



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 2023

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 2023. 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	– Appointed 1 July 2021
Mr Scott Perry	– Appointed 1 July 2021

All directors have served on the Board for the period 1 July 2023 to 31 December 2023.

Principal activities

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

REVIEW OF OPERATIONS

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

Widgie Nickel holds a vast 240km² package of granted mining leases inside the renowned Eastern Goldfields of Western Australia, with exposure to the critical minerals of lithium and nickel.

Ideally positioned adjacent to key infrastructure with an already established Mineral Resource base of some 190kt of contained nickel over 12 separate deposits, the Company plans to advance its Mt Edwards Nickel Project through to development with a proposed standalone nickel concentrator under evaluation in addition to carrying out ongoing exploration for more high-grade sulphide nickel in the region.

The Company’s Faraday-Trainline Lithium Project sits contiguous to its Mt Edwards Nickel Project. The Company’s lithium potential is significant following the discovery of near surface lithium at its Faraday and Trainline prospects and its rapid development potential.

Table 1 – Mt Edwards Project Nickel Mineral Resources

Deposit	Indicated		Inferred		TOTAL Resources		
	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Nickel (t)
Widgie Townsite	1,649	1.60	853	1.38	2,502	1.53	38,260
Widgie 3	512	1.34	222	1.95	734	1.53	11,200
Gillett	2,267	1.35	871	1.16	3,138	1.30	40,770
Armstrong	949	1.45	10	1.04	959	1.44	13,820
132N	34	2.90	426	1.90	460	2.00	9,050
Munda			508	1.85	508	1.85	9,400
Cooke			154	1.30	154	1.30	2,000
Inco Boundary			464	1.20	464	1.20	5,590
McEwen			1,133	1.35	1,133	1.35	15,340
McEwen Hangingwall			1,916	1.36	1,916	1.36	26,110
Mt Edwards 26N			871	1.43	871	1.43	12,400
Zabel	272	1.94	53	2.04	325	1.96	6,360
TOTAL	5,683	1.48	7,480	1.42	13,164	1.45	190,300

All Resources reported at 1.0% Ni cut-off except for WTS, Widgie 3, Gillett and Armstrong which are reported at 0.7% Ni cut-off. Tonnes and grade have been rounded to reflect the relative uncertainty of the estimates.

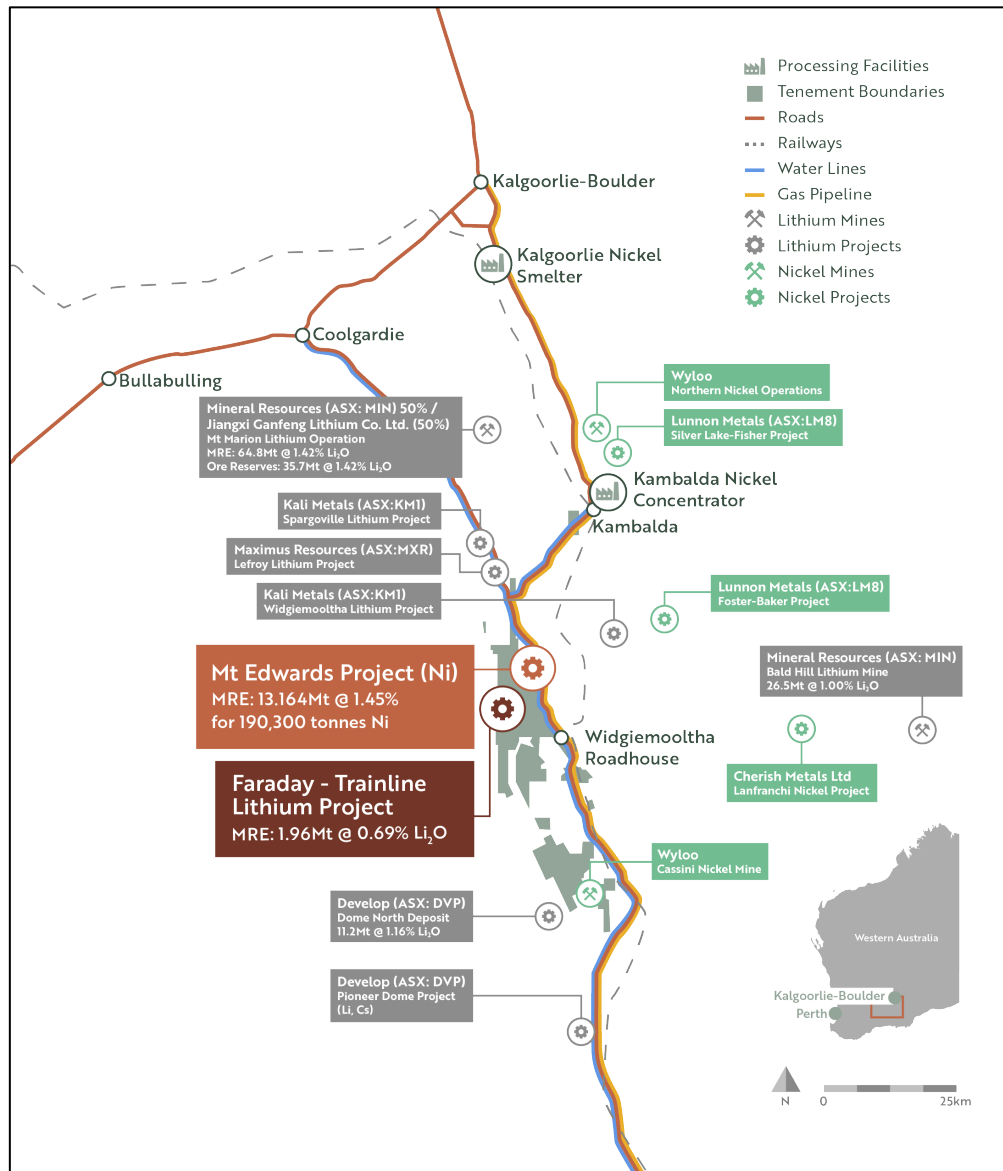


Figure 1- Location map of Widgie Projects in regional setting and surrounding projects

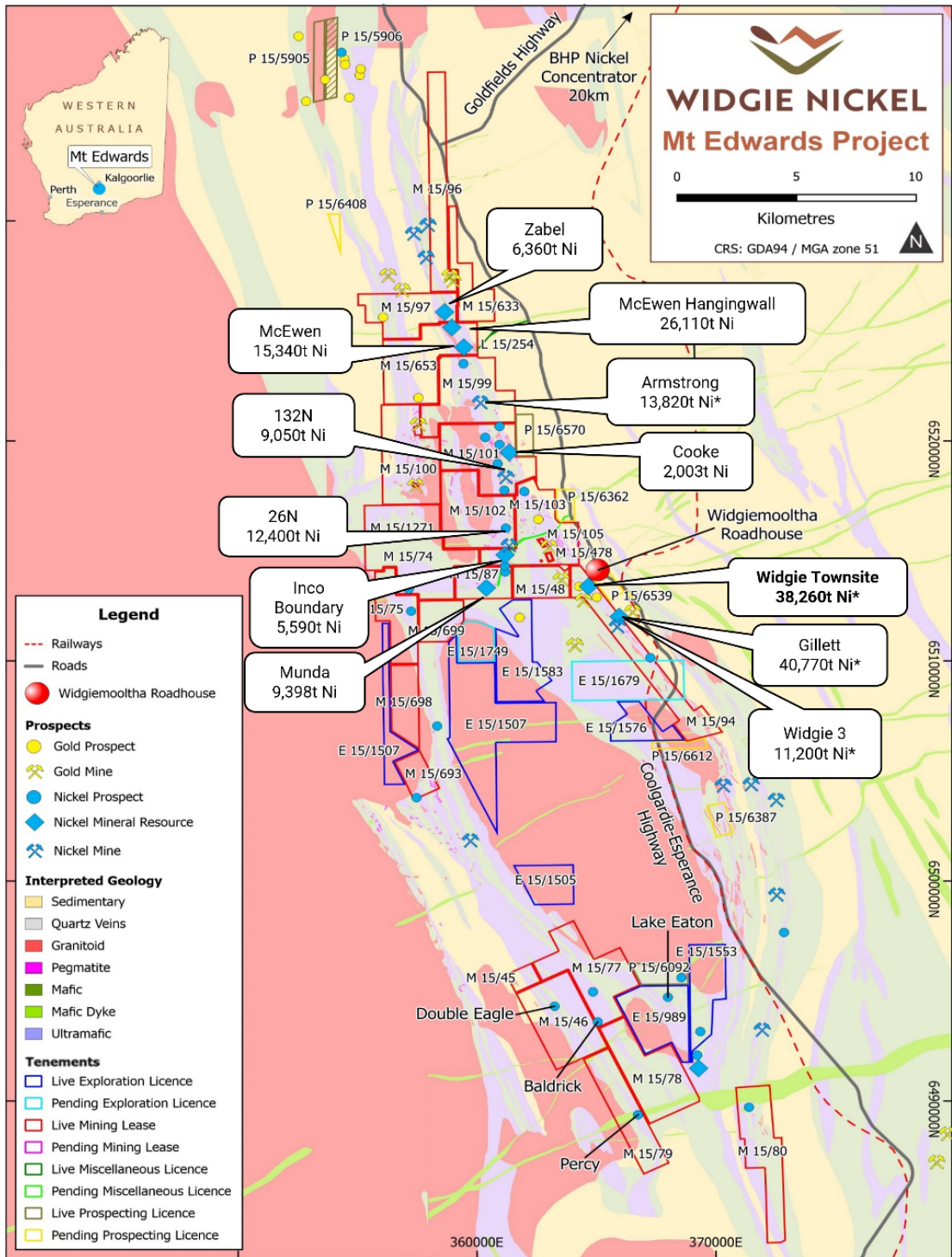


Figure 2 – Location map of Widgie’s Nickel Deposits

Table 2 - November 2023 Lithium MRE by classification and deposit

Deposit	Classification	Tonnes (t)	Li ₂ O (%)	Fe (%)	Li ₂ O (t)
Faraday	Measured	550,000	0.75	1.24	4,100
	Indicated	250,000	0.66	1.73	1,600
	Inferred	220,000	0.61	2.22	1,400
	Sub Total	1,020,000	0.70	1.57	7,100
Trainline	Measured	-	-	-	-
	Indicated	780,000	0.69	1.59	5,300
	Inferred	160,000	0.63	1.66	1,000
	Sub Total	940,000	0.68	1.60	6,300
Total	Measured	550,000	0.75	1.24	4,100
	Indicated	1,020,000	0.68	1.62	7,000
	Inferred	390,000	0.62	1.98	2,400
	Total	1,960,000	0.69	1.59	13,500

Nickel Resource updates and infill drilling programs

Widgie has been highly successful with its drilling to date with previously completed drilling at Armstrong, Gillett, Widgie 3, and Widgie Townsite leading to four Ni Mineral Resources Estimate (MRE) updates made during and after the Reporting period in addition to identification of some notable highly prospective targets that present an excellent opportunity for further Resource growth as described below. In addition, during the period drilling for metallurgical and geotechnical samples was completed at Cooke, Inco Boundary, 26N, McEwen and McEwen Hangingwall.

The increased geological confidence from the drilling and the Resource updates feed into the feasibility studies with the goal of establishing a more substantive nickel mining operation initially incorporating the Widgie South deposits (comprising Widgie 3, Widgie Townsite, Gillett), Armstrong and 132N.

Mt Edwards Ni Project Scoping Study

The Mt Edwards Nickel Project is comprised of 12 separate deposits with a total Mineral Resource Estimate of 13.16Mt @ 1.45% Ni for 190,300t. The Scoping Study incorporates just five of the deposits and contemplates development of a standalone nickel concentrator at Mt Edwards. The Scoping Study includes the updated MREs for the Widgie Townsite, Widgie 3 and Gillett Deposits in order to increase the overall proportion of Indicated material to be mined and processed in the early years of the mine plan. The results of the Scoping Study were released on 7 March 2024 (refer ASX release – *Standalone Mt Edwards Project Scoping Study*). The Scoping Study provides sufficient confidence to move to a Pre-Feasibility Study for the Mt Edwards Nickel Project in addition to evaluation of further downstream processing options to improve viability now able to be considered.

The three Widgie South deposits which would underpin the early years of the mine development contain a collective 90,230 Ni tonnes.

Table 3 - Widgie South Project Area Nickel Mineral Resources

Deposit	Indicated		Inferred		TOTAL Resources		
	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Tonnes (kt)	Nickel (%)	Nickel (t)
Widgie Townsite	1,649	1.60	853	1.38	2,502	1.53	38,260
Widgie 3	512	1.34	222	1.95	734	1.53	11,200
Gillett	2,267	1.35	871	1.16	3,138	1.30	40,770
TOTAL	4,428	1.44	1,945	1.35	6,374	1.42	90,230

Tonnes and grade have been rounded to reflect the relative uncertainty of the estimates



Figure 3 - Widgie South Project Area including Widgie 3, Gillett and WTS Nickel Deposits

Widgie is progressively completing metallurgical testwork programs for the various deposits in order to determine the optimal flowsheet and development path aiming to maximise recoveries and payability.

Expansion of Gillett Resource

On 9 January 2024 Widgie released an updated MRE for the Gillett Deposit. The Resource now stands at 3.14Mt @ 1.30% Ni for 40,770 nickel tonnes. This is a substantial 75% increase in total contained nickel versus the 2023 MRE. Key outcomes included:

- A substantial improvement in confidence with a 108% increase in the Indicated Category to 30,650 nickel tonnes.
- 72% of the MRE is now within the Indicated Resource Category.
- Palladium + Platinum + Gold (3PGE) endowment with Au (0.05g/t), Pt (0.09g/t) and Pd (0.18g/t) 0.32g/t 3PGE (equating to 5,240oz Au, 9,080oz Pt and 18,050oz Pd).
- Mineralisation remains open to the north and south.

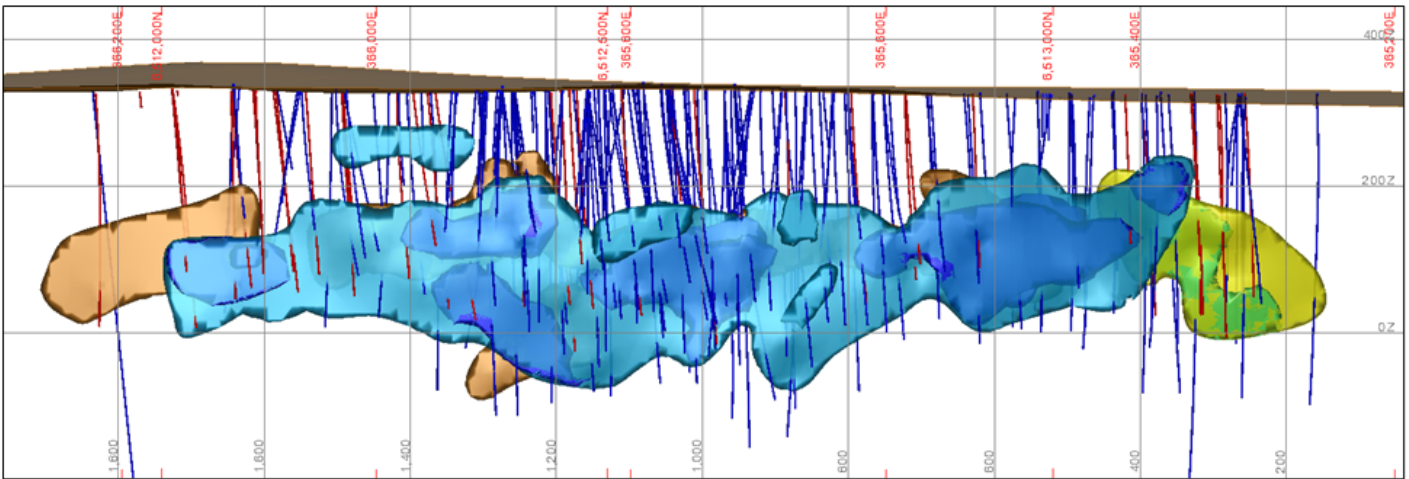


Figure 4 -Gillett Mineralisation Interpretation and Drilling (red trace 2022-2023 drilling) – looking South-West

Widgie Townsite Resource infill drilling

On 29 January 2024 Widgie released an updated MRE for the Widgie Townsite Deposit. The Resource now stands at 2.50Mt @ 1.53% Ni for 38,260 nickel tonnes. The MRE delivered the following key outcomes:

- Increased Confidence of Resource with 69% of the nickel metal classified as Indicated Resources for 26,460t of nickel.
- Indicated contained nickel metal has increased 32% from 2021 MRE update.
- 2024 MRE now includes Palladium + Platinum + Gold (3PGE). With Au (0.08g/t), Pt (0.10g/t) and Pd (0.21g/t) for 0.39g/t 3PGE (equating to 6,350oz Au, 7,965oz Pt and 16,650oz Pd).
- Mineralisation remains open at depth with prospective Eastern Limb untested.

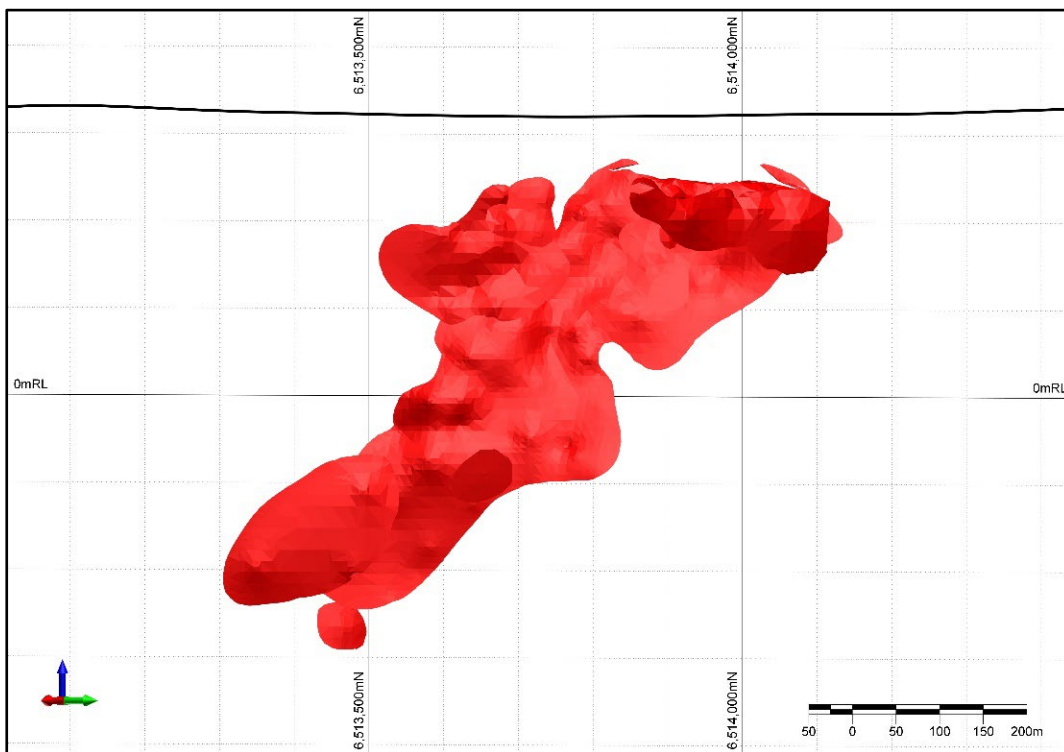


Figure 5 -WTS mineralisation (red) Long section looking southwest

Drilling at Widgie Townsite intersected high-grade nickel on the Eastern Limb of the Widgie Townsite syncline in addition to the intended target of confirming high-grade continuity at depth (Figure 6).

Additional holes intersected this Eastern Transitional mineralisation unintentionally, with the mineralised intercept occurring in pre-collars of holes destined to intersect Townsite at depth. Given the multitude and tenor of these results the prospectivity of this area at depth in a fresh rock setting is very promising and bodes well for further exploration success.

Significant nickel intercepts from drilling include:

Eastern Limb:

- MEDD069
incl 29.0m @ 1.66% Ni from 79m
5.0m @ 3.23% Ni from 88m

Widgie Townsite:

- MEDD061
incl 30.85m @ 1.59% Ni from 435m
13.43m @ 2.74% Ni from 449.7m
and 3.36m @ 3.27% Ni from 471.3m
- 23MERC039
incl 14.0m @ 2.73% Ni from 509m
11.03m @ 3.19% Ni from 511m
- 23MERC038
1.04m @ 5.49% Ni from 479.6m

Eastern Transitional:

- 23MERC039
43.0m @ 0.69% Ni from 65m
- 23MERC038
22.0m @ 1.02% Ni from 36m

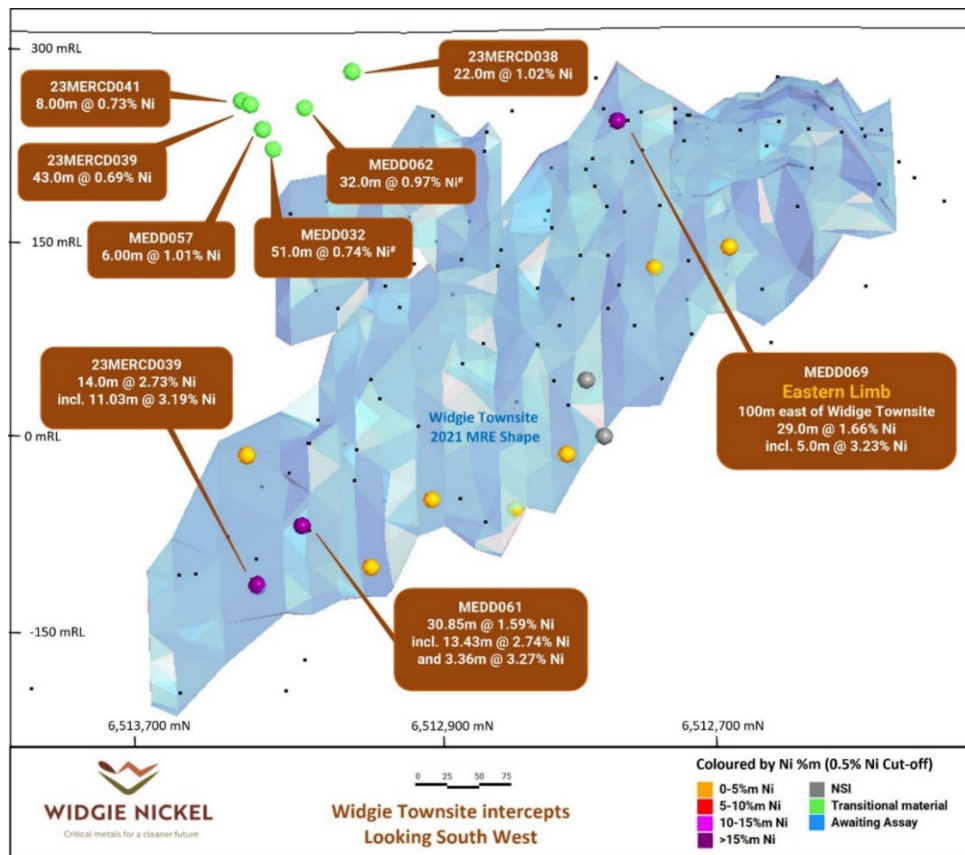


Figure 6 -Widgie Townsite long section looking Northeast - Significant intercepts shown

132N Resource infill drilling

Infill drilling confirmed high-grade nickel mineralisation below the historic open pit. Mineralisation remains open at depth and the structure’s lower channel flank remains unconstrained. Geological modelling is underway with updated MRE to be completed in 2024.

Figure 7 highlights a high-grade pod drilled in 2023 extending approximately 150m along strike including mineralised intercept of 23MERC0112 (9.14m @ 10.44% Ni). These results are highly encouraging in that they demonstrate the potential to see the resource expand down dip of the mineralised trough which was previously considered to be closed off. Figure 7 also demonstrates that 132N mineralisation remains open both at depth and up plunge of the high-grade pod where no drilling exists.

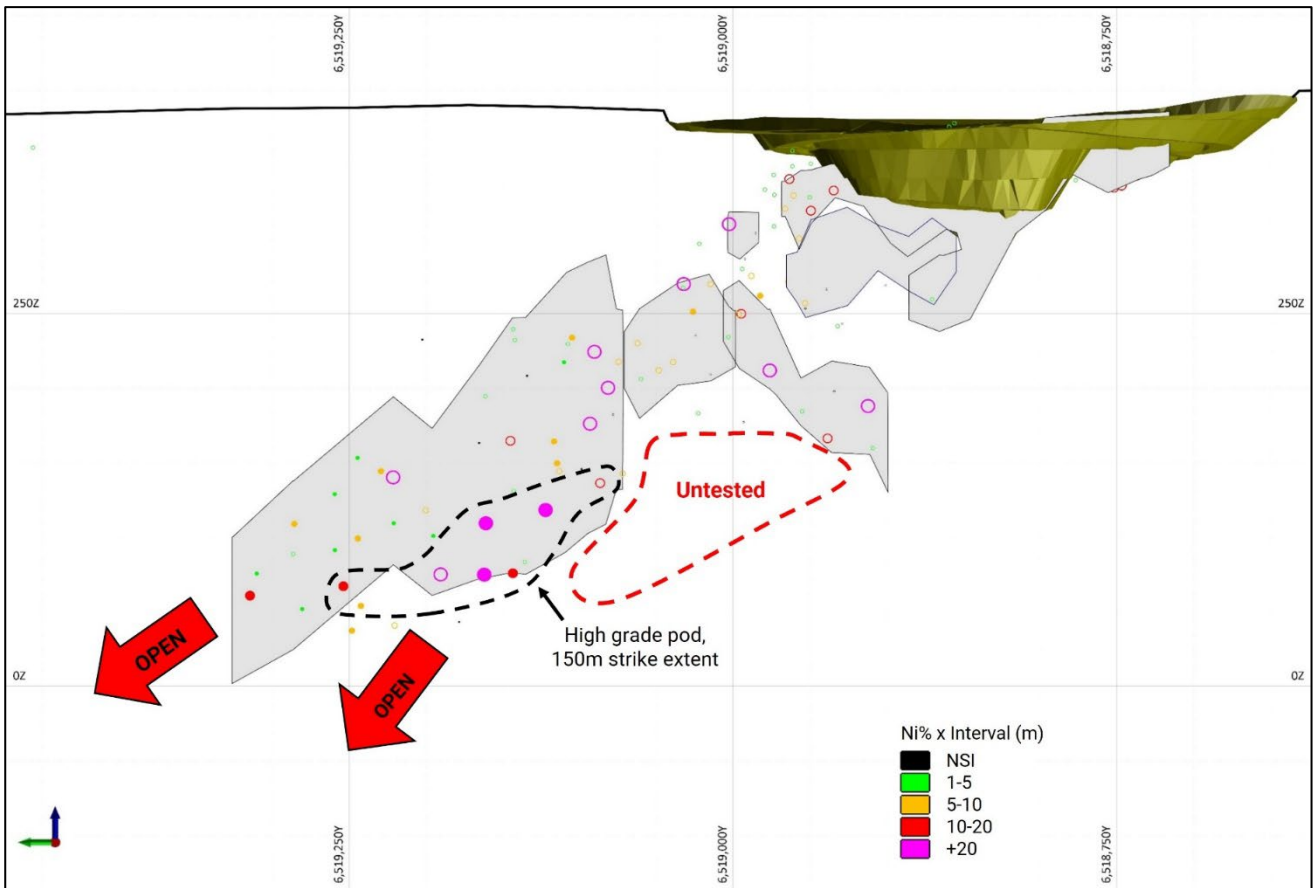


Figure 7 - 132N longsection looking East. 132N high-grade pod with strike extent of 150m, up plunge of high-grade pod is untested and 132N mineralisation remains open at depth

Widgie 3 Resource and infill drilling

An updated MRE was reported for the Widgie 3 deposit on 15 January 2024. The Resource now stands at 734Kt @ 1.53% Ni for 11,200 nickel tonnes and the following important outcomes:

- 70% of the MRE classified as Indicated for 6,880t of contained nickel. 2018 MRE was classified as Inferred only.
- 14% increase in nickel grade with a significant 32% reduction in contained arsenic versus the 2018 MRE (above a cut-off of 0.7% Ni).
- 2024 MRE now includes Palladium + Platinum + Gold (3PGE). With Au (0.14g/t), Pt (0.19g/t) and Pd (0.45g/t) for 0.78g/t 3PGE (equating to 3,370oz Au, 4,550oz Pt and 10,520oz Pd).
- 2024 MRE contains 222kt of high grade 1.95% Ni Inferred Resources at depth. Mineralisation remains open at depth with increasing grade potential.

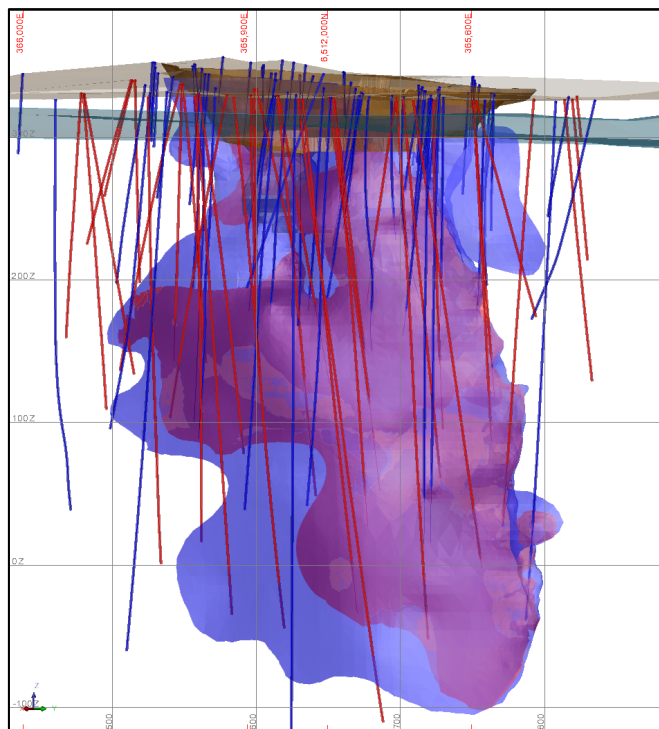


Figure 8 - Widgie 3 Mineralisation (blue wireframe disseminated, red wireframe massive sulphide domains) and Drilling (red trace 2022/2023) - looking southwest

The mineralisation remains open at depth with increasing grade interpreted down plunge below historic underground workings with thick intercepts of high-grade nickel sulphide and PGE mineralisation intersected at depth (Figure 9).

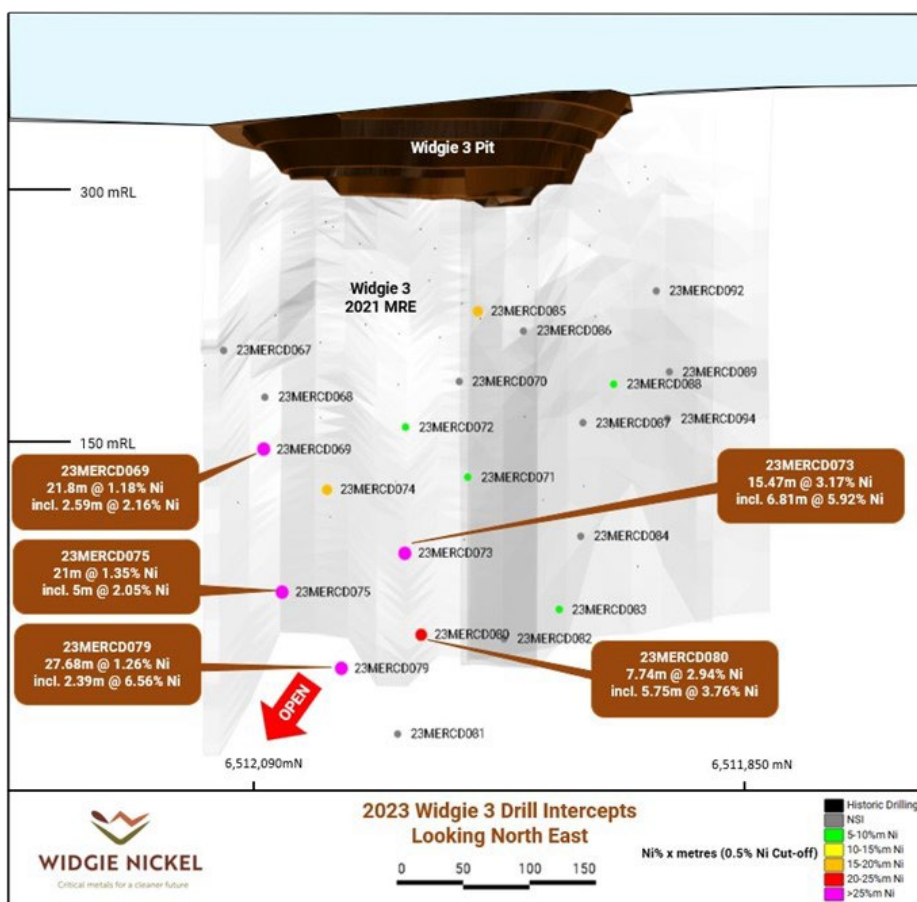


Figure 9 - Widgie 3 Long Section looking North East – 2023 drilling intercepts highlighted

Notable significant nickel intercepts across the period include:

- 23MERC073 **15.47m @ 3.17% Ni, 0.27% Cu, 0.04% Co, 1.51g/t 3PGE from 301.00m**
incl **6.81m @ 5.92% Ni, 0.50% Cu, 0.07% Co, 2.58g/t 3PGE from 309.66m**
- 23MERC079 **27.70m @ 1.26% Ni, 0.11% Cu, 0.02% Co, 0.50g/t 3PGE from 379.00m**
incl **2.39m @ 6.56% Ni, 0.68% Cu, 0.09% Co, 2.12g/t 3PGE from 404.29m**
- 23MERC080 **7.74m @ 2.94% Ni, 0.28% Cu, 0.04% Co, 1.24g/t 3PGE from 369.26m**
incl **5.75m @ 3.76% Ni, 0.36% Cu, 0.05% Co, 1.52g/t 3PGE from 369.70m**

Armstrong MRE

Updated MRE released on 13 December 2023. The Resource now stands at 959Kt @ 1.4% Ni for 13,820 nickel tonnes, including:

- Palladium + Platinum + Gold (3PGE) endowment with Au (0.16g/t), Pt (0.16g/t) and Pd (0.35g/t) 0.67g/t 3PGE (contained metal equating to 4,900oz Au, 5,020oz Pt and 10,710oz Pd)
- 19% increase in Indicated Resources to 13,720 nickel tonnes versus the 2022 MRE
- 99% of sulphide resource is now in the Indicated Resource Category

Lithium Development and exploration

All mining approvals to commence mining were received for Faraday in August 2023 following finalisation of a Botanical Survey and Cultural Heritage Survey.

Confirmatory QAQC testwork instigated by the Company demonstrated that the assay method utilised for the programs of drilling that informed the maiden MRE (29 March 2023) had underestimated the lithium grade at Faraday by up to 63%, necessitating a re-assay of all previous drilling.

This ultimately led to release of an updated MRE incorporating the corrected assays and those relating to the expanded resource envelope including the Trainline mineralisation located to the north of Faraday. Released on 8 November 2023, this updated resource saw a 375% growth in Resources for Faraday-Trainline to 1.96Mt @ 0.69% Li₂O, including a high-grade, near surface zone of 373kt @ 1.00% Li₂O (0.85% Li₂O cut-off). Importantly a significant proportion of the Resource is in the high confidence Measured and Indicated categories.

Trainline Lithium Prospect infill drilling returned high-grade mineralisation, including:

- 9m @ 1.15% Li₂O (23MERC338)
- 9m @ 1.01% Li₂O (23MERC339)

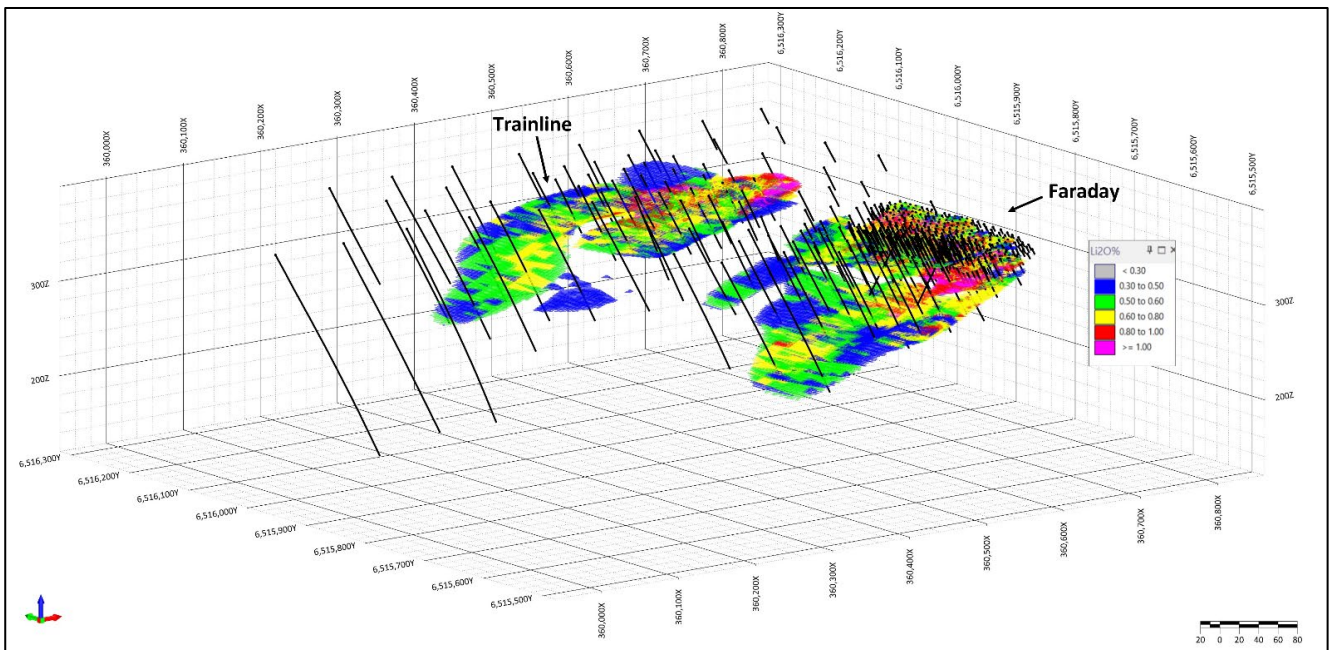


Figure 10 - Faraday-Trainline block model displaying Li₂O % and drilling (black traces) – Oblique view looking north-east

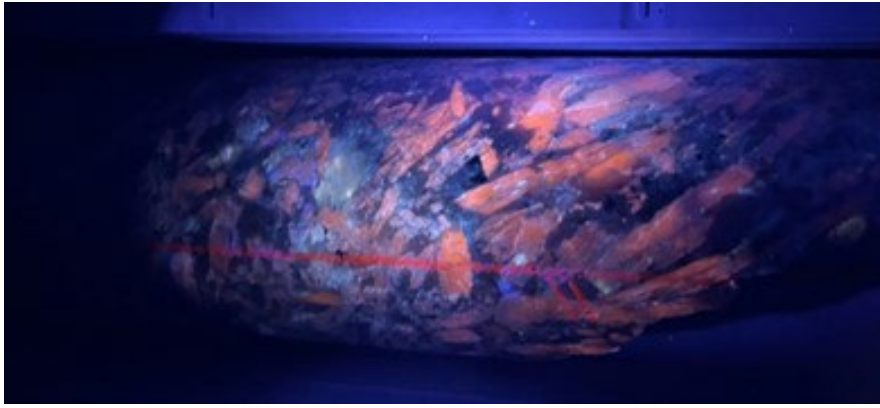


Image 1 - Faraday drill core under UV light, Red/Orange – Spodumene (Lithium bearing mineral $\text{LiAlSi}_2\text{O}_6$)

Variability testing of mineralisation at both deposits to confirm overall metallurgical characteristics is underway to confirm the most appropriate processing route and overall recoveries at a range of head grades. Mine design for an expanded operation will now be undertaken to determine ultimate pit limits and an optimised exploitation strategy.

Desktop studies have commenced on the wider exploration potential for Lithium within Widgie's tenure. This will be a major focus for the exploration team in 2024. In early 2024 this approach has already led to the discovery of the Farson and Gemini lithium prospects.

Future Work

Nickel

The Company intends to progress its nickel interests and build on the Scoping Study outcomes and value add opportunities presented, in addition to further work aiming to advance the nickel project to a pre-feasibility status.

Key aspects to be pursued is concluding the metallurgical test work to determine the most appropriate flowsheet for the project, carrying out environmental and permitting surveys and suchlike in preparation for concluding the detailed design of the project. Hydrology work securing the necessary process water will form a key component of this.

Options to add further value through drilling will be considered, cognisant of market conditions and sentiment towards nickel.

Lithium

Lithium grass roots exploration will continue unabated with a view to creating a series of targets to be drill tested later in the year.

The Company will be in a position to clearly define the best treatment route for its Faraday and Trainline lithium resources following completion of the current testwork program allowing detailed feasibility work to be progressed. Open pit contracting organisations are providing budget rates to confirm mining assumptions. The project can thereafter be considered derisked and ready for development upon an appropriate processing solution being sourced and the necessary hurdle rates for the commodity pricing reached.

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), McEwen, McEwen Hangingwall and Zabel relating to nickel, and for lithium at Faraday/Trainline and Voyager.

Finances

Available cash and term deposits on hand as of 31 December 2023 totalled A\$2.58 million.

Issued Capital

The total number of shares on issue at 31 December 2023 was 297,945,053.

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 and sampling techniques is based on and fairly represents information and supporting documentation compiled by Mr William Stewart, who is a full-time employee of Widgie Nickel Limited. Mr Stewart is a member of the Australian Institute of Metallurgy and Mining (member no 224335) and Australian Institute of Geoscientists (member no 4982). Mr Stewart 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 Stewart 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.

07/03/2024	Standalone Mt Edwards Project Scoping Study
27/02/2024	New Gemini Lithium Prospect Extends Lithium Trend to 1.2km
12/02/2024	High Grade Lithium Discovery at Farson
31/01/2024	Widgie Nickel Quarterly Activities Report & Appendix 5B
29/01/2024	Widgie Townsite Mineral Resource Update
18/01/2024	Lithium Exploration Ramps up at Widgie
15/01/2024	Widgie 3 Mineral Resource Update
09/01/2024	Substantial Uplift to Gillett Mineral Resource
18/12/2023	Mt Edwards Scoping Study & Lithium Update
13/12/2023	Armstrong Mineral Resource Update
20/11/2023	High Grade Nickel Mineralisation Defined Below 132N Open Pit
08/11/2023	375% Growth in Faraday-Trainline Lithium Mineral Resource
30/10/2023	Widgie Nickel Quarterly Activities Report & Appendix 5B
26/10/2023	Material Uplift in Faraday Lithium Grades
02/10/2023	Drilling Delivers High-grade Lithium at Trainline
27/09/2023	Higher grade Lithium to come on cusp shovel ready at Faraday
13/09/2023	Exceptional 132N Massive Sulphide Hit Confirmed
08/09/2023	High Grade Widgie 3 Nickel Results
11/08/2023	Exceptional 132N Massive Sulphide Hit
04/08/2023	Faraday Mining Proposal Approved
02/08/2023	Faraday Metallurgical Testwork-Excellent Flotation Response
31/07/2023	Widgie Nickel Quarterly Activities Report & Appendix 5B
27/07/2023	Widgie Townsite Grows Legs High Grade Nickel Hits
20/07/2023	Unlocking Resource Growth at Widgie South
04/07/2023	New Lithium Discoveries Position Widgie for Resource Growth

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

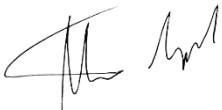
Caution regarding Forward Looking Information. This document contains forward looking statements concerning Widgie Nickel Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements 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 14 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, 12 March 2024

12 March 2024

The Board of Directors
Widgie Nickel Limited
Level 4, 220 St Georges Terrace

Perth WA 6000

Dear Board Members

Auditor's Independence Declaration to 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 ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



Ian Skelton
Partner
Chartered Accountants

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 2023, 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 ended on that date, notes to the financial statements, including material accounting policy information 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:

- 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
- 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 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.

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 \$1,097,300 (31 Dec 2022: \$1,085,902) and experienced net cash outflows from operating and investing activities of \$9,172,619 (31 Dec 2022: \$7,748,873) for the half year ended 31 December 2023. 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.

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 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.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Ian Skelton
Partner
Chartered Accountants
Perth, 12 March 2024

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
12 March 2024

**Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2023**

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Continuing operations			
Other income – interest receivable		105,732	115,230
Employee benefits expenses	6	(314,392)	(441,921)
Share based payments expenses	4	(110,855)	(141,890)
Project expenses		-	(8,640)
Administration expenses		(402,482)	(378,843)
Other expenses		(125,814)	(71,829)
Depreciation and amortisation expenses		(244,011)	(151,123)
Finance costs		(5,478)	(6,886)
Loss before income tax		(1,097,300)	(1,085,902)
Income tax (expense)/benefit		-	-
Loss for the period after tax		(1,097,300)	(1,085,902)
Other Comprehensive Income/(loss)		-	-
Total Comprehensive Loss for the period		(1,097,300)	(1,085,902)
Loss attributable to:			
Owners of the Company		(1,097,300)	(1,085,902)
Total Comprehensive Loss attributable to:			
Owners of the Company		(1,097,300)	(1,085,902)
Loss per share			
From continuing and discontinued operations:			
Basic (cents per share)		(0.37)	(0.43)

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 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents	7	2,584,630	11,844,806
Trade and other receivables		72,510	136,787
Prepayments		60,371	131,321
Total current assets		2,717,511	12,112,914
Non-current assets			
Property, plant and equipment		1,488,412	1,309,812
Exploration and evaluation assets	8	39,300,704	33,151,232
Other assets		90,662	89,028
Right of use assets		229,609	294,696
Total non-current assets		41,109,387	34,844,768
Total assets		43,826,898	46,957,682
Current liabilities			
Trade and other payables	9	(1,260,276)	(3,303,320)
Provisions		(51,895)	(72,746)
Lease liability		(160,582)	(166,950)
Total current liabilities		(1,472,753)	(3,543,016)
Non-current liabilities			
Provisions for tenement rehabilitation costs		(398,000)	(398,000)
Lease liability		(37,340)	(111,416)
Total non-current liabilities		(435,340)	(509,416)
Total liabilities		(1,908,093)	(4,052,432)
Net assets		41,918,805	42,905,250
Equity			
Issued capital	10	35,690,108	35,488,771
Reserves	12	12,107,389	12,197,871
Accumulated losses		(5,878,692)	(4,781,392)
Total equity		41,918,805	42,905,250

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 2023**

	Notes	Issued Capital	Restructuring reserve	Share based payments reserve	Accumulated losses	Total
		\$	\$	\$	\$	\$
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	4	-	-	141,890	-	141,890
Transfer to issued capital on exercise of performance rights	10	317,624	-	(317,624)	-	-
Balance at 31 Dec 2022		24,069,091	10,948,600	1,084,778	(3,810,835)	32,291,634
Balance as at 1 July 2023		35,488,771	10,948,600	1,249,271	(4,781,392)	42,905,250
Loss for the period		-	-	-	(1,097,300)	(1,097,300)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(1,097,300)	(1,097,300)
Recognition of share-based payments	4	-	-	110,855	-	110,855
Transfer to issued capital on exercise of performance rights	10	201,337	-	(201,337)	-	-
Balance at 31 Dec 2023		35,690,108	10,948,600	1,158,789	(5,878,692)	41,918,805

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 2023**

	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities		
Payments to suppliers and employees	(1,134,398)	(792,675)
Payment for exploration and evaluation costs	(7,817,847)	(6,508,393)
Net cash used in operating activities	(8,952,245)	(7,301,068)
Cash flows from investing activities		
Payment for property, plant & equipment	(357,525)	(576,542)
Interest received	137,151	128,737
Net cash used in investing activities	(220,374)	(447,805)
Cash flows from financing activities		
Payment for security deposits	(1,634)	(73)
Proceeds from finance leases	-	68,616
Payments on lease liability	(80,445)	(68,739)
Interest and finance costs paid	(5,478)	(6,886)
Net cash (used) / provided by financing activities	(87,557)	(7,082)
Net (decrease) / increase in cash and cash equivalents	(9,260,176)	(7,755,955)
Cash and cash equivalents at the beginning of the period	11,844,806	16,437,893
Cash and cash equivalents at the end of the period	2,584,630	8,681,938

Note

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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

Note	Contents
1	General Information
2	Significant accounting policies
3	Critical accounting judgements and estimation
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6	Employee benefits expense
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9	Trade and other payables
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Notes to the condensed consolidated financial statements

1. General information

Widgie Nickel Limited was incorporated on 15 March 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 2023 annual financial report for the financial period ended 30 June 2023. 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 \$1,097,300 (31 Dec 2022: \$1,085,902) and experienced net cash outflows from operating and investing activities of \$9,172,619 (31 Dec 2022: \$7,748,873) for the half year ended 31 December 2023. As at 31 December 2023 the Group had cash and cash equivalents of \$2,584,630 (30 June 2023: \$11,844,806).

The directors recognise that additional funding is required to meet the Group's budgeted ongoing exploration and evaluation activities. The Group has sought to wind back expenditures which remain largely in line with existing plans but has implemented further austerity measures to preserve existing cash reserves whilst this period of uncertainty prevails. High cost drilling activities have been curtailed with the primary focus for the forthcoming period being on desk top studies, metallurgical testwork and regional field exploration activities.

The directors have prepared a cash flow forecast on this basis for the period ending 31 March 2025 which indicates a minimum funding of \$4.6 million will be required over this period by way of debt or equity, including funds expected to be recouped through the R&D tax rebate. In February 2024, the Company submitted an R&D tax rebate claim for \$1.17m for the 2022/2023 financial year. The cashflow forecast reflects the receipt of the R&D claim proceeds by 30 April 2024. In the event the R&D proceeds are not received by this date, the Group will be required to raise further equity by 30 April 2024. The Group will be required to raise further equity through the duration of the period to 31 March 2025.

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 referred to 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. No adjustments have been made to the financial report 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.

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.

Towards the end of the period saw significant deterioration in the commodity price for both nickel and lithium which combined with macro economic conditions led to a severe decline in the Company's share price. These circumstances were considered by the Company in its assessment on the appropriateness of the carrying value of its exploration and evaluation assets. It concluded that the carrying value remains appropriate given the current exploration and evaluation stages of the Company's tenure ranging from early greenfields exploration for lithium and nickel to more substantive economic developmental studies over currently defined Minerals Resources. Studies indicate that forecast pricing provides support for further study and economic evaluation.

(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. 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 \$110,855 (31 Dec 2022: \$141,890) relating to the share options and performance rights issued during the period.

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 2023
Balance at the beginning of the period		10,650,000	\$0.20-\$0.40	-	-
Granted during the period:					
Unlisted Options issued to Employee, vesting subject to continuous service 30/10/2024	11-Dec-2023	414,668	\$ 0.23	\$ 0.016	No
Unlisted Options issued to Employee, vesting subject to continuous service 30/10/2025	11-Dec-2023	414,666	\$ 0.29	\$ 0.025	No
Unlisted Options issued to Employee, vesting subject to continuous service 30/10/2026	11-Dec-2023	414,666	\$ 0.35	\$ 0.032	No
Exercised during the period		-	-	-	-
Cancelled/expired during the period		(200,000)	\$0.30-\$0.38		
Outstanding at 31 Dec 2023		11,694,000			
Exercisable at 31 Dec 2023		8,900,000	\$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:	\$0.083
Risk-free interest rate:	3.914% to 4.013%
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 2023
Balance at the beginning of the period – 2022/2023 STI Award		943,000	-	-	-
Exercised during the period	20-Sep-2023	(428,378)			
Lapsed during the period	20-Sep-2023	(514,622)			
Granted during the period:					
2023/2024 STI Award	13-Nov-2023	1,649,000	\$ 0.17	\$0.0912-\$0.1275	No
Exercised during the period		-	-		
Expired during the period		-	-		
Outstanding at 31 Dec 2023		1,649,000			

The Performance Rights (329,800) 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 (1,319,200) 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 2024, as determined by the Company's Board, by 30 September 2024. Vested Performance Rights have a nil exercise price.

The following valuation inputs were used:

Share price at grant date: \$0.17

Market based performance milestones using the Monte Carlo simulation model: \$0.0912 per Right

Vesting probability factor estimate for non-market based achievement criteria Performance Rights: 50% to 100%

5. Dividends

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

6. Employee benefits expense

	31 Dec 2023	31 Dec 2022
	\$	\$
Salaries and wages	1,256,037	1,097,100
Directors fees	91,036	91,199
Superannuation, payroll taxes and other staff costs	189,553	170,281
Capitalised to project exploration and evaluation asset	(1,222,234)	(916,659)
	314,392	441,921

7. Cash and cash equivalents

	31 Dec 2023	30 June 2023
	\$	\$
Cash at bank and in hand	2,584,630	2,844,806
Short term deposits – maturities of less than 3 months	-	9,000,000
	2,584,630	11,844,806

8. Exploration and evaluation assets

	31 Dec 2023	30 June 2023
	\$	\$
Opening carrying value	33,151,232	19,185,048
Impairment recognised during the period	-	(24,496)
Additions	6,149,472	13,990,680
Closing carrying value	39,300,704	33,151,232

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.

9. Trade and other payables

	31 Dec 2023 \$	30 June 2023 \$
Trade payables	(821,755)	(1,762,009)
PAYG taxes and superannuation contributions	(132,246)	(258,237)
Accruals	(306,275)	(1,283,074)
	(1,260,276)	(3,303,320)

10. Share capital

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

	Number	\$
Balance as at 1 July 2022	250,325,000	23,751,467
Issued on exercise of performance rights	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
Balance as at 1 July 2023	297,516,675	35,488,771
Issued on exercise of performance rights	428,378	-
Transfer to issued capital on exercise of options and performance rights	-	201,337
Balance at 31 December 2023	297,945,053	35,690,108

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 half-year period to 31 December 2023:

20 September 2023

Issue of 428,378 fully paid ordinary share on exercise of vested 2022/2023 STI Award performance rights.

Options over ordinary shares:

The Company has 11,694,000 unlisted Options and 1,649,000 unlisted Performance Rights on issue at the end of the period.

During the period a total of 1,244,000 Options have been issued to 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 200,000 Options were cancelled or lapsed due to inability to satisfy the vesting criteria. Refer note 4 for further information.

During the period a total of 1,649,000 Performance Rights were issued to a Director and executives of the Company for the 2023/2024 STI Award. The performance assessment period covers the period 1 July 2023 to 30 June 2024. Performance Rights will vest if the performance criteria has been met as determined by the Board, by 30 September 2024.

During the period the Board performed its performance assessment for the vesting of the 2022/2023 STI Award. This resulted in the vesting and conversion of 428,378 Performance Rights into shares, with the balance of 514,622 Performance Rights lapsing through having been assessed to have not met the performance criteria. Refer note 4 for further information.

11. Commitments

(a) Exploration and evaluation and associate commitments

Annual Tenement expenditure commitments for the group total \$2,049,080 (31 Dec 2022: \$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.

12. 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 4 to the financial statements.

Share based payments reserve:

Balance at the beginning of the period	1,249,271	1,260,512
Share based payments expense for the period	110,855	346,400
Amounts transferred to share capital on exercise of options	-	(49,135)
Amounts transferred to share capital on exercise of performance rights	(201,337)	(308,506)
Balance at the end of the period	1,158,789	1,249,271

31 Dec 2023	30 June 2023
\$	\$
1,249,271	1,260,512
110,855	346,400
-	(49,135)
(201,337)	(308,506)
1,158,789	1,249,271

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

Restructuring reserve:

Balance at the beginning of the period	10,948,600	10,948,600
Balance at the end of the period	10,948,600	10,948,600

31 Dec 2023	30 June 2023
\$	\$
10,948,600	10,948,600
10,948,600	10,948,600

13. Segment information

For management purposes, the Group operates under one operating segments comprised of exploration and development activities over the Mt Edwards Project.

Reportable operating segments 31 December 2023	Exploration & Development \$	Corporate and unallocated \$	Total \$
Total revenue – Interest received and other income	-	105,730	105,730
Project expenses	-	-	-
Other expenses	30,787	(873,473)	(842,686)
Share based payments expense	-	(110,855)	(110,855)
Depreciation and amortisation	(198,976)	(45,035)	(244,011)
Finance costs	(3,598)	(1,880)	(5,478)
Profit/(loss) before tax	(171,787)	(925,513)	(1,097,300)
Loss for the period from discontinued operations	(171,787)	(925,513)	(1,097,300)
Income tax expense	-	-	-
Consolidated profit/(loss) after tax	(171,787)	(925,513)	(1,097,300)

Reportable operating segments 31 December 2023	Exploration & Development \$	Corporate and unallocated \$	Total \$
Total segment assets	41,189,037	2,637,861	43,826,898
Total segment liabilities	(1,516,772)	(391,321)	(1,908,093)
Total net assets	39,672,265	2,246,540	41,918,805

Reportable operating segments 30 June 2023	Exploration & Development \$	Corporate and unallocated \$	Total \$
Total segment assets	35,266,900	11,690,781	46,957,681
Total segment liabilities	(3,353,088)	(699,343)	(4,052,431)
Total net assets	31,913,812	10,991,438	42,905,250

14. Events subsequent to balance date

No matters have arisen since 31 December 2023 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.