



White Cliff Nickel

**White Cliff Nickel
Limited**

ABN 22 126 299 125

Half year report
31 December 2008

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Corporate Information

Directors	Brian Thomas Michael Langoulant Todd Hibberd
Company secretary	Michael Langoulant
Registered office and principal place of business	Suite 2, 5 Ord Street West Perth, Western Australia 6005 Telephone: (08) 9321 2233 Facsimile: (08) 9324 2977 Website: www.wcnickel.com.au
Share registry	Computershare Investor Services Pty Ltd Reserve Bank Building Level 2 45 St George's Terrace Perth, Western Australia 6000
Auditors	HLB Mann Judd Chartered Accountants 15 Rheola Street West Perth, Western Australia 6005
Solicitors	McKenzie Moncrieff 37 St Georges Terrace Perth, Western Australia 6000
ASX codes	White Cliff Nickel Limited is listed on the Australian Stock Exchange (Shares: WCN; Options: WCNO)

Directors' Report

Your directors present their report for the half year ended 31 December 2008.

Directors

The following persons were directors of White Cliff Nickel Limited during the whole of the period and up to the date of this report:

Brian Thomas – *Non-executive Chairman*
Michael Langoulant – *Managing Director*

Mr Todd Hibberd was appointed a non-executive Director on 2 December 2008 and remains a director at the date of this report.

Mr Peter Hampshire was non-executive Chairman until he passed away on 27 October 2008.

Review of operations

The consolidated loss of the group after provision for income tax benefit was \$391,387 (2007: \$337,107).

The Company's main focus for the half year has been to finalise the White Cliff Nickel joint venture with the Korean government resource group Korea Resources Corporation and global mineral commodities investment house Daewoo International Corporation. ("Korean Consortium"). All formal Korean and Australian government approvals were satisfied during December 2008 the Korean joint venture participants advanced an initial funding contribution of \$750,000.

Under the joint venture the Korean Consortium have the option to expend up to \$5 million in exploration on the project over the next 3 years to earn up to a 50% interest in the project. During the first year of the joint venture the Korean Consortium will expend a minimum of \$1.5 million at which point they will have earned a 15% interest in the White Cliff nickel project.

During the half year a major MMI soil sampling program was undertaken on the White Cliff nickel joint venture project area. Significant anomalies have been identified for follow up drilling during this financial year.

Addition prospective ground was applied for at the Lake Johnson project where the Company now holds tenements covering 1,416 square kilometres. This tenement package now extends over the entire eastern limb and part of the west limb of the Lake Johnston greenstone belt. Importantly the tenements cover part of the Jimbalana dyke which is interpreted to be a major structural control feature in the development of both the Maggie Hays and Emily Anne nickel deposits. Evaluation of historical data indicates that the eastern limb of the greenstone belt has had little exploration despite being highly prospective for gold and nickel.

The Company is in advanced discussions with another company in relation to entering into a joint venture on this project.

Field mapping and rock chip sampling was completed on the western portion of the Mt Remarkable project. A newly identified ultramafic unit has been mapped and extends over at least 9 km within White Cliff's tenements. Elevated nickel, cobalt, platinum and copper assays were recovered from rock chip samples of outcropping cumulate ultramafic material.

In addition the Company continues to assess potential new projects of worth. An option was taken over the Splinter iron project in September 2008. Further detailed analysis of past exploration results have downgraded the projects potential and the Company has decided not to exercise its option over this project.

For the remainder of this financial year the Company will continue to assess new projects that may be able to add value to the Company's exploration portfolio.

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the director's report for the half year ended 31 December 2008.

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



M LANGOULANT
Managing Director

Perth
13 March 2009



Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the review of the financial report of White Cliff Nickel Limited for the half-year ended 31 December 2008, 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.

This declaration is in respect of White Cliff Nickel Limited.

A handwritten signature in blue ink, appearing to read 'W M Clark'.

Perth, Western Australia
13 March 2009

W M CLARK
Partner, HLB Mann Judd

Consolidated Income Statement
For the half year ended 31 December 2008

	31 Dec 2008	31 Dec 2007
	\$	\$
Revenue		
Interest income	136,693	40,089
	<u>136,693</u>	<u>40,089</u>
Consulting fees	80,105	29,091
Employee benefits	170,314	64,400
Exploration expenditure written off	156,929	95,846
Share based payment expense	-	70,000
Other expenses	120,732	117,859
	<u>528,080</u>	<u>377,196</u>
Loss before income tax expense	391,387	337,107
Income tax expense	-	-
	<u>-</u>	<u>-</u>
Loss after income tax expense	391,387	337,107
Net loss for the period	<u>391,387</u>	<u>337,107</u>
	<u>Cents</u>	<u>Cents</u>
Basic loss per share		
(cents per share)	(0.75)	(1.63)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet
As at 31 December 2008

	31 December 2008	30 June 2008
Note	\$	\$
Current Assets		
Cash and cash equivalents	4,064,417	4,488,065
Trade and other receivables	163,913	113,544
Total Current Assets	4,228,330	4,601,609
Non-Current Assets		
Plant and equipment	13,956	15,216
Deferred exploration expenditure	2 4,712,662	4,742,982
Total Non-Current Assets	4,726,618	4,758,198
Total Assets	8,954,948	9,359,807
Current Liabilities		
Trade and other payables	161,166	231,804
Total Current Liabilities	161,166	231,804
Total Liabilities	161,166	231,804
Net Assets	8,793,782	9,128,003
Equity		
Issued capital	3 9,931,862	9,906,862
Reserves	4 205,391	173,225
Accumulated losses	(1,343,471)	(952,084)
Total Equity	8,793,782	9,128,003

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity
For the half year ended 31 December 2008

	Issued capital	Accumulated losses	Reserves	Total equity
	\$	\$	\$	\$
Shares issued during the period	10,605,003	-	-	10,605,003
Share issue costs	(698,141)	-	-	(698,141)
Loss for the period	-	(337,107)	-	(337,107)
Share based compensation	-	-	70,000	70,000
Balance at 31 December 2007	9,906,862	(337,107)	70,000	9,639,755
Opening balance	9,906,862	(952,084)	173,225	9,128,003
Shares issued during the period	25,000	-	-	25,000
Options issued during the period	-	-	32,166	32,166
Loss for the period	-	(391,387)	-	(391,387)
Balance at 31 December 2008	9,931,862	(1,343,471)	205,391	8,793,782

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement
For the half year ended 31 December 2008

	31 December 2008	31 December 2007
	Inflows/(Outflows)	Inflows/(Outflows)
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(488,729)	(251,227)
Receipts from customers	410,103	-
Interest received	136,693	40,089
Net cash outflow from operating activities	58,067	(211,138)
Cash flows from investing activities		
Payments for exploration and evaluation	(384,234)	(384,372)
Purchase of exploration projects	(127,478)	-
Payments for plant and equipment	(2,169)	-
Net cash outflow from investing activities	(513,881)	(384,372)
Cash flows from financing activities		
Proceeds from the issue of securities	32,166	6,417,503
Capital raising costs	-	(573,141)
Net cash inflow from financing activities	32,166	5,844,362
Net increase/(decrease) in cash held	(423,648)	5,248,852
Cash at the beginning of reporting period	4,488,065	-
Cash at the end of the reporting period	4,064,417	5,248,852

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the half year ended 31 December 2008

Note 1: Basis of preparation of interim report

This general purpose financial report for the interim half year reporting period ended to 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read with the annual report for the year ended 30 June 2008 and any public announcements made by White Cliff Nickel Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In the period ended 31 December 2008, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2009. It has been determined by the Group that there is no impost, material or otherwise, of the new and revised standards and interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Note 2: Deferred exploration expenditure

	31 December 2008	30 June 2008
	\$	\$
Opening balance	4,742,982	-
Exploration expenditure incurred	464,119	4,742,982
Less exploration expenditure recovered	(337,510)	-
Less exploration expenditure written off	(156,929)	-
	<hr/>	<hr/>
Deferred exploration expenditure	<u>4,712,662</u>	<u>4,742,982</u>

The recoverability of deferred exploration expenditure is dependent upon the successful development and commercial exploitation, or alternately the sale of areas of interest.

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Note 3: Issued capital

	31 December 2008	30 June 2008
	\$	\$
Issued and fully paid 51,993,003 shares (2007: 51,750,003 shares)	9,931,862	9,906,862
<i>Movements in ordinary shares on issue</i>		
Opening balance	9,906,862	
2/9/08 – Vendor consideration	25,000	
At 31 December 2008	9,931,862	
2/7/07 – Incorporation issue		3
14/8/07 – Founder capital		17,500
31/8/07 – Seed capital		400,000
14/9/07 – Vendor consideration		4,000,000
14/12/07 – IPO shares		6,000,000
14/12/07 – Vendor consideration		62,500
14/12/07 – Consulting services rendered		125,000
14/12/07 – Capital raising costs		(698,141)
At 30 June 2008		9,906,862

Note 4: Options

	Number of options	Number of options
<i>Movements in options over ordinary shares on issue</i>		
Opening balance	26,144,911	-
14/8/08 – 30 June 2011 exercisable at 25 cents	7,230,091	-
26/11/07 – 31 December 2010 exercisable at 25 cents	-	7,000,000
27/02/07 – 31 December 2010 exercisable at 25 cents	-	500,000
12/05/08 – 30 June 2011 exercisable at 25 cents	-	18,644,911
Closing balance	33,375,002	26,144,911

Note 5: Segment information

During the period the Group operated principally in one business segment (for primary reporting) being the mining industry and one geological segment (for secondary reporting) being Australia. This is consistent with the prior year.

Note 6: Contingent liabilities

The Company has no contingent liabilities.

Note 7: Subsequent events

There are no matters or circumstances that have arisen since 31 December 2008 that may significantly affect operations, results or state of affairs of the group in future financial years.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended 31 December 2008; and
- (b) there are reasonable grounds to believe that White Cliff Nickel Limited will be able to pay its debts as and when they become due and payable.

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



M LANGOULANT
Managing Director

Perth
13 March 2009



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Independent Auditor's Review Report

To the members of
WHITE CLIFF NICKEL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report, which comprises the condensed balance sheet as at 31 December 2008, the condensed income statement, condensed statement of changes in equity, condensed cash flow statement and notes to the financial statements for the half-year ended on that date, and the directors' declaration, of White Cliff Nickel Limited and the entities it controlled during the half-year ended 31 December 2008 ("consolidated entity").

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001, including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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. As the auditor of White Cliff Nickel Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 has been provided to the directors of White Cliff Nickel Limited on 13 March 2009.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of White Cliff Nickel Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position at 31 December 2008 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.



HLB MANN JUDD
Chartered Accountants



Perth, Western Australia
13 March 2009

W M CLARK
Partner, HLB Mann Judd