kilkenny, Hepi, Eucalyptus and Wanbanna, as disclosed in an ASX market release on 14 November 2023 and titled "NiWest Nickel-Cobalt Project Mineral Resource Estimate Upgrade", it confirms that it is not aware of any new information or data that materially affects the information included in the relevant market releases and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market release continue to apply and have not materially changed.

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

Forward-Looking Statements

This report 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.

CORPORATE DIRECTORY

Directors

Peter Sullivan	Chairman
Paul Kopejtka	Managing Director
James Sullivan	Non-Executive Director
Klervi Ménahèze	Non-Executive Director

Company Secretary

David Edwards

Registered Office and Principal Place of Business

Suite 1.02, Level 1
45 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9336 3388
Web Site: www.alliancenickel.au

Auditors

HLB Mann Judd (WA Partnership)
Chartered Accountants
Level 4, 130 Stirling Street
Perth WA 6000
Telephone: (08) 9227 7500

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
Facsimile: (08) 9323 2033

Securities Exchange Listing

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

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DIRECTORS' REPORT

Your Directors present their report on Alliance Nickel Limited and its controlled entities (Group or Company) for the half year ended 31 December 2023.

Directors

The names of Directors in office at any time during or since the end of the half year are:

Peter Sullivan	(Non-Executive Chairman)
Paul Kopejtka	(Managing Director)
James Sullivan	(Non-Executive Director)
Klervi Ménahèze	(Non-Executive Director, appointed 14 February 2024)
Peter Huston	(Non-Executive Director, resigned 21 November 2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The net loss for the half year ended 31 December 2023 was $1,853,995 (31 December 2022: $663,392).
At the end of the financial period the Group had $4,016,054 (30 June 2023: $7,759,045) in cash and at call deposits. Net assets of $50,953,185 (30 June 2023: $50,166,765) were comprised mainly of carried forward exploration and evaluation expenditure of $47,490,683 (30 June 2023: $43,518,266).

Overview of Operating Activity

During the period the Company continued to develop its 100% owned NiWest Nickel Cobalt Project (the 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.

NiWest Definitive Feasibility Study

The Company progressed its Definitive Feasibility Study (DFS) focusing on optimisation studies, process flow sheets, mass balances, preliminary engineering designs and technical reporting. Preliminary operating and capital expenditure estimates based on external data sources were higher than anticipated and further detailed work commenced to optimise these costs to the maximum extent possible. In this context, significant progress was made in obtaining competitive international pricing for the supply of the acid plant and associated power generation facility and submissions have now been received from a number of vendors. The Alliance engineering team visited numerous overseas fabrication facilities to assess potential vendor capability and quality of site fabrication facilities. Meetings were very positive and competitive indicative pricing has been received that will offset cost pressures across other components of the capital expenditure estimate.

The DFS is targeted for completion in mid-2024.

Mineral Resource Estimate Upgrade

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

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

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

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

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

Resource Category	Tonnes (million)	Nickel Grade (%)	Cobalt Grade (%)	Ni Metal (kt)	Co Metal (kt)
Measured	17.77	1.07	0.069	190	12.2
Indicated	58.04	1.06	0.073	615	42.4
Inferred	17.59	0.94	0.060	166	10.6
Total	**93.40**	**1.04**	**0.070**	**971**	**65.2**

Table 1: See ASX announcement 14 November 2023

Environmental Approval

In October 2023, the Company lodged a formal referral and supporting information with the Western Australian Department of Water and Environmental Regulation (DWER). The assessment of the NiWest referral will be undertaken by the Environmental Protection Authority (EPA) with the assistance of DWER. Lodgement is the first step for environmental approval for construction and operation of the Project and, if successful, the process culminates with a Ministerial Statement which is the key environmental approval for the Project.

Heritage

Discussions continue with the Nyalpa Pirniku Native Title Group in relation to heritage and existing native title agreements. Previously completed Aboriginal ethnographic heritage surveys over the mining tenure have not identified any significant sites in the project area. The Company has built a strong relationship with Senior Nyalpa Pirniku Traditional Owners and acknowledges the Nyalpa Pirniku Traditional Owners as the custodians of the land we work on and respect their continuing connection to culture and country.

Corporate

In August 2023, Alliance was notified by Stellantis N.V (Stellantis) that it has received clearance (without conditions) from the Australian Foreign Investment Review Board (FIRB) to undertake the second tranche of the strategic placement with Alliance announced in May 2023. Settlement of the Tranche 2 placement was completed in September 2023 and Alliance issued 12,733,333 new ordinary shares at A$0.18 per share and received further equity funds of approximately A$2.3 million. The shares were issued pursuant to the Company's ASX Listing Rule 7.1 capacity.

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

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

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DIRECTORS' REPORT

On 8 February 2024, the company signed a non-binding term sheet with Samsung SDI Co., Ltd. (Samsung SDI) for the future offtake of battery grade nickel and cobalt sulphate products from the NiWest Project for an initial period of six years. The start of commercial delivery will be subject to agreed conditions. The non-binding term sheet also provides that Samsung SDI and Alliance will discuss a potential acquisition by Samsung SDI of an equity interest in a project company to be formed by Alliance that will hold the NiWest Project. This approach is consistent with Alliance's commercial strategy of aligning offtake agreements and project funding.

On 14 February 2024, Klervi Ménahèze was appointed as a non-executive director to the Board of Alliance. Klervi is Vice President of Sustainability ESG and Eco Design in the Raw Materials Division at Stellantis N.V. (Stellantis), the Company's strategic partner and cornerstone investor. In May 2023, Alliance and Stellantis executed a binding offtake agreement for approximately 40% of future annual forecast production from the NiWest Project and a share subscription agreement for A$15 million giving Stellantis an 11.5% shareholding in Alliance. Under the share subscription agreement, Stellantis have an ongoing right to appoint a nominee director provided its Alliance shareholding is maintained above 9% of the Company (see ASX announcement 1 May 2023).

Subsequent Events

No matters or circumstances have arisen since the end of the financial 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 Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half year ended 31 December 2023.

This report is signed in accordance with a Resolution of Directors.

Peter Sullivan
Chairman
Perth, Western Australia
23rd February 2024

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 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 review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
23 February 2024

B G McVeigh
Partner

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated	
		31 Dec 2023	31 Dec 2022
		$	$
Revenue			
Other income		-	-
		-	-
Corporate and administration expenses		(566,516)	(476,849)
Employee benefits expense		(573,012)	(58,375)
Share based payments	7	(358,617)	(231,945)
Depreciation and amortisation expense		(51,241)	(3,522)
Results from continuing operations		(1,549,386)	(770,691)
Financial income		34,813	7,299
Financial expense		(4,610)	-
Net financing expense		30,203	7,299
Loss before income tax from continuing operations		(1,519,183)	(763,392)
Income tax expense		-	-
Loss after income tax from continuing operations		(1,519,183)	(763,392)
(Loss)/profit after income tax from discontinued operations	8	(334,812)	100,000
Loss after income tax for the period		(1,853,995)	(663,392)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,853,995)	(663,392)
Basic loss per share (cents per share)		(0.26)	(0.11)
Diluted loss per share (cents per share)		(0.26)	(0.11)

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Consolidated	
		31 Dec 2023	30 Jun 2023
		$	$
Current assets			
Cash and cash equivalents		4,016,054	7,759,045
Trade and other receivables	2	136,949	436,319
Prepayments		109,527	535,122
Total current assets		4,262,530	8,730,486
Non-current assets			
Trade and other receivables	2	38,632	41,638
Plant and equipment		34,677	40,946
Deferred exploration and evaluation expenditure	3	47,490,683	43,518,266
Right of use assets		75,504	118,232
Total non-current assets		47,639,496	43,719,082
Total assets		51,902,026	52,449,568
Current liabilities			
Trade and other payables	4	781,077	2,142,552
Lease liability		75,397	94,736
Employee benefits		92,367	22,447
Total current liabilities		948,841	2,259,735
Non-current liabilities			
Lease liability		-	23,067
Total non-current liabilities		-	23,067
Total liabilities		948,841	2,282,802
Net assets		50,953,185	50,166,765
Equity			
Issued capital	5	78,631,501	76,349,703
Reserves	6	2,914,382	2,555,765
Accumulated losses		(30,592,698)	(28,738,703)
Total equity		50,953,185	50,166,765

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total $
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)
Share based payments issued to employees and suppliers		-	341,445	-	341,445
Transaction with owners in their capacity as owners					
Shares issued net of costs		4,134,225	-	-	4,134,225
Balance at 31 December 2022		63,894,934	341,445	(25,574,833)	38,661,546
Balance at 1 July 2023		76,349,703	2,555,765	(28,738,703)	50,166,765
Loss for the period		-	-	(1,853,995)	(1,853,995)
Total comprehensive loss for the period		-	-	(1,853,995)	(1,853,995)
Share based payments issued to employees and suppliers	7	-	358,617	-	358,617
Transaction with owners in their capacity as owners					
Shares issued net of costs	5	2,281,798	-	-	2,281,798
Balance at 31 December 2023		78,631,501	2,914,382	(30,592,698)	50,953,185

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated	
		31 Dec 2023	31 Dec 2022
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		(1,129,359)	(518,972)
Interest received		34,813	7,299
Interest and other finance costs		(4,788)	-
Proceeds from royalty and facilitation fee		100,000	100,000
Net cash (outflow) from operating activities		(999,334)	(411,673)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(13,057)
Payments for exploration and evaluation		(5,368,038)	(1,359,268)
Proceeds from sale of subsidiary	8	400,000	-
Net cash (outflow) from investing activities		(4,968,038)	(1,372,325)
Cash flows from financing activities			
Repayment of lease liability		(42,407)	-
Proceeds from issue of shares		2,292,000	4,499,999
Payment of costs associated with issue of shares		(25,212)	(256,274)
Net cash inflow from financing activities		2,224,381	4,243,725
Net (decrease)/increase in cash and cash equivalents		(3,742,991)	2,459,727
Cash and cash equivalents held at the start of the period		7,759,045	573,540
Cash and cash equivalents held at the end of the period		4,016,054	3,033,267

The accompanying notes form part of these financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. STATEMENT OF ACCOUNTING POLICIES

Alliance Nickel Limited is a listed public company, incorporated and domiciled in Australia. The condensed interim consolidated financial statements (the interim financial statements) of the Company for the half year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the Consolidated Entity or Group). The interim financial statements were authorised for release on 23rd February 2024.

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been have 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 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 2023 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

In the period ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no material impact of the new and revised Standards and Interpretations on the entity and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2023. 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 adopted on the Group and, therefore, no change is necessary to Group accounting policies.

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1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 31 December 2023 and concluded there will be no material impact to the Group.

(d) Critical accounting judgements and key estimates

The preparation of the interim 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.

Deferred exploration and evaluation

The Directors have assessed the deferred exploration and evaluation costs in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the expenditure has been impaired down to its recoverable amount.

Supporting the view that no impairment indicators are present, the NiWest PFS has confirmed the technical and financial robustness of a long-life operation directly producing high-purity nickel and cobalt sulphate products to be delivered into the forecast rapid growth of lithium-ion battery raw material markets.

The model used to support the assessment was calculated over a period of 20 years, being the estimated life of the mine.

In reviewing the model for this financial period, the Board assessed a number of economic assumptions and outcomes. The commodity price range outcomes and estimated updated capital requirements are shown in the following table:

Financial metric	PFS (Aug 2018)	Price Case 1 (Jul 2022)	Price Case 2 (Jul 2022)	Price Case 3 (Jul 2022)
LME nickel price (US$/lb)	7.25	9.00	10.00	11.00
Nickel sulphate premium (%)	10%	10%	10%	10%
LME cobalt price (US$/lb)	25.00	28.50	32.00	35.00
Cobalt sulphate premium (%)	-	-	-	-
A$/US$	0.75	0.70	0.70	0.70
Avg cash opex (post Co credits) (US$/lb Ni)	3.24	3.99	3.79	3.63
Pre-production capex (A$M)	966	1,261	1,261	1,261
Life-of-mine sustaining capex (A$M)	582	742	742	742
Total free cashflow (post-tax)	**3,342**	**4,494**	**5,797**	**7,067**
NPV (ungeared, post-tax, 8% real) (A$M)	**791**	**1,082**	**1,587**	**2,079**
IRR (ungeared, post-tax)	**16.2%**	**16.5%**	**19.9%**	**23.0%**

Variations to expected future cash flows, and timing thereof, could result in significant changes to the outcomes above, which in turn could impact future financial results.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(e) Critical accounting judgements and key estimates (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those adopted and disclosed in the Company's financial statements for the financial year ended 30 June 2023.

(f) 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 and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group recorded an operating loss of $1,853,995, and a net cash outflow of $3,742,991 for the half year ended 31 December 2023 and at balance date, had net current assets of $3,313,689. In order to continue development of its projects, the company will need to raise further funding.

Should the Company not be successful in obtaining adequate funding, or should cashflows not eventuate as planned, there is a material uncertainty that may cast significant doubt as to the ability of the Group to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the ordinary 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.

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2. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current		
GST Refundable	136,949	436,319
	136,949	436,319
Non-current		
Bonds	38,632	41,638
	38,632	41,638

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Exploration and evaluation phase - at cost		
Movements:		
Balance at beginning of the period	43,518,266	34,317,160
Direct expenditure	4,805,836	9,201,106
Disposals	(833,419)	-
	47,490,683	43,518,266
Less: impairment of exploration and evaluation expenditure	-	-
	47,490,683	43,518,266

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 investment. Where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the expenditure has been impaired down to its recoverable amount.

4. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Trade payables and accruals	781,077	2,142,552
	781,077	2,142,552

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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5. ISSUED CAPITAL

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Ordinary shares fully paid	78,631,501	76,349,703
Ordinary shares		
Balance at the beginning of the period	76,349,703	59,760,709
Issue of shares	2,292,000	17,208,000
Costs associated with issue of shares	(10,202)	(619,006)
Balance at the end of the period	78,631,501	76,349,703

	No of shares	No of shares
Balance at the beginning of the period	713,106,282	593,990,762
Rights Issue	12,733,333	119,115,520
Balance at the end of the period	725,839,615	713,106,282

6. RESERVES

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Share based payments reserve	2,914,382	2,555,765

The share based payment reserve records items recognised as either an expense or capital asset representing the value of options or performance rights vesting or vested.

7. SHARE BASED PAYMENTS

a) Options

Options and weighted average exercise prices are as follows for the reporting period presented:

	Number of options	Weighted average exercise price per option ($)
As at 1 July 2022	-	-
Granted	33,000,000	0.295
Exercised	-	-
Forfeited/cancelled	-	-
Outstanding at 30 June 2023	**33,000,000**	**0.295**
Granted	-	-
Exercised	-	-
Forfeited/cancelled	-	-
Outstanding at 31 December 2023	**33,000,000**	**0.295**

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7. SHARE BASED PAYMENTS (CONTINUED)

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
28/09/2022	28/09/2025	0.20	10,000,000	-	-	-	10,000,000
28/09/2022	28/09/2026	0.30	10,000,000	-	-	-	10,000,000
28/09/2022	28/09/2027	0.40	10,000,000	-	-	-	10,000,000

For the options granted during the current financial period, 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 interes t rate	Fair value at grant date ($)	Expense for the period ($)	Cumulative expense to 31 Dec 2023 ($)
28/09/2022	28/09/2025	0.11	0.20	91%	3.73%	0.051	125,754	510,000
28/09/2022	28/09/2026	0.11	0.30	91%	3.86%	0.052	131,068	326,959
28/09/2022	28/09/2027	0.11	0.40	91%	3.86%	0.055	92,420	230,548
							349,242	1,067,507

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
26/09/2022	26/09/2025	0.20	1,500,000	-	-	-	1,500,000
26/09/2022	26/09/2026	0.30	1,500,000	-	-	-	1,500,000

7. SHARE BASED PAYMENTS (CONTINUED)

For the options granted during the current financial period, 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 ($)	Expense for the period ($)	Cumulative expense to 31 Dec 2023 ($)
26/09/2022	26/09/2025	0.125	0.20	92%	3.77%	0.062	-	93,000
26/09/2022	26/09/2026	0.125	0.30	92%	3.84%	0.063	-	94,500
							-	187,500

b) Performance rights

	31 Dec 2023 Number of performance rights	30 Jun 2023 Number of performance rights
Balance at the beginning of the period	50,000,000	-
Granted	5,000,000	50,000,000
Converted	-	-
Forfeited / cancelled	-	-
Balance at the end of the period	55,000,000	50,000,000

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:

	Grant date	Number of performance rights	Fair value ($)	Probability assigned	Vested (%)	Expense for the current period ($)	Cumulative expense to 31 Dec 2023 ($)
Tranche 1	28/09/2022	20,000,000	0.11	70%	70%	-	1,650,000
Tranche 2	28/09/2022	20,000,000	0.11	35%	-	-	-
Tranche 3	28/09/2022	10,000,000	0.11	19%	-	-	-
Tranche 1	11/12/2023	250,000	0.05	70%	70%	9,375	9,375
Tranche 2	11/12/2023	1,250,000	0.05	35%	-	-	-
Tranche 3	11/12/2023	3,500,000	0.05	19%	-	-	-
						9,375	1,659,375

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

8. DISCONTINUED OPERATIONS

On 6 November 2023, the consolidated entity sold Golden Cliffs NL ("Golden Cliffs"), a wholly-owned subsidiary of Alliance Nickel Limited, for consideration of $400,000 resulting in a loss on disposal before income tax of $433,419. At the time of sale, the Directors resolved that the exploration of gold tenements held by Golden Cliffs were no longer core to the company's strategy.

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Financial performance information		
Other revenue	100,000	100,000
Corporate and administrative expense	(1,393)	-
Loan on sale of subsidiary	(433,419)	-
(Loss)/profit from discontinued operations before income tax	(334,812)	100,000
Income tax expense	-	-
(Loss)/profit from discontinued operations after income tax	(334,812)	100,000
Carrying amounts of assets and liabilities disposed		
Deferred exploration and evaluation expenditure	833,419	-
Total assets	833,419	-
Net assets	833,419	-
Details of the disposal		
Total sale consideration	400,000	-
Carrying amount of net assets	(833,419)	-
Loss on disposal before income tax	(433,419)	-
Income tax expense	-	
Loss on disposal after income tax	(433,419)	-

All transactions in relation to Golden Cliffs were recorded through an intercompany account with the parent company, accordingly there were no cashflows for the discontinued entity.

9. DIVIDENDS

No dividends were paid or declared during the period.

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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.

13. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial 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.

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DIRECTORS' DECLARATION

1. In the opinion of the Directors of Alliance Nickel Limited (the "Company"):

   a. The financial statements, notes, and the additional disclosures are in accordance with the Corporations Act 2001 including:

      i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year then ended; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the Corporations Act 2001 for the half year ended 31 December 2023.

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

Peter Sullivan
Chairman
Perth, Western Australia
23rd February 2024

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 half-year financial report of Alliance Nickel Limited ("the Company") and its controlled entities ("the Company"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, 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, selected explanatory notes, 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 accompanying 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 2023 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(f) 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.

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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.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year 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 half-year 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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
23 February 2024

B M'Veigh

B G McVeigh
Partner

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