



**NORDIC NICKEL**

# **NORDIC NICKEL LTD**

**ABN 13 647 455 105**

## **Interim Financial Report** **31 December 2022**



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| CORPORATE DIRECTORY                                                                                                                                                                     |                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b><br>Marcello Cardaci (Non-Executive Chairman)<br>Todd Ross (Managing Director and CEO)<br>Robert Wrixon (Executive Director)<br>Juho Haverinen (Non-Executive Director) | <b>Share Registry</b><br>Computershare Investor Services Pty Ltd<br>Level 11,<br>172 St Georges Terrace<br>PERTH WA 6000 |
| <b>Company Secretary</b><br>Aaron Bertolatti                                                                                                                                            | <b>Auditors</b><br>BDO Audit (WA) Pty Ltd<br>Level 9, Mia Yellagonga Tower 2<br>5 Spring Street<br>PERTH WA 6000         |
| <b>Registered Office</b><br>Level 12,<br>197 St Georges Terrace<br>PERTH WA 6000 AUSTRALIA<br>Telephone: + 61 8 9429 8844                                                               | <b>Stock Exchange</b><br>Australian Securities Exchange<br>(Home Exchange: Perth, Western Australia)<br>ASX Code:>NNL    |
| <b>Website</b><br>www.nordicnickel.com                                                                                                                                                  |                                                                                                                          |



## Directors' Report

The Directors present their report for Nordic Nickel Limited ("Nordic Nickel" or "the Company") and its subsidiary ("the Group") for the half year ended 31 December 2022.

### 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)
- Todd Ross (Managing Director and CEO)
- Robert Wrixon (Executive Director)
- Juho Haverinen (Non-Executive Director)

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

Nordic Nickel is a company limited by shares and is domiciled in Australia. The principal activity of the Group during the financial period was mineral exploration.

### REVIEW OF OPERATIONS

#### PULJU NICKEL PROJECT IN FINLAND

##### First-pass mineralogical and chemical test work

In June 2022, Nordic received encouraging results from first-pass mineralogical and chemical test work completed on the near surface disseminated nickel mineralisation at the Hotinvaara Prospect, at its flagship Pulju Nickel Project in Finland (see ASX release dated 22 June 2022).

The initial test work, was conducted by Metso:Outotec and included initial liberation studies and indicated that the mineralisation at Hotinvaara can be economically recoverable using industry standard processing techniques (subject to further comprehensive metallurgical and flotation test work).

The main findings showed that Ni-in-sulphide of the two samples taken measured at 83% of total Ni in Sample 1 and 94% in Sample 2 with the sole Ni-bearing sulphide minerals being pentlandite (primary) and pyrrhotite (secondary). Both pentlandite and pyrrhotite displayed excellent liberation characteristics and zero arsenic was detected.

##### Maiden JORC (2012) Mineral Resource Estimate (MRE)

In July 2022, Nordic released a maiden JORC (2012) Mineral Resource Estimate of 133.61Mt @ 0.21% Ni, 95ppm Co and 57ppm Cu for 278,530t of contained Ni, 12,650t Co and 7,620t Cu (see ASX release dated 7 July 2022).

The maiden MRE was estimated following an extensive analysis of the historic pulps and sampled core at the Hotinvaara Prospect using comprehensive QAQC and was based on a conventional 3D block model, with estimated grades of Ni, Co and Cu.

Nickel is reported as total nickel (nickel derived from both silicate and sulphide minerals). These resources are considered as potentially amenable to open-pit mining, with the overall extent of the mineralised zones covering a strike length of approximately 1,700m, an overall width of 1,900m and a maximum depth of 500m.

The in-situ mineral resource estimation (total nickel) at different cut-off grades is shown in Table 1 below.



| <b>JORC (2012) Mineral Resource Estimate at different cut-off grades</b> |                  |             |               |               |                        |              |              |
|--------------------------------------------------------------------------|------------------|-------------|---------------|---------------|------------------------|--------------|--------------|
| <b>0.13% Ni cut-off</b>                                                  |                  |             |               |               | <b>Contained Metal</b> |              |              |
| <b>Resource Class</b>                                                    | <b>Tonnes Mt</b> | <b>Ni %</b> | <b>Co ppm</b> | <b>Cu ppm</b> | <b>Ni Kt</b>           | <b>Co Kt</b> | <b>Cu Kt</b> |
| <b>Indicated</b>                                                         | 21.40            | 0.22        | 99            | 56            | 47.19                  | 2.13         | 1.20         |
| <b>Inferred</b>                                                          | 122.85           | 0.20        | 92            | 56            | 246.41                 | 11.35        | 6.87         |
| <b>TOTAL</b>                                                             | <b>144.25</b>    | <b>0.20</b> | <b>93</b>     | <b>56</b>     | <b>293.60</b>          | <b>13.47</b> | <b>8.07</b>  |
| <b>0.15% Ni cut-off</b>                                                  |                  |             |               |               | <b>Contained Metal</b> |              |              |
| <b>Resource Class</b>                                                    | <b>Tonnes Mt</b> | <b>Ni %</b> | <b>Co ppm</b> | <b>Cu ppm</b> | <b>Ni Kt</b>           | <b>Co Kt</b> | <b>Cu Kt</b> |
| <b>Indicated</b>                                                         | 20.95            | 0.22        | 100           | 56            | 46.54                  | 2.09         | 1.18         |
| <b>Inferred</b>                                                          | 112.66           | 0.21        | 94            | 57            | 231.99                 | 10.56        | 6.45         |
| <b>TOTAL</b>                                                             | <b>133.61</b>    | <b>0.21</b> | <b>95</b>     | <b>57</b>     | <b>278.53</b>          | <b>12.65</b> | <b>7.62</b>  |
| <b>0.17% Ni cut-off</b>                                                  |                  |             |               |               | <b>Contained Metal</b> |              |              |
| <b>Resource Class</b>                                                    | <b>Tonnes Mt</b> | <b>Ni %</b> | <b>Co ppm</b> | <b>Cu ppm</b> | <b>Ni Kt</b>           | <b>Co Kt</b> | <b>Cu Kt</b> |
| <b>Indicated</b>                                                         | 18.71            | 0.23        | 101           | 55            | 42.91                  | 1.88         | 1.02         |
| <b>Inferred</b>                                                          | 93.26            | 0.22        | 96            | 57            | 200.78                 | 8.93         | 5.33         |
| <b>TOTAL</b>                                                             | <b>111.97</b>    | <b>0.22</b> | <b>97</b>     | <b>57</b>     | <b>243.69</b>          | <b>10.81</b> | <b>6.35</b>  |

Table 1: Summary of In-Situ Resources at different cut-off grades

## Regional Potential

Nordic gained access to an additional 54 diamond drill holes, for 5,844m, of historic drilling results from across the Pulju Project and released the results on 10 August 2022 (see ASX release from this date). These drill holes were in addition to, and located regionally and outside of, those used in the July 2022 JORC (2012) Mineral Resource Estimate (MRE) for the Hotinvaara Prospect.

Historic drilling targeted ultramafic cumulate, sub-volcanic and volcanic rocks and mafic volcanics of the Mertavaara Formation, a sequence which is associated with the komatiitic rocks of the Savukoski Group, which hosts world-class nickel deposits elsewhere in the CLGB.

Results from a review of the historical drilling confirmed widespread near-surface, disseminated nickel sulphide mineralisation across the full extent of the Pulju Project. The prospective Mertavaara Formation has a strike extent of approximately 35km within the Nordic tenure, offering the potential for multiple discoveries.

## Downhole EM Results

The Company reported the initial results from a substantially completed Down-Hole Electromagnetic (DHEM) survey received from 17 historical drill-holes at the Hotinvaara Prospect, part of the Pulju Project (see ASX release dated 29 November 2022). An additional seven drill-holes were found to still be open and will be surveyed later in 2023.

All drill-holes revealed electromagnetic (EM) conductors, with 11 conductor plates identified at locations where historical assays of >0.5% Ni were intersected. The DHEM method has proven to be an effective tool for defining zones of nickel sulphide mineralisation in the CLGB and the modelled conductor plates confirm the continuity of nickel mineralisation in multiple directions, as well as outstanding potential to expand the existing shallow Mineral Resource Estimate.

A Moving Loop Electromagnetic (MLEM) survey due to be completed in Q1, 2023 will further assist in modelling conductor plates and defining extensions to, and new zones of, nickel mineralisation.



### Exploration Licence and Reservation Area Applications

Nordic Nickel submitted nine new Exploration Licence Applications (ELAs) within the Pulju Project area and one completely new Exploration Reservation Application immediately south of Pulju (refer ASX release dated 8 November 2022).

The new ELA's and Reservation Applications were a result of positive outcomes from the Company's ongoing geological review of the nickel prospectivity of the district based on the previously announced historical drilling database, ground mapping and initial geophysics. The new ELA's cover a total area of 141km<sup>2</sup> and the Exploration Reservation area, known as Tepasto, covers a total area of 245km<sup>2</sup>.

The Tepasto Reservation area includes mineral prospects first discovered by Outokumpu in the late 1970's where approximately 4,500m of drilling was completed, with vein-hosted molybdenum (Mo) and copper (Cu) mineralisation intersected. Copper and molybdenum prospects were also subsequently identified elsewhere in the reservation area but not followed up.

Six additional Exploration Licences covering an area of 78.18km<sup>2</sup> and encompassing areas of known nickel mineralisation in the north-eastern area of the Pulju Project were granted by TUKES. These six Exploration Licences have subsequently been appealed.

As outlined in the ASX release dated 9 December 2022, these EL's form part of Nordic's longer term exploration pipeline in the Central Lapland Greenstone Belt in North Finland, being located along strike from the primary Hotinvaara Prospect, and have no bearing on the Company's ongoing and current drilling program.

### Technical Team Appointments

On 22 December 2022, the Company announced the appointment of an expert technical team in Finland and Australia with significant nickel exploration experience. The Finnish exploration team is led by senior geologist, Juho Haverinen, who has been instrumental in recent nickel-copper discoveries in the Central Lapland Greenstone Belt (CLGB) of Finland.

The Finnish team is supported by Nordic's Australian team led by nickel expert and mining executive, Julian Hanna, and experienced geologist, Dr Lachlan Rutherford.

### Corporate

#### Option Awards

On 7 July 2022, the Company issued 250,000 unlisted options exercisable at \$0.30 on or before 31 May 2026 and 250,000 unlisted options exercisable at \$0.40 on or before 31 May 2026 to a Technical Consultant.

On 1 September 2022, the Company issued 200,000 unlisted options exercisable at \$0.30 on or before 31 May 2026 and 200,000 unlisted options exercisable at \$0.40 on or before 31 May 2026 to a Technical Consultant.

### Inaugural ESG Report

The Company released its inaugural Environmental, Social and Governance (ESG) Disclosure Report for 2022 (refer ASX release dated 12 October 2022). Nordic Nickel is committed to discovering and developing sustainably and ethically sourced, traceable battery minerals based on best-practice ESG principles in accordance with the United Nations' Sustainable Development Goals.

Nordic Nickel is focused on creating long-term value for shareholders, stakeholders and the communities where it operates and recognises that the development and implementation of an ESG reporting framework is the most effective way of achieving this outcome.



### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

#### Pulju Nickel Project

The Company confirmed the delivery of the first diamond drill rig to site on 6 January paving the way for the commencement of its 2023 exploration campaign. Multiple targets will be tested in the coming months at the Hotinvaara Prospect, with the first rig to be used predominantly to test a number of the shallower geophysical electromagnetic (EM) anomalies detected during the down-hole EM surveys, as well as to expand and enhance the existing near-surface disseminated nickel sulphide Mineral Resource Estimate.

On 17 January 2023, the Company announced that it has been selected to participate in the 2023 BHP Xplor Program, a cohort-based accelerator program designed to support early-stage mineral exploration start-ups to find critical resources, such as copper and nickel, required to drive the global energy transition.

BHP will provide Nordic with US\$500,000 in non-dilutive funding to support and accelerate its exploration plans during the Xplor Program period. The Xplor Program provides participants not only with funding, but also with full access to BHP's deep expertise and global partnerships.

As of 8 February 2023, 2,242m of drilling had been completed at Hotinvaara. One drillhole had been completed (HOT001: 1,109.5m) and two more were progressing (HOT002: 470m and HOT003: 863m). All drillholes in the current program are designed to test multiple geophysical targets, including borehole EM (BHEM) targets modelled after surveying historical drillholes.

The Company is highly encouraged by visual observations of the drilling completed to date. The prospective ultramafic rocks are widespread, with multiple intrusive and subvolcanic phases evident and continuing to a greater depth than ever previously drilled.

Drillhole HOT003, which is targeting multiple geophysical targets (magnetic, gravity and EM), intersected an impressive zone of semi-massive and net-textured sulphides (~50% of rock mass) over a ~30m interval from 140m to 170m downhole (true width estimated to be 60-80% of downhole thickness) (See ASX release 10 February 2023).

#### Upcoming work programs

- Pulju Project – Completion of a Moving Loop EM – March 2023
- First drill-hole assays for Pulju Project – April/May 2023
- Pulju Project – Completion of UAV magnetic survey – April 2023
- Maaninkijoki 3 – Ground magnetic survey – April 2023

#### BHP Xplor Program

On 17 January 2023, the Company advised that, following a rigorous and thorough selection process, it had been selected to participate in the inaugural BHP Xplor Program. BHP Xplor is a cohort-based accelerator program designed to support early-stage mineral exploration start-ups to find critical resources, such as copper and nickel, required to drive the global energy transition. The program provides candidates with a one-off, non-dilutive grant of US\$500,000, together with in-kind services, mentorship, networking opportunities with industry and investors and connections.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity'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 7 and forms part of this Directors' report for the half-year ended 31 December 2022.

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

Signed on behalf of the Directors.

**Todd Ross**  
**Managing Director**  
Perth, Western Australia  
10 March 2023

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF NORDIC NICKEL LIMITED

As lead auditor for the review of Nordic Nickel Limited for the half-year ended 31 December 2022, 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 Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Phillip Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth  
10 March 2023



**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the half-year ended 31 December 2022**

|                                                              | Note | 31-Dec-22<br>\$  | 31-Dec-21<br>\$  |
|--------------------------------------------------------------|------|------------------|------------------|
| <b>Continuing Operations</b>                                 |      |                  |                  |
| Interest income                                              |      | 24,628           | -                |
| Gain on foreign exchange                                     |      | 180,516          | -                |
| <b>Expenses</b>                                              |      |                  |                  |
| Professional and consulting fees                             |      | (108,384)        | (100,573)        |
| Director and employee costs                                  |      | (275,566)        | (83,122)         |
| Other expenses                                               |      | (300,188)        | (1,428)          |
| Share-based payments expense                                 | 9(a) | (446,069)        | (97,111)         |
| Travel and accommodation                                     |      | (68,346)         | -                |
| <b>Loss before income tax</b>                                |      | <b>(993,409)</b> | <b>(282,234)</b> |
| Income tax expense                                           |      | -                | -                |
| <b>Net loss for the period</b>                               |      | <b>(993,409)</b> | <b>(282,234)</b> |
| <b>Other comprehensive income</b>                            |      |                  |                  |
| <b>Items that may be reclassified to profit and loss</b>     |      |                  |                  |
| Exchange differences on translation of foreign operations    |      | 33,882           | (164)            |
| <b>Other comprehensive income for the period, net of tax</b> |      | <b>33,882</b>    | <b>(164)</b>     |
| <b>Total comprehensive loss for the period</b>               |      | <b>(959,527)</b> | <b>(282,398)</b> |
| <b>Loss per share</b>                                        |      |                  |                  |
| Loss per share (cents)                                       |      | (0.86)           | (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 2022*

|                                                 | Note | 31-Dec-22<br>\$   | 30-Jun-22<br>\$   |
|-------------------------------------------------|------|-------------------|-------------------|
| <b>Current Assets</b>                           |      |                   |                   |
| Cash and cash equivalents                       |      | 9,749,061         | 10,749,842        |
| Receivables                                     |      | 80,146            | 160,091           |
| <b>Total Current Assets</b>                     |      | 9,829,207         | 10,909,933        |
| <b>Non-Current Assets</b>                       |      |                   |                   |
| Deferred exploration and evaluation expenditure | 3    | 1,919,511         | 1,180,468         |
| Property, plant and equipment                   |      | 55,784            | -                 |
| <b>Total Non-Current Assets</b>                 |      | 1,975,295         | 1,180,468         |
| <b>Total Assets</b>                             |      | 11,804,502        | 12,090,401        |
| <b>Current Liabilities</b>                      |      |                   |                   |
| Trade and other payables                        |      | 301,498           | 73,939            |
| <b>Total Current Liabilities</b>                |      | 301,498           | 73,939            |
| <b>Total Liabilities</b>                        |      | 301,498           | 73,939            |
| <b>Net Assets</b>                               |      | <b>11,503,004</b> | <b>12,016,462</b> |
| <b>Equity</b>                                   |      |                   |                   |
| Issued capital                                  | 4    | 12,778,351        | 12,778,351        |
| Reserves                                        | 5    | 1,483,704         | 1,003,753         |
| Accumulated losses                              | 6    | (2,759,051)       | (1,765,642)       |
| <b>Total Equity</b>                             |      | <b>11,503,004</b> | <b>12,016,462</b> |

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 2022*

|                                                             | Issued<br>capital<br>\$ | Accumulated<br>losses<br>\$ | Foreign<br>exchange<br>translation<br>reserve<br>\$ | Convertible<br>note<br>reserve<br>\$ | Share<br>option<br>reserve<br>\$ | Total<br>\$       |
|-------------------------------------------------------------|-------------------------|-----------------------------|-----------------------------------------------------|--------------------------------------|----------------------------------|-------------------|
| <b>Balance at 1 July 2021</b>                               | <b>5,501</b>            | <b>(122,262)</b>            | <b>(422)</b>                                        | <b>1,815,000</b>                     | <b>15,833</b>                    | <b>1,713,650</b>  |
| <b>Total comprehensive loss for the period</b>              |                         |                             |                                                     |                                      |                                  |                   |
| Loss for the period                                         | -                       | (282,234)                   | -                                                   | -                                    | -                                | (282,234)         |
| Foreign currency translation                                | -                       | -                           | (164)                                               | -                                    | -                                | (164)             |
| <b>Total comprehensive loss for the period</b>              | <b>-</b>                | <b>(282,234)</b>            | <b>(164)</b>                                        | <b>-</b>                             | <b>-</b>                         | <b>(282,398)</b>  |
| <b>Transactions with owners in their capacity as owners</b> |                         |                             |                                                     |                                      |                                  |                   |
| Shares issued during the period                             | -                       | -                           | -                                                   | -                                    | -                                | -                 |
| Proceeds from issue of convertible note                     | -                       | -                           | -                                                   | -                                    | -                                | -                 |
| Share-based payments                                        | -                       | -                           | -                                                   | -                                    | 97,111                           | 97,111            |
| <b>Balance at 31 December 2021</b>                          | <b>5,501</b>            | <b>(404,496)</b>            | <b>(586)</b>                                        | <b>1,815,000</b>                     | <b>112,944</b>                   | <b>1,528,363</b>  |
| <b>Balance at 1 July 2022</b>                               | <b>12,778,351</b>       | <b>(1,765,642)</b>          | <b>(6,375)</b>                                      | <b>-</b>                             | <b>1,010,128</b>                 | <b>12,016,462</b> |
| <b>Total comprehensive loss for the period</b>              |                         |                             |                                                     |                                      |                                  |                   |
| Loss for the period                                         | -                       | (993,409)                   | -                                                   | -                                    | -                                | (993,409)         |
| Foreign currency translation                                | -                       | -                           | 33,882                                              | -                                    | -                                | 33,882            |
| <b>Total comprehensive loss for the period</b>              | <b>-</b>                | <b>(993,409)</b>            | <b>33,882</b>                                       | <b>-</b>                             | <b>-</b>                         | <b>(959,527)</b>  |
| <b>Transactions with owners in their capacity as owners</b> |                         |                             |                                                     |                                      |                                  |                   |
| Share-based payments (note 9)                               | -                       | -                           | -                                                   | -                                    | 446,069                          | 446,069           |
| <b>Balance at 31 December 2022</b>                          | <b>12,778,351</b>       | <b>(2,759,051)</b>          | <b>27,507</b>                                       | <b>-</b>                             | <b>1,456,197</b>                 | <b>11,503,004</b> |

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 2022

|                                                           | 31-Dec-22        | 31-Dec-21        |
|-----------------------------------------------------------|------------------|------------------|
|                                                           | \$               | \$               |
| <b>Cash flows from operating activities</b>               |                  |                  |
| Payments to suppliers and employees                       | (554,391)        | (212,864)        |
| Interest received                                         | 24,628           | -                |
| <b>Net cash used in operating activities</b>              | <b>(529,763)</b> | <b>(212,864)</b> |
| <b>Cash flows from investing activities</b>               |                  |                  |
| Payments for exploration expenditure                      | (577,155)        | (207,108)        |
| Purchase of property, plant and equipment                 | (74,379)         | -                |
| <b>Net cash used in investing activities</b>              | <b>(651,534)</b> | <b>(207,108)</b> |
| <b>Cash flows from financing activities</b>               |                  |                  |
| Proceeds from issue of convertible note                   | -                | 240,000          |
| Repayment of short-term borrowings                        | -                | (31,650)         |
| <b>Net cash provided by financing activities</b>          | <b>-</b>         | <b>208,350</b>   |
| Net increase in cash and cash equivalents                 | (1,181,297)      | (211,622)        |
| Cash and cash equivalents at the beginning of the period  | 10,749,842       | 850,215          |
| Effect of exchange rate fluctuations on cash              | 180,516          | -                |
| <b>Cash and cash equivalents at the end of the period</b> | <b>9,749,061</b> | <b>638,593</b>   |

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 Ltd ("Nordic Nickel" or "the Company") for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 10 March 2023. 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 2022 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 2022.

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) New, revised or amending Accounting Standards and Interpretations adopted**

The Company 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 Company 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.

**3. Deferred Exploration and Evaluation Expenditure****Exploration and Evaluation phase - at cost**

|                                                                   | 31-Dec-2022<br>\$ | 30-Jun-22<br>\$  |
|-------------------------------------------------------------------|-------------------|------------------|
| Opening balance                                                   | 1,180,468         | 735,487          |
| Exploration and evaluation expenditure incurred during the period | 739,043           | 444,981          |
| Closing balance                                                   | <b>1,919,511</b>  | <b>1,180,468</b> |

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 | <b>12,778,351</b> | <b>12,778,351</b> |
|-----------------------|-------------------|-------------------|



**(b) Movements in ordinary shares on issue**

|                                  | 31-Dec-2022        |                   | 30-Jun-22          |                   |
|----------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                  | Number of shares   | \$                | Number of shares   | \$                |
| Opening balance                  | 115,225,006        | 12,778,351        | 55,000,001         | 5,501             |
| Issue of referrer shares         | -                  | -                 | 125,000            | 31,250            |
| Convertible note conversion      | -                  | -                 | 12,100,005         | 1,815,000         |
| Issue of shares - IPO (\$0.25)   | -                  | -                 | 48,000,000         | 12,000,000        |
| Transaction costs on share issue | -                  | -                 | -                  | (1,073,400)       |
| Closing balance                  | <b>115,225,006</b> | <b>12,778,351</b> | <b>115,225,006</b> | <b>12,778,351</b> |

|                                      | 31-Dec-2022      | 30-Jun-22        |
|--------------------------------------|------------------|------------------|
|                                      | \$               | \$               |
| <b>5. Reserves</b>                   |                  |                  |
| Share option reserve                 | 1,456,197        | 1,010,128        |
| Foreign exchange translation reserve | 27,507           | (6,375)          |
|                                      | <b>1,483,704</b> | <b>1,003,753</b> |

**Movements in Reserves**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| <i>Share option reserve</i> |                  |                  |
| Opening balance             | 1,010,128        | 15,833           |
| Share-based payments        | 446,069          | 994,295          |
| Closing balance             | <b>1,456,197</b> | <b>1,010,128</b> |

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                             | (6,375)       | (422)          |
| Foreign exchange translation difference     | 33,882        | (5,953)        |
| Closing balance                             | <b>27,507</b> | <b>(6,375)</b> |

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

**6. Accumulated losses**

Movements in accumulated losses were as follows:

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Opening balance     | (1,643,380)        | (122,262)          |
| Loss for the period | (993,409)          | (1,643,380)        |
| Closing balance     | <b>(2,759,051)</b> | <b>(1,643,380)</b> |

**7. Contingent assets and liabilities**

**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.

**8. Dividends**

No dividends have been paid or provided for during the half- year.



## 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-2022    | 30-Jun-22           |
|--------------------------------------------------------|----------------|---------------------|
|                                                        | \$             | \$                  |
| Options issued to employees and Directors (note 9 (b)) | 446,069        | 412,074             |
| Options issued to suppliers (note 9 (c))               | -              | 582,221             |
| <b>Movement in share option reserve</b>                | <b>446,069</b> | <b>994,295</b>      |
| Shares issued to consultants                           | -              | 31,250 <sup>1</sup> |
| <b>Share-based payments recognised</b>                 | <b>446,069</b> | <b>1,025,545</b>    |

<sup>1</sup> 125,000 shares were issued as a referral fee for the introduction of the Company's Managing Director and CEO.

Share-based payment transactions have been recognised within the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial positions as follows:

|                                                   | 31-Dec-2022    | 30-Jun-22        |
|---------------------------------------------------|----------------|------------------|
|                                                   | \$             | \$               |
| Share-based payment expense                       | 446,069        | 443,324          |
| Issued capital – transaction costs on share issue | -              | 582,221          |
|                                                   | <b>446,069</b> | <b>1,025,545</b> |

### (b) Options issued to employees and Directors

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The table below summarises options granted during the period ended 31 December 2022:

| Grant Date | Expiry date | Exercise price per option | Balance at start of the period | Granted during the period | Exercised during the period | Expired during the period | Balance at end of the period | Exercisable at end of the period |
|------------|-------------|---------------------------|--------------------------------|---------------------------|-----------------------------|---------------------------|------------------------------|----------------------------------|
|            |             |                           | Number                         | Number                    | Number                      | Number                    | Number                       | Number                           |
| 06/07/22   | 31/05/26    | \$0.30                    | -                              | 250,000                   | -                           | -                         | 250,000                      | - <sup>1</sup>                   |
| 06/07/22   | 31/05/26    | \$0.40                    | -                              | 250,000                   | -                           | -                         | 250,000                      | - <sup>2</sup>                   |
| 29/08/22   | 31/05/26    | \$0.30                    | -                              | 200,000                   | -                           | -                         | 200,000                      | - <sup>1</sup>                   |
| 29/08/22   | 31/05/26    | \$0.40                    | -                              | 200,000                   | -                           | -                         | 200,000                      | - <sup>2</sup>                   |
|            |             |                           | -                              | <b>900,000</b>            | -                           | -                         | <b>900,000</b>               | -                                |

<sup>1</sup> Options vest on 1 June 2023.

<sup>2</sup> Options vest on 1 June 2024.

The expense recognised in respect of the above options granted during the period was \$53,903 which represents the fair value of the options. The expense recognised during the period on options granted in prior periods was \$392,166. The weighted average fair value of options issued to employees and Directors during the year was \$0.166.



**Notes to the Consolidated Financial Statements for the year ended 31 December 2022**

The model inputs, not included in the table above, for options granted during the period ended 31 December 2022 included:

- a) options issue price was nil;
- b) expected life of the options ranging from 3.8 to 3.9 years;
- c) share price at grant date ranging from \$0.225 to \$0.30;
- d) expected volatility of 100%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 3.0%.

**(c) Options issued to suppliers**

There were no options issued to suppliers during the period ended 31 December 2022.

**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 period ended 31 December 2022 and the year ended 30 June 2022:

|                                  | Australia<br>\$    | Finland<br>\$   | Total              |
|----------------------------------|--------------------|-----------------|--------------------|
| <b>Year ended 30 June 2022</b>   |                    |                 |                    |
| Interest income                  | -                  | -               | -                  |
| <b>Segment revenue</b>           | -                  | -               | -                  |
| Result                           |                    |                 |                    |
| Loss before tax                  | (1,620,616)        | (22,764)        | (1,643,380)        |
| Income tax expense               | -                  | -               | -                  |
| <b>Loss for the period</b>       | <b>(1,620,616)</b> | <b>(22,764)</b> | <b>(1,643,380)</b> |
| Asset and liabilities            |                    |                 |                    |
| Segment assets                   | 10,822,697         | 1,267,704       | 12,090,401         |
| Segment liabilities              | 61,638             | 12,301          | 73,939             |
| <b>Period ended 30 June 2021</b> |                    |                 |                    |
| Interest income                  | 24,626             | -               | 24,626             |
| <b>Segment revenue</b>           | 24,626             | -               | 24,626             |
| Result                           |                    |                 |                    |
| Loss before tax                  | (924,743)          | (68,666)        | (993,409)          |
| Income tax expense               | -                  | -               | -                  |
| <b>Loss for the period</b>       | <b>(924,743)</b>   | <b>(68,666)</b> | <b>(993,409)</b>   |
| Asset and liabilities            |                    |                 |                    |
| Segment assets                   | 9,494,913          | 2,309,589       | 11,804,502         |
| Segment liabilities              | 93,432             | 208,066         | 301,498            |

**11. Significant events after the reporting date**

Pulju Nickel Project

The first diamond drill rig arrived on site on 6 January 2023, paving the way for the commencement of the Company's 2023 exploration campaign. Multiple targets will be tested in the coming months at the Hotinvaara Prospect, with the first rig to be used predominantly to test a number of the shallower geophysical electromagnetic (EM) anomalies detected during the down-hole EM surveys, as well as to expand and enhance the existing near-surface disseminated nickel sulphide Mineral Resource Estimate.



**Notes to the Consolidated Financial Statements for the half-year ended 31 December 2022**

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On 17 January 2023, the Company announced that it has been selected to participate in the 2023 BHP Xplor Program, a cohort-based accelerator program designed to support early-stage mineral exploration start-ups to find critical resources, such as copper and nickel, required to drive the global energy transition.

BHP will provide Nordic with US\$500,000 in non-dilutive funding to support and accelerate its exploration plans during the Xplor Program period. The Xplor Program provides participants not only with funding, but also with full access to BHP's deep expertise and global partnerships.

As of 8th February 2023, 2,242m of drilling had been completed at Hotinvaara. One drill-hole had been completed (HOT001: 1,109.5m) and two more were progressing (HOT002: 470m and HOT003: 863m). All drill-holes in the current program are designed to test multiple geophysical targets, including borehole EM (BHEM) targets modelled after surveying historical drillholes.

The Company is highly encouraged by visual observations of the drilling completed to date. The prospective ultramafic rocks are widespread, with multiple intrusive and subvolcanic phases evident and continuing to a greater depth than ever previously drilled.

Drillhole HOT003, which is targeting multiple geophysical targets (magnetic, gravity and EM), intersected an impressive zone of semi-massive and net-textured sulphides (~50% of rock mass) over a ~30m interval from 140m to 170m downhole (true width estimated to be 60-80% of downhole thickness) (See ASX release 10 February 2023).

**BHP Xplor Program**

On 17 January 2023, the Company advised that, following a rigorous and thorough selection process, it had been selected to participate in the inaugural BHP Xplor Program. BHP Xplor is a cohort-based accelerator program designed to support early-stage mineral exploration start-ups to find critical resources, such as copper and nickel, required to drive the global energy transition.

The program provides candidates with a one-off, non-dilutive grant of US\$500,000, together with in-kind services, mentorship, networking opportunities with industry and investors and connections.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



## Directors' Declaration

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In accordance with a resolution of the Directors of Nordic Nickel Limited ('the Company'), I state that:

1. In the opinion of the Directors:
  - a) the financial statements and notes of the Company for the half-year ended 31 December 2022 are in accordance with the Corporations Act 2001, including:
    - i. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the period ended on that date; and
    - ii. complying with Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
  - b) the financial statements and condensed notes also comply with International Financial Reporting Standards as disclosed in note 2.
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.

On behalf of the Board

**Todd Ross**  
**Managing Director**  
Perth, Western Australia  
10 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nordic Nickel Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Nordic Nickel Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 2022 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.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial 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, lighter script.

Phillip Murdoch

Director

Perth

10 March 2023



## Important Information and Disclaimers

### Tenement Interests

| Project                                | Tenement Name   | Area Code   | Tenement Type           | Status                   | Registered Holder      | Application Date | Grant Date | Expiry Date | Area (km <sup>2</sup> ) |
|----------------------------------------|-----------------|-------------|-------------------------|--------------------------|------------------------|------------------|------------|-------------|-------------------------|
| Pulju<br>(100% interest)               | Tepasto         | VA2022:0074 | Exploration Reservation | Valid                    | Pulju Malminetsintä Oy | 10/28/2022       | 10/28/2022 | 10/28/2024  | 245.89                  |
|                                        | Hotinvaara      | ML2019:0101 | Ore Exploration Permit  | Valid                    | Pulju Malminetsintä Oy | 11/11/2019       | 9/20/2021  | 9/20/2025   | 4.92                    |
|                                        | Aihkiselkä      | ML2013:0092 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 11/4/2013        | 11/18/2022 | TBD         | 15.75                   |
|                                        | Kiimätievat     | ML2019:0102 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 11/11/2019       | 11/18/2022 | TBD         | 24.21                   |
|                                        | Röön-Holtti     | ML2022:0009 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 3/9/2022         | 11/18/2022 | TBD         | 18.65                   |
|                                        | Mertavaara1     | ML2013:0091 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 11/4/2013        | 11/18/2022 | TBD         | 11.88                   |
|                                        | Saalamaselkä    | ML2022:0010 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 3/9/2022         | 11/18/2022 | TBD         | 6.02                    |
|                                        | Kaunismaa       | ML2022:0011 | Ore Exploration Permit  | Granted - pending appeal | Pulju Malminetsintä Oy | 3/9/2022         | 11/18/2022 | TBD         | 1.68                    |
|                                        | Holtinvaara     | ML2013:0090 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 11/4/2013        |            |             | 14.99                   |
|                                        | Juoksuvuoma     | ML2022:0081 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 26.53                   |
|                                        | Kermasaajo      | ML2022:0073 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 11.37                   |
|                                        | Kolmenoravanmaa | ML2022:0076 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 15.49                   |
|                                        | Koppelojämä     | ML2022:0075 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 19.42                   |
|                                        | Kuusselkä       | ML2022:0077 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 17.63                   |
|                                        | Lutsokuru       | ML2022:0074 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 11.33                   |
|                                        | Marjantieva     | ML2022:0079 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 11.86                   |
|                                        | Salmistonvaara  | ML2022:0078 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 18.23                   |
|                                        | Vitsaselkä      | ML2022:0080 | Ore Exploration Permit  | Application              | Pulju Malminetsintä Oy | 10/31/2022       |            |             | 9.28                    |
| <b>Total</b>                           |                 |             |                         |                          |                        |                  |            |             | <b>239.23</b>           |
| Maaninkijoki<br>(earning 75% interest) | MJ3             | ML2020:0011 | Ore Exploration Permit  | Valid                    | MagStar Mining Oy      | 3/21/2020        | 08/30/22   | 08/30/26    | 30.44                   |

### Competent Persons Statement

The information in this report that relates to Mineral Resources defined at Hotinvaara is based on information compiled by Mr Adam Wheeler who is a professional fellow (FIMMM), Institute of Materials, Minerals and Mining. Mr Wheeler is an independent mining consultant. Mr Wheeler has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking 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' (the JORC Code). Mr Wheeler consents to the inclusion of this information in the form and context in which it appears in this report.

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled under the supervision of Dr Lachlan Rutherford, a consultant to the Company. Dr Rutherford is a Member of the Australasian Institute of Mining and Metallurgy. He 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 (JORC Code). Dr Rutherford consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### Forward Looking Statements

This announcement contains forward-looking statements that involve a number of risks and uncertainties, including reference to the conceptual Exploration Target area which surrounds the maiden Hotinvaara MRE described in this announcement. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.