



WIDGIE NICKEL

Critical metals for a cleaner future

Widgie Nickel Limited

A.C.N. 648 687 094

Half-Year Report

for the 6 months ended 31 December 2022

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The directors of Widgie Nickel Limited (“Company”) (“Widgie”) submit herewith the half-year report of Widgie and its subsidiaries (“Group”) (“Consolidated Entity”) for the six months ended 31 December 2022. Pursuant to the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Mr Steve Norregaard	– Appointed 1 July 2021
Mr Andrew Parker	– Appointed 1 July 2021
Ms Felicity Repacholi-Muir	– Appointed 1 July 2021
Mr Scott Perry	– Appointed 1 July 2021

All directors have served on the Board from the period 1 July 2022 to 31 December 2022.

Principal activities

During the financial period, the principal continuing activities of the Group consisted of the exploration and development of resource projects.

REVIEW OF OPERATIONS

Mt Edwards Nickel and Lithium Project (Widgie 100%) - Exploration and Evaluation activities

Widgie controls a dominant ~240 square kilometre land package over the prolific nickel producing Widgiemooltha Dome located 80km south of Kalgoorlie in Western Australia.

Ideally positioned adjacent to key infrastructure with an already established Mineral Resource base of some 168kt of contained nickel over 12 separate deposits, the Company plans to advance its Mt Edwards Nickel Project through to low capital cost development in addition to carrying out ongoing exploration for more high-grade sulphide nickel in the region.

During the period Widgie confirmed high prospectivity for Lithium bearing pegmatites on its tenure with early drilling success encountering high grade lithium from surface at its Faraday prospect.

Through its Nickel Resources and associated Platinum Group Metals (PGM) endowment, and its lithium potential Widgie presents a compelling opportunity to gain exposure to battery metals and the clean energy future.

Table 1 – Mt Edwards Project Nickel Mineral Resources

Deposit	Indicated		Inferred		TOTAL Mineral Resources		
	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Nickel Tonnes
132N	34	2.9	426	1.9	460	2.0	9,050
Armstrong	630	1.8	15	4.7	645	1.9	12,200
Cooke			154	1.3	154	1.3	2,000
Gillett	915	1.6	643	1.3	1,558	1.5	23,400
Inco Boundary			464	1.2	464	1.2	5,600
McEwen			1,133	1.4	1,133	1.4	15,340
McEwen Hanging wall			1,916	1.4	1,916	1.4	26,110
Mt Edwards 26N			871	1.4	871	1.4	12,400
Munda ¹			320	2.2	320	2.2	7,140
Widgie 3			626	1.5	626	1.5	9,160
Widgie Townsite	1,183	1.7	1,293	1.5	2,476	1.6	39,300
Zabel	272	1.9	53	2.0	325	2.0	6,360
TOTAL	3,034	1.7	7,914	1.5	10,948	1.6	168,060

Mineral Resources quoted using a 1% Ni block cut-off grade. Small discrepancies may occur due to rounding.¹ - Munda resource calculated at a 1.5% lower cutoff

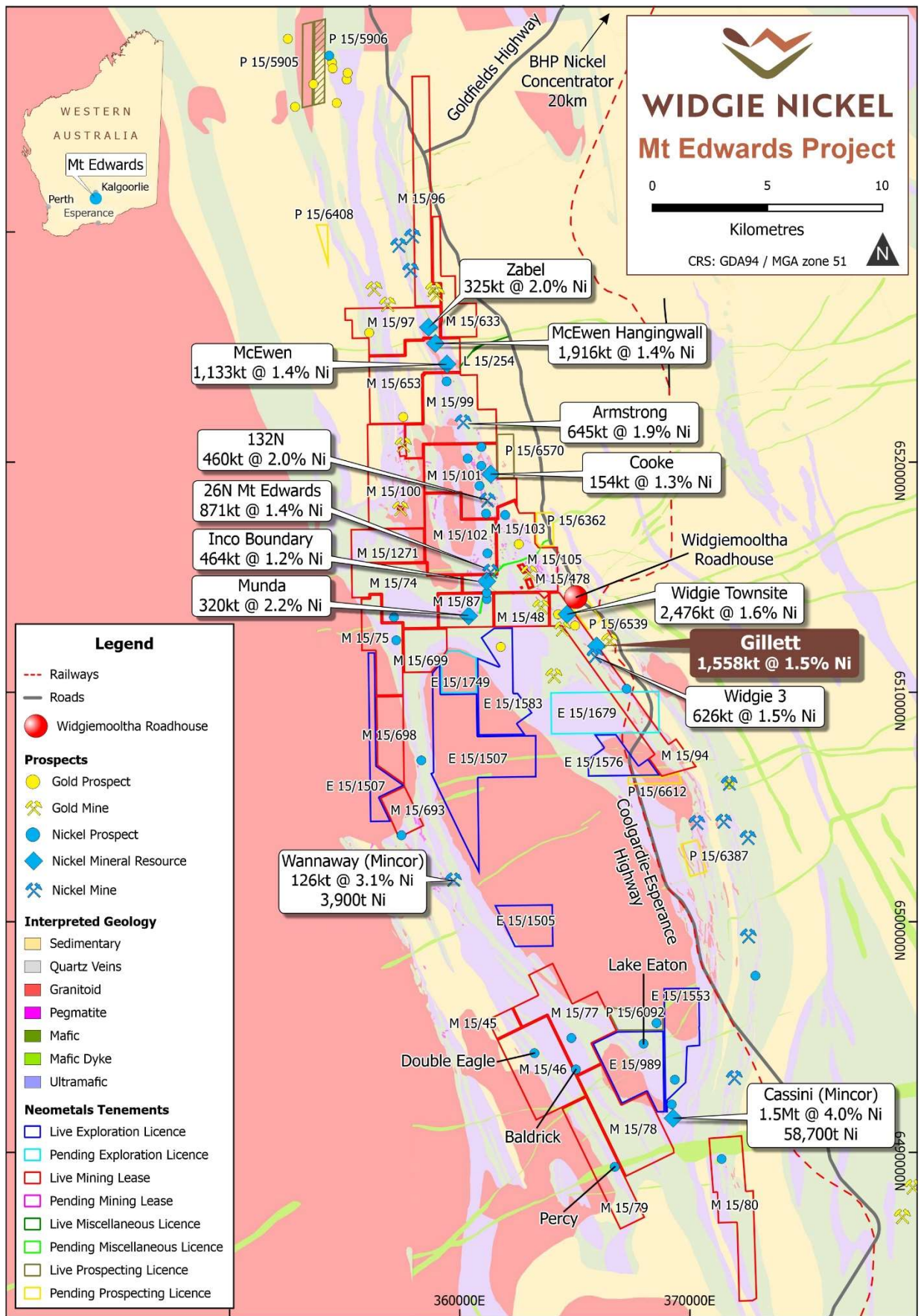


Figure 1 – Location map of Widgie Projects

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Armstrong Scoping Study and Resource Upgrade

In October Widgie announced the results and completion of a maiden scoping study for the Armstrong deposit (Armstrong) (see ASX announcement dated 26 October 2022 - *Scoping Study Highlights Potential of Armstrong Mine*).

The scoping study detailed that at then spot assumptions of \$US22,000/t Ni and AUD/USD exchange rate of 0.63 Armstrong would deliver free cash flows between \$67.8 million and \$68.7 million. Even at conservative base case assumptions of \$US18,500/t Ni and 0.70 AUD/USD the project is robust with free cash flows between \$20.8 million and \$26.4 million. Current Nickel price compares favourably at \$24,000US/t Ni & 0.66USD/AUD.

Widgie is currently progressing Full Feasibility Study work, permitting and carrying out pit dewatering activities at Armstrong.

Following completion of the scoping study, on 21 November 2022, Widgie announced a new Mineral Resource Estimate calculated in accordance with the 2012 JORC Code incorporating PGEs at its Armstrong deposit.

Upgrading of the Armstrong Mineral Resource further reinforces the compelling, near-term and low-cost mine development opportunity it presents within the broader Mt Edwards project; key outcomes:

- Armstrong Indicated Resource increased to 630kt @ 1.8% Ni for 11,500t Ni, with 98% of the resource now within Indicated category (previously 83%).
- New resource now quantifies Palladium + Platinum + Gold (3E¹) endowment with Au (0.2g/t), Pd (0.4g/t) and Pt (0.2g/t) = 0.8g/t 3E (contained metal equating to 4,100oz Au, 8,300oz Pd and 4,100oz Pt).

Expansion of Gillett Resource

In January 2023 Widgie released an updated Mineral Resource Estimate (MRE) for the Gillett Deposit (See ASX announcement dated 23 January 2023 - *Gillett Mineral Resource Expands in Size and Confidence, with Further Near-Term Growth Potential*); key outcomes included:

- Gillett deposit Mineral Resource expanded by 20% to 1.56 million tonnes at 1.5% nickel for 23,400 tonnes contained nickel between 80 and 350 metres below surface.
- 60% of Gillett mineral resource upgraded to the higher confidence Indicated category.
- Resource now quantifies Palladium + Platinum endowment with Pd (0.17g/t) and Pt (0.08g/t) (contained metal equating to 8,515oz Pd and 4,007oz Pt).
- Significant opportunity for further Resource growth through extension and potential to connect with the Gillett North discovery.
- Widgie South comprising Widgie 3, Gillett and Widgie Townsite now ready for technical evaluation aiming to become the Company's second nickel production centre

Resource and infill drilling programs

Widgie has been highly successful with its drill programs to date with the drilling at Armstrong and Gillett resulting in the updated MREs described above. In addition to the drilling at these two deposits programs are also ongoing at Widgie 3, Widgie Townsite, Munda and 132N with updated MREs expected to be completed for each following completion of the respective drill programs.

Exploration drilling – success at Gillett North

Prior to the commencement of this reporting period Widgie announced the results from the Reverse Circulation (RC) discovery hole drilled at Gillett North, drilled approximately 300 metres north of the drilling previously announced by the Company at Gillett. Assays returned from the discovery hole MERC225:

- 12 metres at 3.40% Ni, 0.13% Co, 0.45% Cu, 1.45 g/t 3E from 200 metres downhole
- 18 metres at 4.69% Ni, 0.18% Co, 0.59% Cu, 1.35 g/t 3E from 246 metres downhole (including 6 metres at 2.57 g/t 3E from 252 metres downhole and 1 metre at 2.98 g/t 3E from 263 metres downhole)

¹ 3E = Palladium (Pd) + Platinum (Pt) + Gold (Au) in g/t

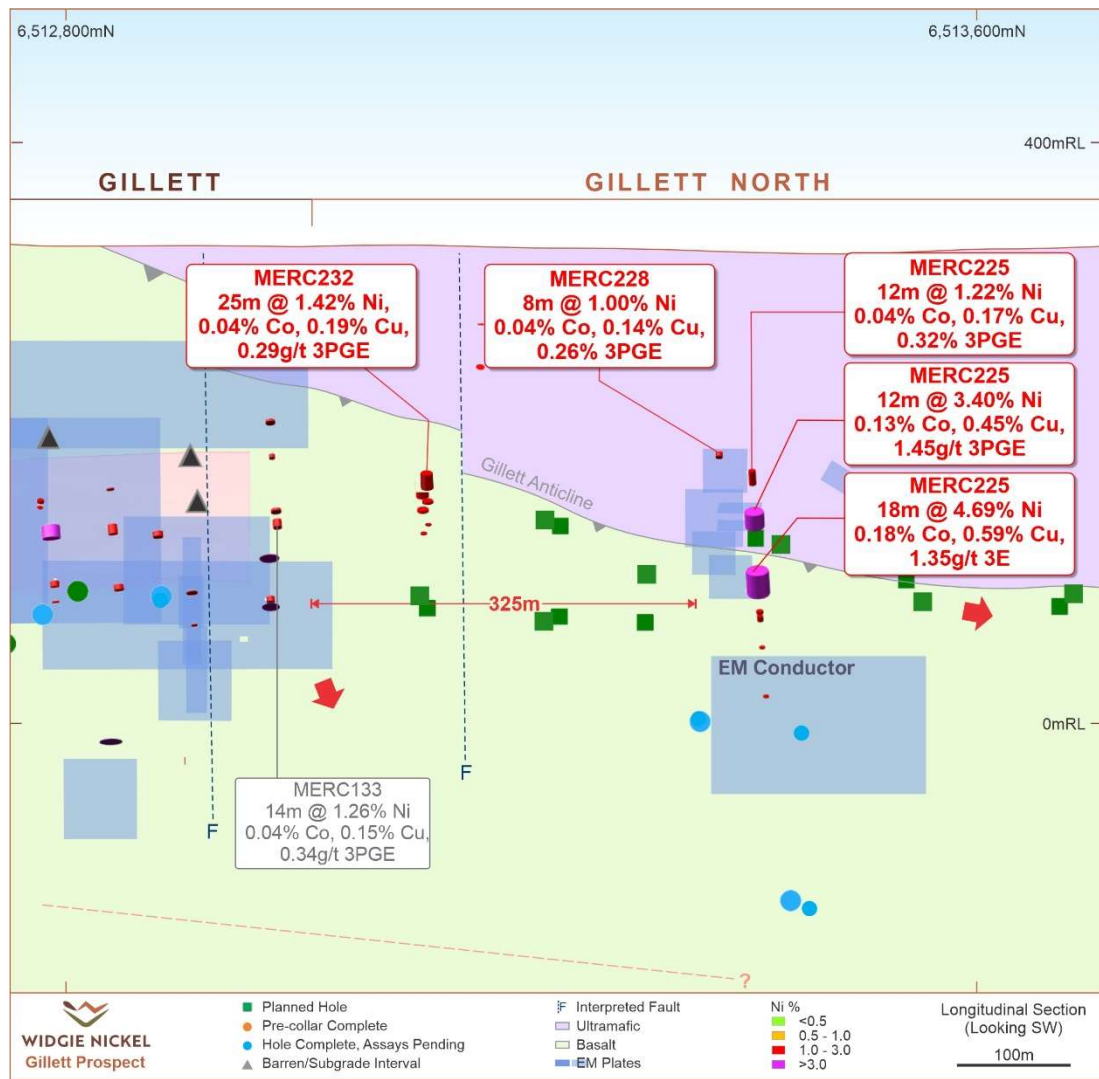


Figure 2 – Gillett North long-section showing significant assay results and proposed drilling

Since the discovery hole, Widgie has continued to focus its exploration drilling efforts at Gillett North to evaluate the extent of the discovery and potential connection to the mineralisation at Gillett.

Lithium Discovery at Faraday Prospect and greater Lithium potential over Widgie's Tenure

On 3 October 2022, Widgie announced (refer ASX release titled - *High Grade Lithium Discovery at Mt Edwards*) that rock chip sampling at the newly named "Faraday prospect" identified high-grade lithium bearing pegmatites outcropping over a 600m strike, with surface expressions up to 25 metres wide. Visible spodumene was identified at several locations, with multiple high-grade Li₂O values returned from 14 rock chip samples.

Following on from these encouraging early indications, Widgie commenced an initial RC drilling campaign at the Faraday Prospect. Assays received from 18 RC drillholes confirmed the presence of significant shallow high-grade lithium-bearing pegmatite. Highlights from reported holes included:

- 10m @ 0.90% Li₂O from 22m (MERC243)
- 14m @ 0.88% Li₂O from 10m (MERC257)
- 18m @ 0.72% Li₂O from 12m (MERC254)
- 4m @ 0.91% Li₂O from 29m (MERC255)
- 16m @ 0.77% Li₂O from surface (MERC253)
- 7m @ 0.73% Li₂O from 0m (MERC247)

The lithium-bearing pegmatite is encountered from surface, or near surface is shallow dipping to west. As part of a rapid ramp up in exploration activity at the Faraday prospect, further RC drilling commenced in January 2023 to infill and expand the area of drill coverage.

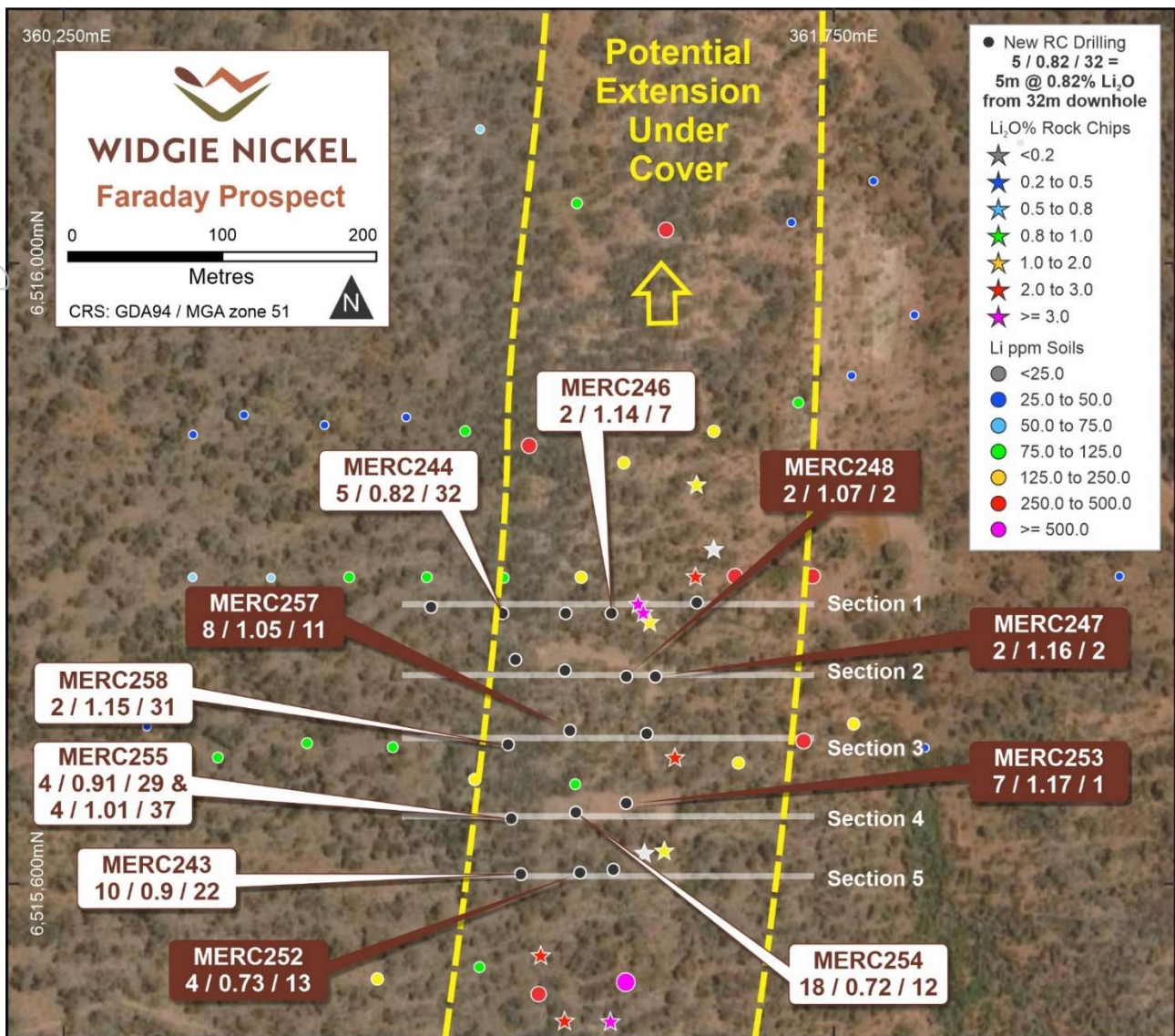


Figure 3 – Faraday prospect showing drillhole location, high grade intercepts and historical soil anomaly and rock chip sample locations

Other work from project review led to the identification of Lithium bearing pegmatite at the Voyager prospect. Voyager sits approximately 500m northeast of the historic 132N pit and 3.5kms north of the Faraday Lithium discovery.

- Historical surface samples of the pegmatite sub-crop returned Li₂O grades up to 3.40%.
- A limited Reverse Circulation (RC) program drilled in 2018 by Neometals Ltd of the Voyager/Atomic 3 area returned positive results, including;
 - 14m @ 0.95% Li₂O from 13m, including 4m @ 1.70% Li₂O from 22m (MERC031)
 - 4m @ 1.27% Li₂O from 43m (MERC030); and
 - 1m @ 1.62% Li₂O from 2m (MERC053).
- Widgie's initial RC drilling at Voyager is to commence shortly;
 - Initial drilling on 20m x 20m spacing to investigate pegmatite orientation and grade distribution.
 - Once orientation is confirmed, drilling will be refined to test for potential down dip and strike extensions.

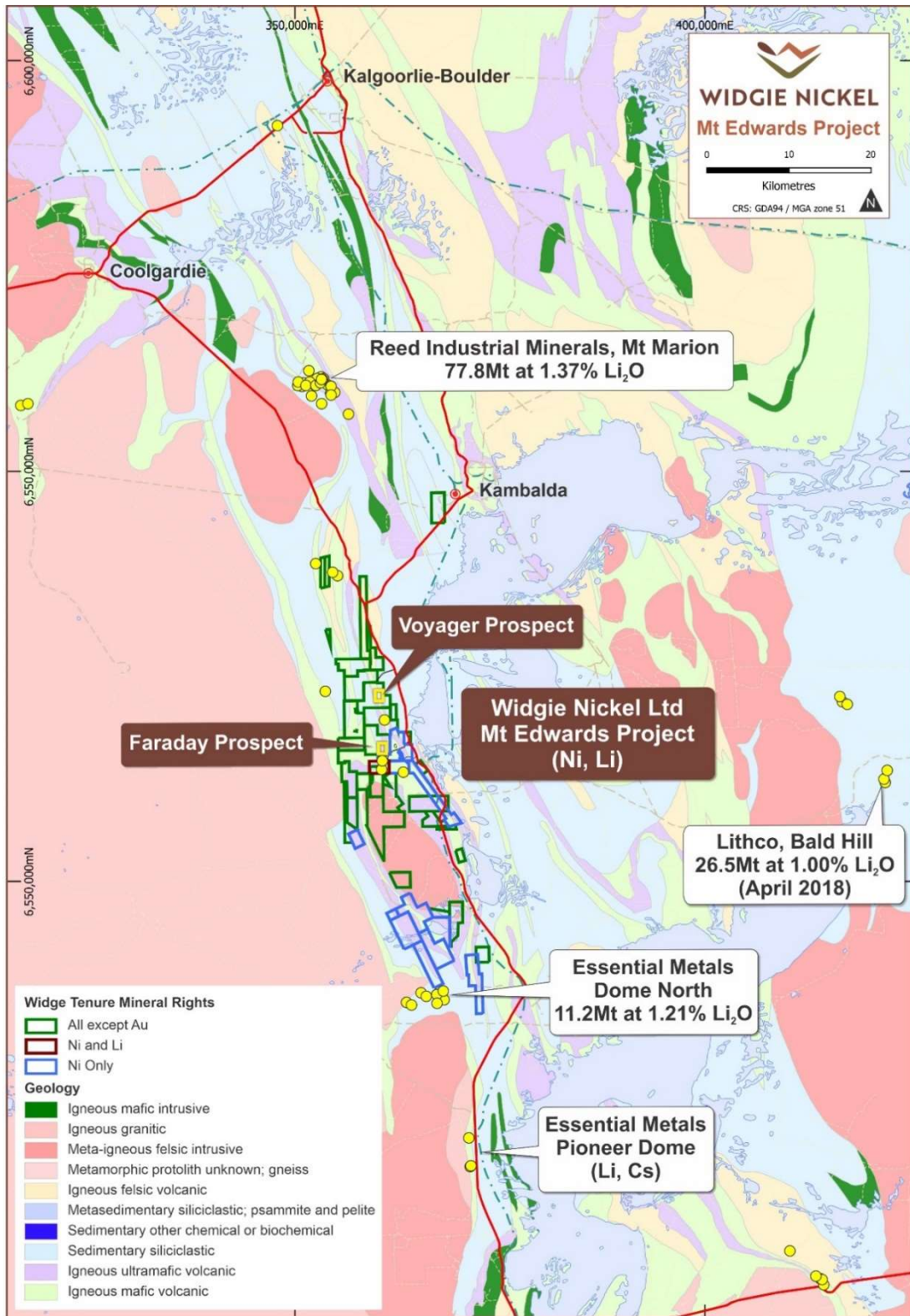


Figure 4 – Geology showing location of Faraday and Voyager at the Mt Edwards Project

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Metallurgy and Marketing

The Company's first proposed production centre Armstrong is proposed to be developed on a low capital basis utilising toll milling to process the nickel bearing ore.

Utilising proposed flowsheet and milling parameters as a basis the Company is testing drill core from Armstrong to determine the most appropriate parameters to maximise the liberation of nickel, understand the deportment of by-products such as Copper, Cobalt and PGMs, develop strategies to suppressing deleterious elements such as Arsenic and maintain appropriate ratios of Fe:MgO

Future Work

The Company intends to continue exploration drilling in 2023 at Gillett Nort and infill and extensional drilling activities on Widgie 3, Widgie Townsite, Munda and 132N to enable design and evaluation of each resource. A key focus is the progression of the Full Feasibility Study for Armstrong enabling the project to be production ready by the end of 2023. The Company will complement this work with Greenfields exploration activities to advance our understanding and the potential of each of the exploration targets identified on the Company's tenure.

In addition, work also continues to rapidly assess the potential of the Faraday and Voyager lithium prospects through drilling. Work will also be carried out on other known lithium occurrences within the extensive dataset, in conjunction with further mapping, reassessment of existing drill core and RC chips/pulps and ongoing surface sampling to identify new areas of interest.

Widgie's focus remains on its core ongoing nickel focussed programs, however with Widgie having confirmed the existence of a strong presence of lithium at Faraday and Voyager, the Company is now also focused on increasing the scale and quality of its lithium endowment regionally, in parallel with its nickel activities.

Approvals

Government approvals are in place for planned exploration activities at prospects across Mt Edwards including; 132N, Munda, Widgie South (Widgie Townsite, Gillett and Widgie 3), Faraday and Voyager.

Finances

Available cash and term deposits on hand as of 31 December 2022 totalled A\$8.68 million.

Issued Capital

The total number of shares on issue at 31 December 2022 was 251,012,828.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Competent Person Statement

The information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation compiled by Mr David Potter, who is a full-time employee of Widgie Nickel Limited. Mr Potter is a Competent Person and a member of the Australian Institute of Mining and Metallurgy. Mr Potter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Potter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Compliance Statement

The information in this report are extracted from the ASX Announcements listed in the table below, which are also available on the Company's website at www.widgienickel.com.au and the ASX website www.asx.com under the code WIN.

31/01/2023	Widgie Nickel Quarterly Activities Report & Appendix 5B
23/01/2023	Gillett Resource Expands in Size and Confidence - Updated
17/01/2023	Regional Review Enhances Lithium Potential of Widgies Tenure
09/01/2023	Further Assays Reaffirm High-grade Lithium Discovery
15/12/2022	High Grade Results Provide Confidence of Growth at Gillett
08/12/2022	Assays Confirm High Grade Lithium Discovery at Faraday
21/11/2022	Upgrade to Armstrong Mineral Resource
31/10/2022	Widgie Nickel Quarterly Activities Report & Appendix 5B
26/10/2022	Scoping Study Highlights Potential of Armstrong Mine
03/10/2022	High Grade Lithium Discovery at Mt Edwards
15/09/2022	Drilling Results Reaffirm Armstrong 2023 Production Aims
08/09/2022	Confidence in Gillett Grows with Impressive Assay Results

28/07/2022	Resource growth potential confirmed at Gillett North
22/07/2022	Significant By-product assays for Gillett North discovery
27/06/2022	High-grade nickel sulphide discovery at Gillett North

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Forward Looking Statement

Caution regarding Forward Looking Information. This document contains forward looking statements concerning Widgie Nickel Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties, and other factors. Forward looking statements in this document are based on Widgie's beliefs, opinions and estimates as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions, or estimates should change or to reflect other future developments.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 9 of the half-year report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors,



Steve Norregaard
Managing Director
Perth, 10 March 2023

The Board of Directors
Widgie Nickel Limited
Level 4/220 St Georges Terrace
Perth WA 6000

10 March 2023

Dear Board Members

Widgie Nickel Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Widgie Nickel Limited.

As lead audit partner for the review of the half year financial report of Widgie Nickel Limited for the half year period 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.

Yours faithfully



Deloitte Touche Tohmatsu



Ian Skelton
Partner
Chartered Accountants

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Independent Auditor's Review Report to the members of Widgie Nickel Limited

Conclusion

We have reviewed the half-year financial report of Widgie Nickel Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2022, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance 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 period 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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Group has incurred losses of \$1,085,902 (31 Dec 2021: \$1,238,672) and experienced net cash outflows from operating and investing activities of \$7,748,873 (31 Dec 2021: \$1,530,567) for the half year ended 31 December 2022. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibilities for the Half-year 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 Responsibilities for the Review of the Half-year 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 2022 and its performance for the half-year period 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Ian Skelton

Partner

Chartered Accountants

Perth, 10 March 2023

Directors' declaration

The directors declare that:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Steve Norregaard
Managing Director
10 March 2023

**Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2022**

	Note	1 July 2022 to 31 Dec 2022 \$	15 Mar 2021 to 31 Dec 2021 \$
Continuing operations			
Other income – interest receivable		115,230	8,269
Employee benefits expenses	7	(441,921)	(180,476)
Share based payments expenses	5	(141,890)	(433,829)
Project expenses		(8,640)	(10,824)
Administration expenses		(378,843)	(299,877)
Other expenses		(71,829)	(54,705)
Depreciation and amortisation expenses		(151,123)	(14,131)
ASX Listing expenses	11	-	(251,971)
Finance costs	13	(6,886)	(1,128)
Loss before income tax		(1,085,902)	(1,238,672)
Income tax (expense)/benefit		-	-
Loss for the period after tax		(1,085,902)	(1,238,672)
Other Comprehensive Income/(loss)		-	-
Total Comprehensive Loss for the period		(1,085,902)	(1,238,672)
Loss attributable to:			
Owners of the Company		(1,085,902)	(1,238,672)
Total Comprehensive Loss attributable to:			
Owners of the Company		(1,085,902)	(1,238,672)
Loss per share			
From continuing and discontinued operations:			
Basic (cents per share)		(0.43)	(1.23)

The condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position as at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	8	8,681,938	16,437,893
Trade and other receivables		107,813	174,001
Prepayments		45,556	42,160
Total current assets		8,835,308	16,654,054
Non-current assets			
Property, plant and equipment		897,920	474,473
Exploration and evaluation assets	9	25,222,465	19,185,048
Other assets		88,768	88,695
Right of use assets	13	365,044	361,072
Total non-current assets		26,574,197	20,111,288
Total assets		35,409,505	36,765,342
Current liabilities			
Trade and other payables	10	(2,306,703)	(2,727,174)
Provisions		(54,919)	(46,150)
Lease liability	13	(161,944)	(136,370)
Total current liabilities		(2,523,566)	(2,909,694)
Non-current liabilities			
Provisions for tenement rehabilitation costs		(398,000)	(398,000)
Lease liability	13	(196,305)	(222,002)
Total non-current liabilities		(594,305)	(620,002)
Total liabilities		(3,117,871)	(3,529,696)
Net assets		32,291,634	33,235,646
Equity			
Issued capital	11	24,069,091	23,751,467
Reserves	14	12,033,378	12,209,112
Accumulated losses		(3,810,835)	(2,724,933)
Total equity		32,291,634	33,235,646

This condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2022**

	Notes	Issued Capital	Restructuring reserve	Share based payments reserve	Accumulated losses	Total
		\$	\$	\$	\$	\$
Balance as at 14 Mar 2021		-	-	-	-	-
Loss for the period		-	-	-	(1,238,672)	(1,238,672)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(1,238,672)	(1,238,672)
Equity issued	11	25,025,001	-	-	-	25,025,001
Corporate restructure reserve created on demerger	4,14	-	10,948,600	-	-	10,948,600
Recognition of share-based payments	5	-	-	500,168	-	500,168
Share issue costs	11	(1,322,653)	-	-	-	(1,322,653)
Balance at 31 Dec 2021		23,702,348	10,948,600	500,168	(1,238,672)	33,912,444
Balance as at 1 July 2022		23,751,467	10,948,600	1,260,512	(2,724,933)	33,235,646
Loss for the period		-	-	-	(1,085,902)	(1,085,902)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(1,085,902)	(1,085,902)
Recognition of share-based payments	5	-	-	141,890	-	141,890
Transfer to issued capital on exercise of options and performance rights		317,624	-	(317,624)	-	-
Balance at 31 Dec 2022		24,069,091	10,948,600	1,084,778	(3,810,835)	32,291,634

This condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Condensed consolidated statement of cash flows
for the half-year ended 31 December 2022**

		1 July 2022 to 31 Dec 2022	15 Mar 2021 to 31 Dec 2021
	Note	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(792,675)	(493,604)
Payment for exploration and evaluation costs		(6,508,393)	(775,840)
Net cash used in operating activities		(7,301,068)	(1,269,444)
Cash flows from investing activities			
Payment for property, plant & equipment		(576,542)	(306,890)
Cash introduced on acquisition of Mt Edwards Lithium Pty Ltd	4	-	45,634
Interest received		128,737	133
Net cash used in investing activities		(447,805)	(261,123)
Cash flows from financing activities			
Proceeds from issue of shares	11	-	25,000,001
Payments for costs of share issues	11	-	(1,231,315)
Payment for security deposits		(73)	(73,695)
Proceeds from finance leases		68,616	-
Payments on lease liability		(68,739)	-
Interest and finance costs paid		(6,886)	(366)
Net cash (used) /provided by financing activities		(7,082)	23,694,625
Net (decrease) / increase in cash and cash equivalents		(7,755,955)	22,164,058
Cash and cash equivalents at the beginning of the period		16,437,893	-
Cash and cash equivalents at the end of the period	8	8,681,938	22,164,058

This condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Index to notes to the condensed consolidated financial statements

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Notes to the condensed consolidated financial statements

1. General information

Widgie Nickel Limited was incorporated on 15 March 2021 and changed its company type to a limited public company on 14 August 2021. Accordingly, Widgie Nickel Limited's comparative period financial results reflect the period from 15 March 2021 to 31 December 2021. The Company is incorporated in Western Australia, Australia and is listed on the Australian Securities Exchange under the code WIN. The principal activities of the Consolidated Entity are mineral exploration. Widgie Nickel Limited is the ultimate parent of the Group.

Registered office and principal place of business

Level 4, 220 St Georges Terrace, Perth WA 6000

2. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. This financial report does not include all notes of the type normally included in an annual financial report and should be read in conjunction with the Company's most recent annual financial report and ASX announcements.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2022 annual financial report for the financial period ended 30 June 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards ("AASB") that are relevant to its operations and effective for the current reporting period. These standards did not have any significant impact on the Group's financial statements.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred losses of \$1,085,902 (31 Dec 2021: \$1,238,672) and experienced net cash outflows from operating and investing activities of \$7,748,873 (31 Dec 2021: \$1,530,567) for the half year ended 31 December 2022. As at 31 December 2022 the Group had cash and cash equivalents of \$8,681,938 (30 June 2022: \$16,437,893).

The directors recognise that additional funding is required to meet its ongoing exploration and evaluation activities. The directors have prepared a cash flow forecast for the period ending 31 March 2024 which indicates a minimum funding of \$7.5 million before July 2023 by way of debt or equity is required to continue to progress its projects through that period. The forecast assumes expenditure on programmes required to advance the Mt Edwards project towards a final investment decision. However, the cash flow forecast does not assume that development activities at the Mt Edwards project commence in the period ending 31 March 2024. Should a final investment decision be made with respect to the Mt Edwards project, the cash flow forecast will be updated to identify any additional funding required for development, be this in the form of debt or equity, or a combination of both.

The directors reasonably believe that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the additional funding above, 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 realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgments in applying the entity's accounting policies, and key sources of estimation uncertainty.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Recovery of capitalised exploration and evaluation expenditure

The Group capitalises exploration and evaluation expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

(b) Share-based payments

Equity-settled share-based payments granted are measured at fair value at the date of grant. The fair value of share options is measured by use of an appropriate option pricing model and requires substantial judgement.

The fair value of performance rights issued during the period was made with reference to the Company's closing share price on the date of grant. Management has been required to estimate the probability that the Company will meet the performance criteria determined by the board.

4. Group Restructure – Asset Acquisition

The Company has determined that the restructuring transactions completed during the period whilst the Company was under the control of Neometals Ltd do not constitute a business combination in accordance with AASB 3 Business Combinations. The acquisition of the assets meets the definition of, and has been accounted for, as an asset acquisition under common control. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on the book value of the transferred (purchased) assets and liabilities. No deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 Income Taxes is applied. No goodwill arises on the acquisition and transaction costs of the acquisition are included in the capitalised cost of the asset.

On 1 June 2021 the Company acquired 100% of Mt Edwards Lithium Pty Ltd (MELPL) for a consideration of \$2,242,424 by way of an intercompany loan transaction with Neometals Ltd. The following table illustrates the apportionment of the acquisition cost to the assets and liabilities of MELPL at their relative fair values at the acquisition date.

	1 June 2021
	\$
Cash and cash equivalents	45,634
Trade and other receivables	9,765
Exploration and evaluation expenditure	2,247,449
Provisions	(37,500)
Trade and other payables	(22,924)
Fair value of net assets acquired	2,242,424

On 19 July 2021 the Company acquired 100% of Neometals Ltd's remaining tenement interests over the Mt Edwards Project for a consideration of \$8,609,583 by way of an intercompany loan transaction with Neometals Ltd. The following table illustrates the apportionment of the acquisition cost to the assets and liabilities acquired at their relative fair values at the acquisition date.

	19 July 2021
	\$
Exploration and evaluation expenditure	8,970,083
Rehabilitation provision	(360,500)
Total cost acquisition	8,609,583

5. Share based payments

The value of share options and performance rights granted under the equity settled share based payment scheme are expensed over the vesting period. Included in share based payments expense is \$141,890 relating to the share options and performance rights issued during the period.

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Options granted and on issue during the period and as at the end of the period:

	Issue Date	Number	Exercise Price	Fair Value per option	Vested at 31 Dec 2022
Balance at the beginning of the period		11,550,000	\$0.20-\$0.40	-	-
Granted during the period:					
Unlisted Options issued to Employee, vesting subject to continuous service 9/3/2023	7-Sep-2022	400,000	\$ 0.300	\$ 0.111	No
Unlisted Options issued to Employee, vesting subject to continuous service 22/3/2024	7-Sep-2022	400,000	\$ 0.400	\$ 0.114	No
Unlisted Options issued to Employee, vesting subject to continuous service 9/5/2023	7-Nov-2022	350,000	\$ 0.350	\$ 0.116	No
Unlisted Options issued to Employee, vesting subject to continuous service 22/3/2024	7-Nov-2022	350,000	\$ 0.400	\$ 0.136	No
Unlisted Retention Options issued to Employee, vesting subject to continuous service 10/4/2023	5-Oct-2022	330,000	\$ 0.300	\$ 0.095	No
Exercised during the period		-	-	-	-
Expired during the period		(1,500,000)	\$0.30-\$0.40		
Outstanding at 31 Dec 2022		11,880,000			
Exercisable at 31 Dec 2022		5,500,000	\$0.20-\$0.40		

The Options issued during the half-year period have been valued using the Black-Scholes option pricing model with the following inputs:

Underlying share price:	\$0.265 to \$0.335
Risk-free interest rate:	2.90% to 3.425%
Dividend yield:	0%
Expected volatility:	100%

The expected volatility reflects the assumption that historical volatility for companies of a similar type to Widgie over a period similar to the life of the options is indicative of future trends, which may not necessarily be the case.

Performance Rights granted and on issue during the period and as at the end of the period:

	Issue Date	Number	Grant date share price	Fair Value per right	Vested at 31 Dec 2022
Balance at the beginning of the period – 2021/2022 STI Award		1,400,000	-	-	-
Exercised during the period		(687,828)			
Lapsed during the period		(712,172)			
Granted during the period:					
2022/2023 STI Award	25-Nov-2022	1,108,000	\$ 0.47	\$0.3281-\$0.3525	No
Exercised during the period		-	-		
Expired during the period		-	-		
Outstanding at 31 Dec 2022		1,108,000			

The Performance Rights (221,600) issued during the half-year period with Market based performance milestones have been independently valued by a third party using a Monte Carlo simulation model, other Performance Rights (886,400) are valued based on the underlying share price at the date of valuation and adjusted for a probability factor estimate of the number that will vest. Performance Rights to vest on achievement of performance criteria to 30 June 2023, as determined by the Company's Board, by 30 September 2023. Vested Performance Rights have a nil exercise price.

The following valuation inputs were used:

Share price at grant date: \$0.47

Market based performance milestones using the Monte Carlo simulation model: \$0.3281 per Right

Vesting probability factor estimate for other Performance Rights: 50% to 100%

6. Dividends

No dividends were paid or declared to the holders of fully paid ordinary shares during the period.

7. Employee benefits expense

	1 July 2022 to 31 Dec 2022	15 Mar 2021 to 31 Dec 2021
	\$	\$
Salaries and wages	1,097,100	369,688
Directors fees	91,199	61,263
Superannuation, payroll taxes and other staff costs	170,281	42,418
Capitalised to project exploration and evaluation asset	(916,659)	(292,893)
	441,921	180,476

8. Cash and cash equivalents

	31 Dec 2022	30 June 2022
	\$	\$
Cash at bank and in hand	1,681,938	3,937,893
Short term deposits – maturities of less than 3 months	7,000,000	12,500,000
	8,681,938	16,437,893

9. Exploration and evaluation assets

	31 Dec 2022	30 June 2022
	\$	\$
Opening carrying value	19,185,048	-
Acquisition of Mt Edwards Lithium Pty Ltd	-	2,247,449
Acquisition of tenement interests from Neometals Ltd	-	8,970,083
Impairment recognised during the period	(8,640)	-
Additions	6,046,057	7,967,516
Closing carrying value	25,222,465	19,185,048

The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

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10. Trade and other payables

	31 Dec 2022	30 June 2022
	\$	\$
Trade payables	(1,395,041)	(1,748,434)
PAYG taxes and superannuation contributions	(240,594)	(178,724)
Accruals	(671,068)	(800,016)
	(2,306,703)	(2,727,174)

11. Share capital

During the reporting period, Widgie Nickel Limited issued the following share capital:

		Number	\$
Issued on incorporation	15 March 2021	1	1
Issued on share split	1 July 2021	124,999,999	-
Issued on receipt of \$1,000,000 seed funding	9 July 2021	5,000,000	1,000,000
Issued on completion of entitlement offer	17 September 2021	120,000,000	24,000,000
Issued on completion of ASX listing process	17 September 2021	125,000	25,000
Share issue costs		-	(1,322,653)
Balance at 31 December 2021		250,125,000	23,702,348
Balance as at 1 July 2022		250,325,000	23,751,467
Issued on exercise of performance rights	6 October 2022	687,828	-
Transfer to issued capital on exercise of options and performance rights		-	317,624
Balance at 31 December 2022		251,012,828	24,069,091

Share issues in the half-year period to 31 December 2022:**6 October 2022**

Issue of 687,828 fully paid ordinary share on exercise of vested 2021/2022 STI Award performance rights.

Share issues in the period 15 March 2021 to 31 December 2021:**15 March 2021 and 1 July 2021**

Issue of 1 fully paid ordinary share on incorporation. On 1 July 2021 the Company undertook a 125,000,000 fully paid ordinary shares for 1 share split.

9 July 2021 and 26 August 2021

Issue of 5,000,000 fully paid ordinary shares at \$0.20 per share to Neometals Limited for seed funding prior to the Company completing its ASX listing and capital raising.

The Company was demerged from Neometals Ltd on 26 August 2021 via an 100% in-specie distribution of the Company's shares to Neometals Ltd shareholders.

17 September 2021

Issue of 120,000,000 fully paid ordinary shares under the Company's 0.923 for 1 share entitlement Offer. Shares were issued at \$0.20 per share to raise gross proceeds before costs of \$24,000,000. An additional 125,000 shares at \$0.20 per share were issued to an executive of the Company on completion of ASX listing process.

ASX listing expenses and share issue costs:

The Company incurred a total of \$1,673,574 on ASX listing and capital raising costs, including a share based payment of \$190,289 related to share Options issued to Euroz Hartleys for services associated with the ASX listing process and entitlement issue capital raising. These costs have been apportioned to ASX listing fees and Share issue costs respectively

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depending on the specific nature of the activity or as otherwise apportioned on the ratio of shares on issue relative to new shares issued pursuant to the entitlement offer as follows:

ASX listing fees	\$251,971
Share based payments expense	\$98,950
Share Issue costs	\$1,231,314
Share based payments allocated to share issue costs	<u>\$91,339</u>
Total share issue costs	\$1,322,653

Options over ordinary shares:

The Company has 11,880,000 unlisted Options and 1,108,000 unlisted Performance Rights on issue at the end of the period.

During the period a total of 1,830,000 Options have been issued to executives and employees of the Company. The Options have been issued as a long term and retention incentive and vest based on length of service criteria. During the period a total of 1,500,000 Options were cancelled or lapsed due to inability to satisfy the vesting criteria. Refer note 5 for further information.

During the period a total of 1,108,000 Performance Rights were issued to a Director and executives of the Company for the 2022/2023 STI Award. The performance assessment period covers the period 1 July 2022 to 30 June 2023. Performance Rights will vest if the performance criteria has been met as determined by the Board, by 30 September 2023.

During the period the Board performed its performance assessment for the vesting of the 2021/2022 STI Award. This resulted in the vesting and conversion of 687,828 Performance Rights into shares, with the balance of 712,172 Performance Rights lapsing through having been assessed to have not met the performance criteria. Refer note 5 for further information.

12. Commitments

(a) Exploration and evaluation and associate commitments

Annual Tenement expenditure commitments for the group total \$2,019,080. These costs do not include the annual statutory rent and rates commitments which are expected to be met in the ordinary course of business. The annual expenditure commitment is expected to be met by the Company and other third party tenement interest holders.

(b) Royalties

Various royalty agreements exist over certain of the Company's tenement interests. The payment and amount of the royalties is contingent on commodity produced, levels of production and other factors. Royalties are brought to account by the Company when they are confirmed as due and payable.

13. Leases

Leasing arrangements

Leases relate to the following:

- Property lease for the Company's head office at level 4, 220 St Georges Terrace, Perth. Lease term of 36 months commencing 1 February 2022 and expiring on 31 January 2025.
- Property lease for the workshop and storage premises in Carlisle, Western Australia. Lease term of 36 months commencing 1 July 2021 and expiring on 30 June 2024
- Finance leases over three Toyota Hilux motor vehicles. The leases are for periods of 36 months completing in October 2024, January 2025 and March 2025 respectively.
- Finance lease over Isuzu truck motor vehicle. The lease is over 36 months completing in November 2025.
- Lease of a photocopier for a period of 36 months expiring in October 2024. The commitments are based on the fixed monthly lease payments.

31 December 2022

Right-of-use assets	Buildings	Plant & Equipment	Total
	\$	\$	\$
Cost	260,611	231,991	492,602
Accumulated Depreciation	(88,171)	(39,387)	(127,559)
Carrying Amount	172,440	192,604	365,044
Lease liability	Buildings	Plant & Equipment	Total
	\$	\$	\$
Current	86,583	75,091	161,944
Non-current	91,214	105,091	196,305
Total	178,067	180,182	358,249

30 June 2022

Right-of-use assets	Buildings	Plant & Equipment	Total
	\$	\$	\$
Cost	260,611	164,336	424,948
Accumulated Depreciation	(44,736)	(19,139)	(63,875)
Carrying Amount	215,875	145,197	361,072
Lease liability	Buildings	Plant & Equipment	Total
	\$	\$	\$
Current	83,932	52,438	136,370
Non-current	135,236	86,766	222,002
	219,168	139,204	358,372

	1 July 2022 to 31 Dec 2022 \$	30 June 2022 \$
Depreciation expense on right-of-use asset	63,683	63,875
Interest expense on lease liabilities	6,886	7,387
	70,569	71,262

14. Reserves

The share based payments reserve arises on the grant of share options and performance rights for the provision of services by Directors, employees and consultants under the Company's Equity Incentive Plan, and to other parties for services provided. Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued pursuant to the terms of the performance rights. Further information about share-based payments to employees is provided in note 5 to the financial statements.

	31 Dec 2022 \$	30 June 2022 \$
Share based payments reserve:		
Balance at the beginning of the period	1,260,512	-
Share based payments expense for the period	141,890	1,203,292
Share based payments recognised in share issue costs	-	91,339
Amounts transferred to share capital on exercise	(317,624)	(34,119)
Balance at the end of the period	1,084,778	1,260,512

The restructuring reserve arises on the acquisition and demerger of the Mt Edwards project from Neometals Ltd.

	31 Dec 2022 \$	30 June 2022 \$
Restructuring reserve:		
Balance at the beginning of the period	10,948,600	-
Forgiveness of borrowings due to Neometals Ltd	-	10,948,600
Balance at the end of the period	10,948,600	10,948,600

The forgiveness of borrowings by Neometals Ltd relates to the forgiveness of the purchase consideration of \$2,242,424 and \$8,609,583 on the acquisition of MELPL and tenement interests from Neometals Ltd respectively (refer Note 4). In addition, Neometals Ltd, on demerger, forgave a further \$96,594 for costs incurred by the Company funded by Neometals Ltd.

15. Events subsequent to balance date

No matters have arisen since 31 December 2022 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

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