



Nordic Nickel Pty Ltd

ABN 13 647 455 105

Interim Financial Report

31 December 2021



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CORPORATE DIRECTORY

Director

Marcello Cardaci (Non-Executive Chairman)
Robert Wrixon (Executive Director)
Aaron Bertolatti (Non-Executive Director)

Company Secretary

Aaron Bertolatti

Registered Office & Principal Place of Business

Level 12,
197 St Georges Terrace
PERTH WA 6000 AUSTRALIA

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Auditors

Level 9 Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000



Directors' Report

The Directors present their report for Nordic Nickel Pty Ltd ("Nordic Nickel" or "the Company") and its subsidiary ("the Group") for the half year ended 31 December 2021.

DIRECTORS

The persons who were directors of Nordic Nickel during the half year and up to the date of this report are:

- Marcello Cardaci (Non-Executive Chairman) – appointed 15 March 2022
- Robert Wrixon (Executive Director)
- Aaron Bertolatti (Non-Executive Director)

PRINCIPAL ACTIVITIES

Nordic Nickel is a company limited by shares and is domiciled in Australia. The Company was incorporated on 27 January 2021 and has entered into a Share Purchase Agreement with Pulju Exploration Oy to acquire mineral licenses / leases in Finland.

REVIEW OF OPERATIONS

During the reporting period the Company was focussed on activities in preparation for listing on the Australian Securities Exchange.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Maaninkijoki 3 Project

On 20 January 2022, the Company entered into a binding Letter Agreement ("Letter Agreement") with Magstar Mining Oy ("MGM"), to earn an interest in MGM's Maaninkijoki 3 ("MJ3") Copper-Nickel-PGM Project (the "Project"), located in the Central Lapland Greenstone Belt of Northern Finland.

Key Terms:

1. First Earn-in: To earn a 51% interest in the Project, the Company will complete total exploration expenditure at the Project of €2,000,000 ("First Earn-in Expenditure") on or before the First Earn-in Deadline, being the date that is exactly four years after the MJ3 Licence is fully granted, free of any objection or encumbrance (being the "Grant Date"). Any expenditure on the MJ3 Licence made by the Company after the signing of the Letter Agreement, even if prior to the Grant Date, will be attributed to the First Earn-In Expenditure.
2. Second Earn-in: Following completion of the First Earn-in, the Company has the right to earn an additional 24% interest for a total of 75% interest in the Project, by completing the following additional requirements:
 - maintain a minimum annual expenditure on the Project of €250,000
 - complete a total expenditure of €5,000,000 within 5 years of commencing the Second Earn-In.
 - become the project operator(together, the "Second Earn-in Expenditure")

Change in Status - public company limited by shares

At a General Meeting held on 8 February 2022, the Company's shareholders approved the resolution to change the status of the Company from a proprietary company limited by shares to a public company limited by shares resulting in the Company's name being altered from Nordic Nickel Pty Ltd to Nordic Nickel Limited effective from the date that ASIC alters the details of the Company's registration.

Board Appointment

On the 15th of March 2022 Mr Marcello Cardaci was appointed as the Non-Executive Chairman of the Company.



Directors' Report

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

Signed on behalf of the Directors.

Robert Wrixon
Executive Director

Hong Kong
18 March 2022

DECLARATION OF INDEPENDENCE BY NAME OF PHILLIP MURDOCH TO THE DIRECTORS OF NORDIC NICKEL PTY LTD

As lead auditor for the review of Nordic Nickel for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nordic Nickel Pty Ltd and the entity it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 18 March 2022



Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2021

	Note	31-Dec-21 \$
Continuing Operations		
Expenses		
Professional and consulting fees		(100,573)
Director and employee costs		(83,122)
Other expenses		(1,428)
Share-based payments expense	9 (a)	(97,111)
Loss before income tax		(282,234)
Income tax expense		-
Net loss for the period		(282,234)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences on translation of foreign operations		(164)
Other comprehensive income for the period, net of tax		(164)
Total comprehensive loss for the period		(282,398)
Loss per share for the period attributable to the members of Nordic Nickel Pty Ltd		
Basic and diluted loss per share (cents)		(0.51)

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



Consolidated Statement of Financial Position

as at 31 December 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
Current Assets			
Cash and cash equivalents		638,593	850,215
Other assets		835	969
Receivables		37,116	263,282
Total Current Assets		676,544	1,114,466
Non-Current Assets			
Deferred exploration and evaluation expenditure	3	950,113	735,487
Total Non-Current Assets		950,113	735,487
Total Assets		1,626,657	1,849,953
Current Liabilities			
Trade and other payables		98,294	104,653
Borrowings		-	31,650
Total Current Liabilities		98,294	136,303
Total Liabilities		98,294	136,303
Net Assets		1,528,363	1,713,650
Equity			
Issued capital	4	5,501	5,501
Reserves	5	1,927,358	1,830,411
Accumulated losses	6	(404,496)	(122,262)
Total Equity		1,528,363	1,713,650

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2021

	Issued capital	Accumulated losses	Foreign exchange translation reserve	Convertible note reserve	Share option reserve	Total
Balance at 1 July 2021	5,501	(122,262)	(422)	1,815,000	15,833	1,713,650
Total comprehensive loss for the period						
Loss for the period	-	(282,234)	-	-	-	(282,234)
Foreign currency translation	-	-	(164)	-	-	(164)
Total comprehensive loss for the period	-	(282,234)	(164)	-	-	(282,398)
Transactions with owners in their capacity as owners						
Share-based payments (note 9 (a))	-	-	-	-	97,111	97,111
Balance at 31 December 2021	5,501	(404,496)	(586)	1,815,000	112,944	1,528,363

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows
for the half-year ended 31 December 2021

	31-Dec-21 \$
Cash flows from operating activities	
Payments to suppliers and employees	(212,864)
Net cash used in operating activities	(212,864)
Cash flows from investing activities	
Payments for exploration expenditure	(207,108)
Net cash used in investing activities	(207,108)
Cash flows from financing activities	
Proceeds from issue of convertible note	240,000
Repayment of short term borrowings	(31,650)
Net cash provided by financing activities	208,350
Net decrease in cash and cash equivalents	(211,622)
Cash and cash equivalents at the beginning of the period	850,215
Cash and cash equivalents at the end of the period	638,593

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



1. Corporate Information

The financial report of Nordic Nickel Pty Ltd ("Nordic Nickel" or "the Company") for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 18 March 2022. Nordic Nickel is a company limited by shares incorporated in Australia. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The presentation currency is Australian dollars.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021. There is no comparative data available for the Consolidated Statement of Profit or Loss and Other Comprehensive Income given the Group was incorporated subsequent to 31 December 2020.

The half-year report has been prepared on an accruals basis and is based on historical costs.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The principal accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(c) Going Concern

As disclosed in the financial statements, the Company incurred a loss of \$282,234 and had net cash outflows from operating and investing activities of \$212,864 and \$207,108 respectively for the half year ended 31 December 2021. As at that date, the Company had net current assets of \$578,250.

The ability of the entity to continue as a going concern is dependent on the financial support from its shareholders to fund its working capital requirements and/or successfully raising capital by way of an IPO on the ASX. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

The entity has prepared the financial statements on a going concern basis based on the Company having raised seed capital from investors during the period and lodging a prospectus with ASIC subsequent to period end, enabling the Company to progress its initial public offering expected within the 3 months following the date of this report.



Nordic Nickel Pty Ltd

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The impact on the financial performance and position of the Group from the adoption of the new or amended Accounting Standards and Interpretations was not material. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	31-Dec-2021 \$	30-Jun-2021 \$
3. Deferred Exploration and Evaluation Expenditure		
<i>Exploration and Evaluation phase - at cost</i>		
Opening balance	735,487	-
Acquisition of exploration tenements	-	7,121
Exploration and evaluation expenditure incurred during the period	214,626	728,366
Closing balance	950,113	735,487

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

4. Issued capital

(a) Issued and paid up capital

Issued and fully paid	5,501	5,501
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	31-Dec-2021		30-Jun-2021	
	Number of shares	\$	Number of shares	\$
Opening balance	55,000,001	5,501	-	-
Issue of shares - incorporation shares	-	-	1	1
Issue of shares - founder shares	-	-	10,000,000	1,000
Shares issued as consideration for acquisition	-	-	45,000,000	4,500
Closing balance	55,000,001	5,501	55,000,001	5,501

	31-Dec-2021 \$	30-Jun-2021 \$
5. Reserves		
Share option reserve	112,944	15,833
Foreign exchange translation reserve	(586)	(422)
Convertible note reserve	1,815,000	1,815,000
	1,927,358	1,830,411



Nordic Nickel Pty Ltd

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

	31-Dec-2021	30-Jun-2021
	\$	\$
Movements in Reserves		
<i>Share option reserve</i>		
Opening balance	15,833	-
Share-based payments	97,111	15,833
Closing balance	112,944	15,833

The share option reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options.

<i>Foreign exchange translation reserve</i>		
Opening balance	(422)	-
Foreign exchange translation difference	(164)	(422)
Closing balance	(586)	(422)

The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

<i>Convertible note reserve</i>		
Opening balance	1,815,000	-
Convertible note issued during the period	-	1,815,000
Closing balance	1,815,000	1,815,000

This convertible note reserve used to recognise equity component of the convertible notes.

On 4 June 2021, the Company issued 363 convertible notes with an issue price of \$5,000 per note for a total of \$1,815,000. The notes automatically convert into shares on the date upon which the first of the following conversion events occur:

If the Company:

- conducts an initial public offering with a view to its shares being quoted on the official list of the ASX, immediately after the Company obtains conditional approval (subject only to the imposition of conditions usual to such approvals) from the ASX for its ordinary shares to be quoted on the official list of the ASX; or
- accepts any Reverse Takeover Event

The conversion price is determined by the date that the automatic conversion occurs, that is:

- on or before 31 December 2021, the conversion price per Share will be at a twenty-five percent (25%) discount to the IPO issue price of the Company; or
- after 31 December 2021 and on or before 31 December 2022, the conversion price per Share will be at a forty percent (40%) discount to the IPO issue price of the Company.

Interest is not be payable on the notes.

6. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	(122,262)	-
Loss for the period	(282,234)	(122,262)
Closing balance	(404,496)	(122,262)



Nordic Nickel Pty Ltd

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

7. Dividends

No dividend was paid or declared by the Company in the half-year ended 31 December 2021 or the period since the end of the financial period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the half-year ended 31 December 2021.

8. Commitments

Share Purchase Agreement

As part consideration for the acquisition of the Pulju Nickel Project, it has been agreed that the Company, Magnus Minerals Oy (MMO) and Starboard Global Ltd (SGL) will enter into a royalty agreement, whereby Nordic Nickel agrees to pay a Net Smelter Return royalty of 1.5% on all minerals mined, produced or otherwise recovered from the Pulju Nickel Project, of which 1.0% will be payable to MMO and 0.5% will be payable to SGL.

9. Share based payments

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in the equity during the period were as follows:

	31-Dec-2021 \$	30-Jun-2021 \$
Employee and Director share based payments	97,111	15,833

(b) Employee and Director share based payments

There were no options granted to Employees, Consultants or Directors during the half year ended 31 December 2021. The expense recognised during the half-year on options granted in prior periods was \$97,111.

10. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group operates predominately in one industry, being the exploration of nickel. The main geographic areas that the entity operates in are Australia and Finland. The parent entity is registered in Australia. The Group's exploration assets are located in Finland.

The following table present revenue, expenditure and certain asset and liability information regarding geographical segments for the half-year ended 31 December 2021:

	Australia \$	Finland \$	Total
Half-year ended 31 December 2021			
Loss before tax	(265,734)	(16,500)	(282,234)
Income tax expense	-	-	-
Loss for the year	(265,734)	(16,500)	(282,234)
Asset and liabilities			
Segment assets	660,952	965,705	1,626,657
Segment liabilities	42,137	56,157	98,294



11. Contingent assets and liabilities

There are no known contingent assets or liabilities as at 31 December 2021.

12. Significant events after the reporting date

Maaninkijoki 3 Project

On 20 January 2022, the Company entered into a binding Letter Agreement ("Letter Agreement") with Magstar Mining Oy ("MGM"), to earn an interest in MGM's Maaninkijoki 3 ("MJ3") Copper-Nickel-PGM Project (the "Project"), located in the Central Lapland Greenstone Belt of Northern Finland.

Key Terms:

1. First Earn-in: To earn a 51% interest in the Project, the Company will complete total exploration expenditure at the Project of €2,000,000 ("First Earn-in Expenditure") on or before the First Earn-in Deadline, being the date that is exactly four years after the MJ3 Licence is fully granted, free of any objection or encumbrance (being the "Grant Date"). Any expenditure on the MJ3 Licence made by the Company after the signing of the Letter Agreement, even if prior to the Grant Date, will be attributed to the First Earn-In Expenditure.
2. Second Earn-in: Following completion of the First Earn-in, the Company has the right to earn an additional 24% interest for a total of 75% interest in the Project, by completing the following additional requirements:
 - maintain a minimum annual expenditure on the Project of €250,000
 - complete a total expenditure of €5,000,000 within 5 years of commencing the Second Earn-In.
 - become the project operator(together, the "Second Earn-in Expenditure")

Change in Status - public company limited by shares

At a General Meeting held on 8 February 2022, the Company's shareholders approved the resolution to change the status of the Company from a proprietary company limited by shares to a public company limited by shares resulting in the Company's name being altered from Nordic Nickel Pty Ltd to Nordic Nickel Limited effective from the date that ASIC alters the details of the Company's registration.

Board Appointment

On the 15th of March 2022 Mr Marcello Cardaci was appointed as the Non-Executive Chairman of the Company.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

13. Related Party Disclosures

Consulting fees

During the financial period 1918 Consulting Pty Ltd, company in which Mr. Aaron Bertolatti is a director, charged the Company consulting fees of \$25,000.

During the financial period Robert Wrixon charged the Company consulting fees of \$50,000.



Directors' Declaration

In the opinion of the Directors of Nordic Nickel Pty Ltd ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Robert Wrixon
Executive Director
Hong Kong
18 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nordic Nickel Pty Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Nordic Nickel Pty Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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 the 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 2021 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.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, less distinct script.

Phillip Murdoch

Director

Perth, 18 March 2022