



**ALLIANCE
NICKEL** LTD

FINANCIAL REPORT

Half Year Ended 31 December 2025

ABN: 62 009 260 315

CONTENTS	PAGE
Corporate Directory	2
Directors' Report	3
Competent Persons Statement	5
Auditor's Independence Declaration	8
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	11
Condensed Consolidated Statement of Cash Flows	12
Notes to the Condensed Consolidated Financial Statements	13
Directors' Declaration	22
Independent Auditor's Report	23

CORPORATE DIRECTORY

Directors

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

Company Secretary

David Edwards

Registered Office and Principal Place of Business

Unit 8
47 Havelock Street
West Perth WA 6005
Telephone: (08) 6182 2718
Web Site: www.alliancenicel.au

Auditors

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

Share Registry

Computershare Registry Services Pty Ltd
Level 17
221 St George's Terrace
Perth WA 6000
GPO Box D182
Perth WA 6840
Telephone: 1300 850 505

Securities Exchange Listing

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

DIRECTORS' REPORT

The directors present their report on Alliance Nickel Limited and its controlled entities (Group or Company) for the half year ended 31 December 2025.

Directors

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

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

The directors have been in office since the start of the financial year to the date of this report.

Operating Results

The net loss for the half year ended 31 December 2025 was \$727,305 (31 December 2024: \$771,523). At the end of the financial year the Group had \$1,305,814 (30 June 2025: \$1,458,005) in cash and at call deposits. Net assets of \$49,857,604 (30 June 2025: \$49,819,451) comprised mainly of carried forward exploration and evaluation expenditure of \$54,750,320 (30 June 2025: \$53,905,479).

Overview of Operating Activity

During the period the Company continued to develop its 100% owned NiWest Nickel Cobalt Project (NiWest or the Project) containing one of the highest-grade undeveloped nickel laterite resources in Australia. The Project has access to existing primary mining infrastructure such as an established network of roads, a railway and gas pipeline and is strategically situated adjacent to Glencore's Murrin Murrin Operations.

Strategic Partners

In December 2025, Stellantis N.V. provided notice of termination of the Binding Offtake Agreement originally announced on 1 May 2023. The termination arose from certain contractual milestone dates not being met, rendering the existing agreement inoperative. This is primarily due to challenging nickel market conditions and associated project financing constraints.

Importantly, Stellantis expressed its continued interest in Alliance's high-quality NiWest Nickel-Cobalt Project and indicated its willingness to renegotiate offtake terms that better reflect the revised project development timeline and current market conditions. The Company is actively engaged in these discussions. Stellantis continues to hold an 11.2% equity stake in Alliance and maintains a board seat, demonstrating its ongoing commitment to securing critical minerals supply for its electric vehicle production.

Corporate

On 5 December 2025, Alliance successfully completed a placement of 15,384,621 ordinary shares at \$0.05 per share to raise \$769,231 before costs. The issue price represented a premium of 12% to the 30-day volume weighted average price.

The placement was completed under the Company's existing Listing Rule 7.1 placement capacity and funds will be used for working capital purposes as the Company continues to evaluate strategic alternatives and advance the NiWest Project.

In November 2025, Alliance received a Research and Development tax refund of \$422,728 in relation to the 2025 financial year as part of the Australian Government's R&D tax incentive scheme. This cash receipt provides additional working capital to support the Company's ongoing activities.

DIRECTORS' REPORT

Subsequent Events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 8 and forms part of this directors' report for the half year ended 31 December 2025.

This report is signed in accordance with a resolution of directors.



Peter Sullivan

Chairman

Perth, Western Australia

4th March 2026

COMPETENT PERSONS STATEMENT

Ore Reserves

The Information in this Report that relates to Ore Reserves for the NiWest Nickel-Cobalt Project is extracted from the Company's ASX release dated 21 November 2024 "Alliance Delivers Robust NiWest DFS and Significant Ore Reserve Update". The Company confirms it is not aware of any new information or data as at the date of this report which materially affects the NiWest Nickel-Cobalt Project Ore Reserves reported in that announcement. The Company also confirms all material assumptions and technical parameters underpinning the Ore Reserves in the 21 November 2024 announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

NiWest Mineral Resources

The Information in this Report that relates to Mineral Resources for the NiWest Nickel-Cobalt Project is extracted from the Company's ASX release dated 14 November 2023 entitled "NiWest Nickel-Cobalt Project Mineral Resource Estimate Upgrade". The Company confirms it is not aware of any new information or data as at the date of this report which materially affects the NiWest Nickel-Cobalt Project Mineral Resource Estimates reported in that announcement. The Company also confirms all material assumptions and technical parameters underpinning the Mineral Resource Estimates in the 14 November 2023 announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Information in this Report that relates to Mineral Resources for the Waite Kurri, Mertondale and Murrin North Projects is extracted from the Company's ASX release dated 21 February 2017 entitled "NiWest Nickel - Cobalt Project Mineral Resource Update (JORC 2012)". The Company confirms it is not aware of any new information or data as at the date of this report which materially affects the Waite Kurri, Mertondale and Murrin North Projects Mineral Resource Estimates reported in that announcement. The Company also confirms all material assumptions and technical parameters underpinning the Mineral Resource Estimates in the 21 February 2017 announcement continue to apply and have not materially changed and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Production Targets

The Information in this Report that relates to the Production Targets at the NiWest Nickel-Cobalt Project are underpinned by the Probable category Ore Reserves (as to 99% of the Production Target) and Inferred Mineral Resources (as to 1% of the Production Target) estimated at the NiWest Nickel-Cobalt Project pursuant to the JORC Code. The estimated Ore Reserves and Mineral Resources underpinning the Production Targets have been prepared by competent persons in accordance with the JORC Code. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Targets reported will be realised. The Inferred Mineral Resources are not the determining factor in Project viability.

The information in this report that relates to the Production Targets for the NiWest Nickel-Cobalt Project was reported by the Company in accordance with ASX Listing Rules and the JORC Code (2012 edition) in the announcement "Alliance Delivers Robust NiWest DFS and Significant Ore Reserve Update" released to the ASX on 21 November 2024. The Company confirms it is not aware of any new information or data that materially affects the information included in that market announcement and that all material assumptions and technical parameters underpinning the estimates or production targets or forecast financial information derived from a production target (as applicable) in that ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

COMPETENT PERSONS STATEMENT**Cautionary statements**

The following notices and disclaimers apply to this report, and you are therefore advised to read this carefully.

The information in this report is in summary form and does not purport to be complete nor does it contain all the information in relation to the Company. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX at www.asx.com.au.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees, consultants or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability, completeness or suitability of the information in this report, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed.

Accordingly, to the maximum extent permitted by law, neither the Company nor any of its shareholders, directors, officers, agents, employees, consultants or advisers, take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising or out of or in connection with the use of this report. Each party to whom this report is made available must make its own independent assessment of the Company and the report after making such investigations and taking such advice as may be deemed necessary. Any reliance placed on the report is strictly at the risk of such person relying on such report.

This report contains statements related to our future business and financial performance and future events or developments involving the Company that may constitute forward-looking statements. These statements may be identified by words such as "potential", "exploitable", "proposed open pit", "evaluation", "expect," "future," "further," "operation, "development, "plan," "permitting", "approvals ", "processing agreement" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of the Company's management & consultants, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond the Company's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration and development program(s), financial forecast information in this report, other results and assumptions of the DFS in this report, the Production Targets, Mineral Resources and Ore Reserves estimates in this report and other statements that are not historical facts. These statements are based on various assumptions made by the Company. Such assumptions are subject to factors which are beyond our control, and which involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Refer also to the body of this report for details of the material assumptions underpinning, and the key risks relating to, the Production Targets and financial forecasts included in this report in relation to the NiWest Nickel-Cobalt Project. There are risks that those assumptions may be incorrect, which would also cause the Production Targets and/or financial forecasts to consequently be inaccurate. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the Mineral Resources and Ore Reserves estimates are accurate or that the Production Targets or financial forecasts (or other forward-looking statements) as indicated in this report will be achieved.

COMPETENT PERSONS STATEMENT

Some of the assumed factors to which those Production Targets and financial forecasts are particularly sensitive include (without limitation) the future commodities prices, whether the Company will be able to raise the required funds needed in order to pay the costs of developing, constructing, commissioning and operating the Project and other costs comprising the initial development capital, the outcomes of negotiations with the government agencies and permitting matters, mined grades and recoveries at the Project, metallurgical recoveries, operating costs, economic factors, discount rates, environmental approvals, mining tenure and other key factors such as disclosed throughout this report. The Company has formed the view that there is a reasonable basis to believe that requisite future funding for development of the NiWest Nickel-Cobalt Project will be available when required. The grounds on which this reasonable basis is established include the outcomes of the DFS, the Ore Reserve, the extended mine life and low initial development cost, as well as the track record of senior management and the board of directors in raising capital. The Company is confident that several sources of capital will be available to continue to move the NiWest Nickel-Cobalt Project towards development. There is, however, no certainty that the Company will be able to source funding as and when required. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

Although we believe that the expectations and assumptions reflected in the statements in this report are reasonable, any person relying on such Information and this report are cautioned that we cannot guarantee future results, levels of activity, performance or achievement. In preparing this report and except as required by law, we do not undertake or agree to any obligation or responsibility to provide the recipient with access to any additional information or to update this report or Information or to correct any inaccuracies in, or omission from this report or to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.

The past performance and position of the Company included in this report is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future performance or condition. Past performance of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company, including future share price performance. Nothing contained in this report, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Non-IFRS and Other Financial Measures

This report contains certain financial measures and ratios relating to the DFS outcomes (such as operating costs, NPV, IRR and other measures) that are not recognised under International Financial Reporting Standards ("IFRS"). Although the Company believes these measures provide useful information about the financial forecasts derived from the DFS, they should not be considered in isolation or as a substitute for measures of performance or cash flow prepared in accordance with IFRS. As these measures are not based on IFRS, they do not have standardised definitions and the way the Company calculates these measures may not be comparable to similarly titled measures used by other companies. You should therefore not place undue reliance on these measures. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. The non-IFRS financial measures and non-IFRS financial ratios used in this document are relatively common to the mining industry.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Alliance Nickel Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
4 March 2026

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Note	Consolidated	
		31 Dec 2025	31 Dec 2024
		\$	\$
Revenue			
Other income		426,228	1,372,230
		<u>426,228</u>	<u>1,372,230</u>
Corporate and administration expenses		(315,891)	(445,013)
Employee benefits expense		(401,367)	(603,600)
Share based payments	8	(44,702)	(708,942)
Depreciation and amortisation expense		(41,660)	(54,099)
Results from continuing operations		<u>(377,392)</u>	<u>(439,424)</u>
Financial income		4,397	41,572
Financial expense		(354,310)	(373,671)
Net financing (expense)/income		<u>(349,913)</u>	<u>(332,099)</u>
Loss before income tax from continuing operations		(727,305)	(771,523)
Income tax expense		-	-
Loss after income tax for the period		<u>(727,305)</u>	<u>(771,523)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(727,305)</u>	<u>(771,523)</u>
Total loss per share (cents)		(0.10)	(0.11)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	Consolidated	
		31 Dec 2025	30 Jun 2025
		\$	\$
Current assets			
Cash and cash equivalents		1,305,814	1,458,005
Trade and other receivables	2	18,837	190,140
Prepayments		29,779	26,002
Total current assets		<u>1,354,430</u>	<u>1,674,147</u>
Non-current assets			
Trade and other receivables	2	38,632	38,632
Plant and equipment		3,852	13,535
Deferred exploration and evaluation expenditure	3	54,750,320	53,905,479
Right of use assets		-	31,977
Total non-current assets		<u>54,792,804</u>	<u>53,989,623</u>
Total assets		<u>56,147,234</u>	<u>55,663,770</u>
Current liabilities			
Trade and other payables	4	442,408	319,693
Lease liability		-	31,627
Employee benefits		112,407	88,824
Borrowings	5	5,734,815	5,404,175
Total current liabilities		<u>6,289,630</u>	<u>5,844,319</u>
Total liabilities		<u>6,289,630</u>	<u>5,844,319</u>
Net assets		<u>49,857,604</u>	<u>49,819,451</u>
Equity			
Issued capital	6	79,352,257	78,631,501
Reserves	7	4,268,888	4,224,186
Accumulated losses		(33,763,541)	(33,036,236)
Total equity		<u>49,857,604</u>	<u>49,819,451</u>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Note	Issued Capital \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2024		78,631,501	3,135,441	(30,720,528)	51,046,414
Loss for the period		-	-	(771,523)	(771,523)
Total comprehensive loss for the period		-	-	(771,523)	(771,523)
Share based payments		-	997,832	-	997,832
Transaction with owners in their capacity as owners					
Shares issued net of costs		-	-	-	-
Balance at 31 December 2024		78,631,501	4,133,273	(31,492,051)	51,272,723
Balance at 1 July 2025		78,631,501	4,224,186	(33,036,236)	49,819,451
Loss for the period		-	-	(727,305)	(727,305)
Total comprehensive loss for the period		-	-	(727,305)	(727,305)
Share based payments	5/8	-	44,702	-	44,702
Transaction with owners in their capacity as owners					
Shares issued net of costs	6	720,756	-	-	720,756
Balance at 31 December 2025		79,352,257	4,268,888	(33,763,541)	49,857,604

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Note	Consolidated	
		31 Dec 2025	31 Dec 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(832,380)	(1,135,832)
Interest received		4,229	41,572
Interest and other finance costs		(20,242)	(92,616)
Research and development concession		422,728	1,372,230
Net cash (outflow)/inflow from operating activities		<u>(425,665)</u>	<u>185,354</u>
Cash flows from investing activities			
Payments for exploration and evaluation		(601,416)	(3,181,968)
Proceeds from sale of tenement application		175,000	-
Net cash (outflow) from investing activities		<u>(426,416)</u>	<u>(3,181,968)</u>
Cash flows from financing activities			
Repayment of lease liability		(31,627)	(47,252)
Proceeds from issue of shares		769,231	-
Payment of costs associated with issue of shares		(37,714)	-
Receipts from borrowings	5	600,000	6,000,000
Repayment of borrowings	5	(600,000)	(2,000,000)
Net cash inflow from financing activities		<u>699,890</u>	<u>3,952,748</u>
Net (decrease)/increase in cash and cash equivalents		(152,191)	956,134
Cash and cash equivalents held at the start of the period		1,458,005	1,410,632
Cash and cash equivalents held at the end of the period		<u><u>1,305,814</u></u>	<u><u>2,366,766</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025****1. STATEMENT OF ACCOUNTING POLICIES**

Alliance Nickel Limited is a listed public company, incorporated and domiciled in Australia. The condensed interim consolidated financial statements (the interim financial statements) of the Company for the half year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the Consolidated Entity or Group). The interim financial statements were authorised for release on 4th March 2026.

(a) Basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2025 and any public announcements made by Alliance Nickel Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Group is a for-profit entity, domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted are consistent those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised standards

In the period ended 31 December 2025, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025****1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)****(c) Critical accounting judgements and key estimates**

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment should indicators of impairment be present.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine development assets.

Share-based payment transactions

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

The accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those adopted and disclosed in the Company's financial statements for the financial year ended 30 June 2025.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**
1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
(d) Going concern

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

As disclosed in the financial statements, the Group recorded an operating loss of \$727,305, and a net cash outflow of \$152,191 for the half-year ended 31 December 2025 and at balance date, had net current liabilities of \$4,935,200. In order to continue development of its projects, the company will need to raise further funding through debt or equity. Also, the lenders of the current loans have indicated their ongoing support and may extend the maturity date if required.

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

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
2. TRADE AND OTHER RECEIVABLES		
Current		
GST Refundable	18,837	15,140
Consideration receivable – sale of tenement application	-	175,000
	<u>18,837</u>	<u>190,140</u>
Non-current		
Bonds	<u>38,632</u>	<u>38,632</u>
	<u>38,632</u>	<u>38,632</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**
Consolidated

	31 Dec 2025	30 Jun 2025
	\$	\$

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation phase - at cost

Movements:

Balance at beginning of the period	53,905,479	50,544,903
Direct expenditure	844,841	3,563,579
Disposals	-	(203,003)
	54,750,320	53,905,479
Less: impairment of exploration and evaluation expenditure ⁽¹⁾	-	-
	54,750,320	53,905,479

(1) The ultimate recoupment of the above deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas at amounts sufficient to recover the investment. Where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the expenditure has been impaired down to its recoverable amount.

Consolidated

	31 Dec 2025	30 Jun 2025
	\$	\$

4. TRADE AND OTHER PAYABLES

Trade payables and accruals	442,408	319,693
	442,408	319,693

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

Consolidated

	31 Dec 2025	30 Jun 2025
	\$	\$

5. BORROWINGS

Movements:

Balance at beginning of the period	5,404,175	-
Loans received	600,000	7,200,000
Transaction costs – 22,222,222 options issued	-	(288,889)
Interest expense	330,640	669,501
Interest paid	-	(176,437)
Loans repaid	(600,000)	(2,000,000)
	5,734,815	5,404,175

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**
5. BORROWINGS (CONTINUED)

During the half-year, the Group obtained a \$600,000 unsecured loan from Zeta Resources (Zeta), a long-term major shareholder of Alliance (loan agreement signed in June 2025). The key-terms of the unsecured loan facility were an interest rate of 12% per annum and an initial maturity date of 30 June 2026. The Board considers that the terms and conditions of these loans are on an arm's length basis and comparable to terms that would be available from unrelated third parties.

During the financial year to 30 June 2025, the Company received unsecured loan facilities from major shareholder Zeta Resources Limited and Company Directors to support working capital requirements and project development activities. In July 2024, Zeta Resources provided an initial \$4,000,000 unsecured loan facility. Following shareholder approval and in accordance with the loan agreement, 22,222,222 options were issued to Zeta with an exercise price of \$0.18 and a 3-year expiry.

In October 2024, Company Directors provided \$2,000,000 in loans to facilitate the repayment of half of the Zeta Resources loan facility that reached maturity. In June 2025, Company Directors provided additional unsecured loan facilities totalling \$600,000, with all existing loans extended to mature on 30 June 2026. All loans carry an interest rate of 12% per annum with interest capitalised until repayment. In addition, on 30 June 2025, a company director provided an interest free bridge loan of \$600,000 that was repaid on 7 July 2025. The Board considers that the terms and conditions of these loans are on an arm's length basis and comparable to terms that would be available from unrelated third parties.

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
6. ISSUED CAPITAL		
Ordinary shares fully paid	79,352,257	78,631,501
Ordinary shares		
Balance at the beginning of the period	78,631,501	78,631,501
Issue of shares	769,231	-
Costs associated with issue	(48,475)	-
Balance at the end of the period	<u>79,352,257</u>	<u>78,631,501</u>
	No of	No of
	shares	shares
Balance at the beginning of the period	725,839,615	725,839,615
Conversion of performance rights	20,000,000	-
Placement	15,384,621	-
Balance at the end of the period	<u>761,224,236</u>	<u>725,839,615</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
7. RESERVES		
Share based payments reserve	4,268,888	4,224,186

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

8. SHARE BASED PAYMENTS

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Share based payments comprise:		
Options issued to key management personnel	44,702	155,817
Performance rights issued to key management personnel	-	553,125
Total share-based payment expense recognised	44,702	708,942
Options issued under loan agreement	-	288,890
Total movement in share-based payment expense	44,702	997,832

a) Options

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

		Number of options	Weighted average exercise price per option (\$)
As at 1 July 2024		33,000,000	0.295
Granted	5	22,222,222	0.18
Outstanding at 30 June 2025		55,222,222	0.25
Expired		(11,500,000)	0.20
Outstanding at 31 December 2025		43,722,222	0.248

Options issued to key management personnel

An Employee Incentive Securities Plan has been established by the company and approved by shareholders at a general meeting, whereby the company may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the company. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**
8. SHARE BASED PAYMENTS (CONTINUED)

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price (\$)	Balance at the start of the period	Expired	Balance at the end of the period
28/09/2022	28/09/2025	0.20	10,000,000	(10,000,000)	-
28/09/2022	28/09/2026	0.30	10,000,000	-	10,000,000
28/09/2022	28/09/2027	0.40	10,000,000	-	10,000,000

For the options previously granted, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date (\$)	Exercise price (\$)	Expected volatility	Risk-free interest rate	Fair value at grant date (\$)	Expense for the period (\$)	Cumulative expense to 31 Dec 2025 (\$)
28/09/2022	28/09/2025	0.11	0.20	91%	3.73%	0.051	-	510,000
28/09/2022	28/09/2026	0.11	0.30	91%	3.86%	0.052	-	520,000
28/09/2022	28/09/2027	0.11	0.40	91%	3.86%	0.055	44,702	550,000
							44,702	1,580,000

Options issued to service providers

Set out below are summaries of options under issue:

Grant date	Expiry date	Share price at grant date (\$)	Exercise price (\$)	Expected volatility	Risk-free interest rate	Fair value at grant date (\$)	Expired (\$)	Balance at end of period (\$)
26/09/2022	26/09/2025	0.125	0.20	92%	3.77%	0.062	(1,500,000)	-
26/09/2022	26/09/2026	0.125	0.30	92%	3.84%	0.063	-	1,500,000
							(1,500,000)	1,500,000

b) Performance rights

	31 Dec 2025 Number of performance rights	30 Jun 2025 Number of performance rights
Balance at the beginning of the period	63,500,000	55,000,000
Granted	-	8,500,000
Exercised	(20,000,000)	-
Balance at the end of the period	<u>43,500,000</u>	<u>63,500,000</u>

An Employee Incentive Securities Plan has been established by the company and approved by shareholders at a general meeting, whereby the company may, at the discretion of the Board, grant performance rights over ordinary shares in the company to certain key management personnel of the company. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

The number of shares that will vest depends on the achievement of non-market-based performance conditions as followed:

Issue 1

Tranche 1	Completion of the NiWest DFS
Tranche 2	Final investment decision for the commencement of construction of the NiWest Project
Tranche 3	Commercial production of a nickel cobalt product from NiWest

Issue 2

Announcement of a second significant binding offtake agreement for NiWest

The Directors have estimated the likelihood of the achievement of the conditions by reference to the achievement of key project milestones.

Set out below are summaries of performance rights granted under the plan:

	Grant date	Number of performance rights	Fair value (\$)	Probability assigned	Vested (%)	Expense for the current period (\$)	Cumulative expense to 31 Dec 2025 (\$)
Issue 1							
Tranche 1	28/09/2022	20,000,000	0.11	100%	100%	-	2,200,000
Tranche 2	28/09/2022	20,000,000	0.11	30%	-	-	-
Tranche 3	28/09/2022	10,000,000	0.11	15%	-	-	-
Tranche 1	11/12/2023	250,000	0.05	100%	100%	-	12,500
Tranche 2	11/12/2023	1,250,000	0.05	30%	-	-	-
Tranche 3	11/12/2023	3,500,000	0.05	15%	-	-	-
Issue 2							
	19/12/2024	8,500,000	0.04	40%	-	-	-
						-	<u>2,212,500</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

8. RELATED PARTIES

a) Loans from related parties

During the half-year, the Group obtained a \$600,000 unsecured loan from Zeta Resources (Zeta), a long-term major shareholder of Alliance (loan agreement signed in June 2025). The key-terms of the unsecured loan facility were an interest rate of 12% per annum and an initial maturity date of 30 June 2026. The Board considers that the terms and conditions of these loans are on an arm's length basis and comparable to terms that would be available from unrelated third parties.

During the financial year to 30 June 2025, the Company received unsecured loan facilities from major shareholder Zeta Resources Limited and Company Directors to support working capital requirements and project development activities. In July 2024, Zeta Resources provided an initial \$4,000,000 unsecured loan facility. Following shareholder approval and in accordance with the loan agreement, 22,222,222 options were issued to Zeta with an exercise price of \$0.18 and a 3-year expiry.

In October 2024, Company Directors provided \$2,000,000 in loans to facilitate the repayment of half of the Zeta Resources loan facility that reached maturity. In June 2025, Company Directors provided additional unsecured loan facilities totalling \$600,000, with all existing loans extended to mature on 30 June 2026. All loans carry an interest rate of 12% per annum with interest capitalised until repayment. In addition, on 30 June 2025, a company director provided an interest free bridge loan of \$600,000 that was repaid on 7 July 2025. The Board considers that the terms and conditions of these loans are on an arm's length basis and comparable to terms that would be available from unrelated third parties.

	Opening balance	Loans received	Loans Repaid	Interest payable	Balance at end of year	Interest Paid
Zeta Resources Limited	2,101,643	600,000	-	164,683	2,866,326	-
Peter Sullivan	1,301,232	-	-	79,906	1,381,138	-
Paul Kopejtka	1,901,150	-	(600,000)	79,902	1,381,052	-
James Sullivan	100,150	-	-	6,149	106,299	-

9. DIVIDENDS

No dividends were paid or declared during the period.

10. SEGMENT REPORTING

The Group has one reportable operating segment which is exploration and development of minerals in Western Australia. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

12. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Alliance Nickel Limited (the "Company"):
 - a. The financial statements, notes, and the additional disclosures are in accordance with the Corporations Act 2001 including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half year then ended; and
 - ii) complying with Australian Accounting Standard 134: Interim Financial Reporting and the Corporations Regulations 2001.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 303(5) of the Corporations Act 2001 for the half year ended 31 December 2025.

This declaration is signed in accordance with a resolution of the board of directors.



Peter Sullivan

Chairman

Perth, Western Australia

4th March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Alliance Nickel Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Alliance Nickel Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alliance Nickel Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

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 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
4 March 2026



B G McVeigh
Partner