



Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Nico Resources Limited

ABN 80 649 817 425

Meeting Format

The Meeting is to be held as a physical meeting.

Venue

Level 8
216 St George's Terrace
Perth, Western Australia 6000

Time and Date

12.30pm (WST)
Tuesday, 22 November 2022

IMPORTANT NOTE

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Important Dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	12.30pm (WST) Sunday, 20 November 2022
Snapshot date for eligibility to vote	5.00pm (WST) Sunday, 20 November 2022
Annual General Meeting	12.30pm (WST) Tuesday, 22 November 2022

Voting

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Annual General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 12.30pm WST on 20 November 2022.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Nico Resources Limited (ABN 80 649 817 425) (Company) will be held at **Level 8, 216 St George's Terrace, Perth, Western Australia 6000** at **12.30pm (WST)** on **Tuesday, 22 November 2022**.

Agenda

Receive and Consider Reports	To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2022, as contained in the Company's 2022 Annual Report
Resolution 1 Adoption of Remuneration Report (advisory only)	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2022, as contained in the Company's 2022 Annual Report, be adopted by the Company.</i></p> <p>Note: This Resolution is advisory only and does not bind the Company or the Directors.</p>
Resolution 2 Election of Director – Brett Smith	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>That for the purpose of Listing Rule 14.4, clause 7.3(a) of the Constitution and for all other purposes, Brett Smith, a Director who retires in accordance with clause 7.3(c) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.</i></p>
Resolution 3 Ratification of prior issue of Employee Options	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 3,000,000 Employee Options made under the Company's Listing Rule 7.1 placement capacity, on the terms and conditions set out in the Explanatory Statement.</i></p>
Resolution 4 Increase in limit on aggregate amount of remuneration payable to Non-Executive Directors	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>For the purposes of Listing Rule 10.17, clause 7.4(a) of the Company's Constitution and all other purposes, the limit on the total aggregate amount of remuneration payable to all of the Company's non-executive Directors is increased by \$300,000 per financial year, from the existing amount of \$350,000 per financial year to a maximum amount not exceeding \$650,000 per financial year.</i></p>

<p>Resolution 5</p> <p>Approval of issue of Equity Securities under Employee Incentive Plan</p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>That for the purposes of Listing Rule 7.2 exception 13 and for all other purposes, Shareholders approve the Company's updated Employee Incentive Plan, a summary of which is set out in the Explanatory Statement, and for the issue of up to 9,100,000 Equity Securities under the plan in reliance on Listing Rule 7.2 exception 13, on the terms and conditions set out in the Explanatory Statement.</i></p>
<p>Resolution 6</p> <p>Approval of Additional Issuance Capacity</p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:</p> <p><i>That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.</i></p> <p>Note: Resolution 6 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.</p>
<p>Resolution 7</p> <p>Amendment to Constitution – virtual meetings</p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:</p> <p><i>That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution to permit the Company to hold general meetings using virtual meeting technology as contemplated by section 249R(1) of the Corporations Act, in the manner set out in the Explanatory Statement, with effect from the conclusion of the Meeting.</i></p> <p>Note: Resolution 7 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.</p>
<p>Resolution 8</p> <p>Appointment of Auditor</p>	<p>To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:</p> <p><i>That for the purposes of section 327B of the Corporations Act and for all other purposes, KPMG, having consented in writing to act as auditor, and subject to ASIC's consent to the resignation of Criterion Audit Pty Ltd as existing auditor, be appointed as the auditor of the Company and its controlled entities effective from the conclusion of Meeting.</i></p>

Voting Exclusions

Corporations Act voting prohibitions		
Resolution	Excluded Persons	Exceptions
Resolutions 1, 4 and 5	<p>For the purposes of sections 250BD and 250R(4) of the Corporations Act, a vote on the Resolution must not be cast, and the Company will disregard votes cast:</p> <ul style="list-style-type: none"> by or on behalf of a member of Key Management Personnel the details of whose remuneration is included in the Remuneration Report or their Closely 	<p>A vote is not prohibited and will not be disregarded if the vote is cast by a proxy on behalf of a person entitled to vote on the Resolution:</p> <ul style="list-style-type: none"> in accordance with the directions on how the proxy is to vote, as specified in the proxy appointment; or by the Meeting Chair in accordance with

	<p>Related Parties, regardless of the capacity in which the vote is cast; or</p> <ul style="list-style-type: none"> by a proxy for a member of Key Management Personnel at the date of the Meeting or their Closely Related Parties. <p>Any ineligible votes will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>the express authorisation in the proxy appointment to exercise the proxy even though it is connected with the remuneration of a member of Key Management Personnel.</p>
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Listing Rule voting exclusion statements		
Resolution	Excluded Persons	Exceptions
Resolution 3	The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the Employee Options, or an 'associate' (as defined in the Listing Rules) of such person.	<p>The Company need not disregard a vote cast In favour of the Resolution if it is cast by:</p> <ul style="list-style-type: none"> a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; the Meeting Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Meeting Chair on the Resolution as the Meeting Chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an 'associate' (as defined in the Listing Rules) of a person excluded from voting, on the Resolution; and the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 4	The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director of the Company, or an 'associate' (as defined in the Listing Rules) of such person.	
Resolution 5	The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is a person who is eligible to participate in the Employee Incentive Plan, or an 'associate' (as defined in the Listing Rules) of such person.	
Resolution 6	At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Accordingly, a voting exclusion statement for the purposes of Listing Rules 7.3A.7 and 14.11 does not apply to the Resolution.	

Explanatory Statement

For further information in relation to the items of business to be considered at the Meeting, please refer to the Explanatory Statement which accompanies this Notice. The Explanatory Statement forms part of this Notice.

Glossary

Unless inconsistent with the context, capitalised terms used in this Notice will have the meanings given to them in the Glossary of Terms set out in the Explanatory Statement.

By order of the Company's Board of Directors

Amanda Burgess
Company Secretary

24 October 2022

Meeting and Voting Information

Voting entitlement The Board has determined that, for the purposes of voting at the Meeting, Shares will be taken to be held by persons who are registered as the holders of Shares at **5:00pm (WST) on Sunday, 20 November 2022.**

Participation The Meeting will be a physical meeting held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6000. Shareholders will not be able to attend and participate online.

Appointment of Corporate Shareholder representatives A Shareholder that is a corporation may appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. The Shareholder must lodge a satisfactory and duly executed appointment document with the Securities Registry in accordance with the instructions below.

Appointment of attorneys A Shareholder may appoint an attorney to act on the Shareholders' behalf at the Meeting. To do so, the Shareholder must lodge a duly executed power of attorney with the Securities Registry in accordance with the instructions below.

Appointment of proxies A Shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two proxies. A proxy does not need to be a Shareholder.

To appoint a second proxy, a Shareholder must state on each Proxy Form (in the appropriate box) the percentage of voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half the Shareholder's votes. Fractions of votes will be disregarded.

Appointing the Meeting Chair as proxy

Shareholders may appoint the Meeting Chair as their proxy by marking the relevant box on the Proxy Form. Proxy Forms submitted without specifying the name of the proxy or expressly nominating the Meeting Chair as proxy will be deemed an appointment of the Meeting Chair. The Meeting Chair will be deemed proxy for a Shareholder if the proxy named in the Proxy Form does not attend the Meeting.

Directing a proxy how to vote

Shareholders may direct a proxy whether to vote for or against, or to abstain from voting, on a Resolution by marking the relevant box on the Proxy Form. Shareholders may also specify the proportion or number of votes that a proxy may exercise. All votes must be cast in accordance with such directions.

Directed proxies that are not voted on a poll at the Meeting by an appointed proxy will default to the Meeting Chair who will be required to vote proxies as directed on a poll.

Subject any legal restrictions on proxy voting, a proxy may vote on a Resolution at their discretion unless the Proxy Form directs the proxy how to vote on the Resolution.

Voting restrictions that may affect proxy appointment

Voting under the Corporations Act and/or Listing Rules apply to Resolutions 1, 5 and 6. Members of the Key Management Personnel (except for the Meeting Chair) and their Closely Related Parties are not able to vote as proxy on Resolutions 1, 5 or 6 unless the appointing Shareholder directs them how to vote.

This exclusion does not apply to the Meeting Chair if the appointment as proxy expressly authorises the Meeting Chair to vote on matters of Key Management Personnel remuneration. If a Shareholder appoints the Meeting Chair as proxy and does not expressly direct them how to vote, they will be deemed to have authorised the Meeting Chair to vote on Resolutions 1, 5 or 6 as the Meeting Chair sees fit.

Shareholders intending to appoint the Meeting Chair, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as proxy are encouraged to direct them how to vote on all the Resolutions.

A Shareholder who appoints a proxy but subsequently attends the Meeting may vote on the items of business at the Meeting. Any such vote by the Shareholder will invalidate the votes cast by their proxy.

Lodgement of appointment documents

Duly completed corporate representative appointment documents, powers of attorney and Proxy Forms (together with any power of attorney or other authority under which they are executed, if applicable) must be received by the Securities Registry on or before **12.30pm (WST) on Sunday, 20 November 2022**. Documents received after that time will be invalid.

To appoint a proxy please complete the enclosed Proxy Form and deliver as follow:

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Proxy voting intention of Meeting Chair

The Meeting Chair intends to vote all undirected proxies **FOR** each of the Resolutions. In exceptional cases, the Meeting Chair may change his or her voting intention, in which case the Company will make an announcement to ASX in this regard.

Voting procedure

Voting on each Resolution at the Meeting will be conducted by way of a poll.

Questions by Shareholders

The Meeting Chair will allow a reasonable opportunity at the Meeting for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

The Meeting Chair will also allow a reasonable opportunity for Shareholders to put questions to the representative of the Auditor about:

- the conduct of the audit;
- the preparation and content of the Auditor’s report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

To assist the Board and the Auditor in responding to any questions that you may have, please submit any questions to the Company via email to info@nicoresources.com.au by **5.00pm (WST) on Friday 11 November 2022** in the same manner as outlined above for lodgement of appointment documents. The Company will make available at the Meeting questions directed to the Auditor which the Auditor considers relevant to the conduct of the audit of the 2022 Annual Report received in writing before this time. The Meeting Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. Annual Financial Report

The Corporations Act requires that the annual financial statements, Directors' report and Auditor's report of the Company for the year ended 30 June 2022 be tabled at the Meeting. These reports are contained in the 2022 Annual Report which is available on the Company's website, www.nicoresources.com.au/investors/, by selecting the 'Reports' link.

Shareholders will be given reasonable opportunity to raise questions on these reports and ask questions of the Auditor.

2. Resolution 1: Adoption of Remuneration Report

2.1 Background

Resolution 1 is an ordinary resolution to approve the Remuneration Report. The Remuneration Report is set out in the Directors' report which forms part of the 2022 Annual Report.

The vote on Resolution 1 is advisory only and does not bind the Board or the Company. Notwithstanding, the Board will take the outcome of the vote into consideration when considering the remuneration policy of the Company going forward. On that basis, the Company encourages all Shareholders to cast their votes on Resolution 1.

2.2 Corporations Act requirements

Section 250R(2) of Corporations Act requires a listed public company put a resolution to its shareholders that the remuneration report set out in the directors' report for the preceding financial year be adopted. The resolution is advisory only and does not bind the relevant company or its directors.

If 25% or more of votes that are cast on the resolution are voted against the adoption of the remuneration report at two consecutive annual general meetings of a company, its shareholders will be required to vote at the second of those annual general meetings on a resolution (a **Spill Resolution**) that a further meeting be held within 90 days at which all of the offices of director are vacated (other than the office of managing director) and each such office will be put to a vote.

A voting exclusion applies to Resolution on the terms set out in the Notice.

2.3 Directors' recommendation

The Directors decline to make a recommendation as to how Shareholders should vote in respect of Resolution 1 as they each have an interest in the outcome of the Resolution.

3. Resolution 2: Re-Election of Brett Smith as Non-Executive Director

3.1 Background

Listing Rule 14.4 requires that a director of an entity:

- must not hold office (without re-election) past the third annual general meeting following the director's appointment, or 3 years, whichever is longer; and
- appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

The rule does not apply to the entity's managing director, unless there is more than one managing director, in which case only one is entitled not to be subject to re-election.

Listing Rule 14.5 requires an entity which has directors to hold an election of directors at each annual general meeting.

Brett Smith and Warren Hallam were appointed as a non-executive Director on 10 November 2021 before the Company's admission to ASX and were both elected as Directors at the Company's 2021 annual general meeting.

To satisfy the requirements of the Listing Rules and the Constitution, Mr Smith has elected to retire at the Annual General Meeting and seek re-election.

Resolution 2 is an ordinary resolutions to approve the re-election of Brett Smith as a Director.

If Resolution 2 is passed, Brett Smith will be re-elected as a non-executive Director of the Company.

If Resolution 2 is not passed, Brett Smith will not be re-elected and he will retire as a Director. The Board will then need to appoint another person as a Director so that the Company has a sufficient number of Directors required by law for a public limited company (minimum 3 directors). The Director would be appointed to fill a casual vacancy pursuant to the Constitution, with appointment subject to retirement and election at the Company's next AGM.

3.2 **Biography – Brett Smith**

Brett Smith – Non-Executive Director; B.Chem Eng, MBA, M Res Methodology

Brett Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Brett has served on the boards of private mining and exploration companies and has over 32 years' international experience in the engineering, construction and mineral processing businesses. Brett is an executive director of Metals X Limited, executive director and deputy chairman of Hong Kong listed company APAC Resources Limited, executive director of Hong Kong listed company Dragon Mining Limited and a non-executive director of ASX listed companies Prodigy Gold NL and Tanami Gold NL.

3.3 **Directors' recommendation**

The Directors (other than Brett Smith) recommend that Shareholders vote in favour of Resolution 2. Mr Smith declines to make a voting recommendation noting his interest in the Resolution.

4. Resolution 3: Ratification of prior issue of Employee Options

4.1 **Requirement for Shareholder approval**

3,000,000 unquoted Options were issued to an employee of the Company on 30 March 2022 under the Company's Employee Incentive Plan (**Employee Options**) using the Company's issuing capacity under Listing Rule 7.1. Subsequent ratification of this issue by Shareholders is sought under Resolution 3 pursuant to Listing Rule 7.4.

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period.

The issue of the Employee Options was not made in accordance with any of the exceptions set out in Listing Rule 7.2 and, as the issue has not yet been approved by Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the dates of issue of the Employee Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Options.

If Resolution 3 is passed, the Employee Options will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Employee Options.

If Resolution 3 is not passed, the Employee Options will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Employee Options.

4.2 **Technical Information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

(a) **Names of persons being issued securities or the basis on which they were identified**

The person who was issued the Employee Options was an employee of the Company who is not a Related Party of the Company.

(b) **The number of securities issued**

3,000,000 Employee Options.

(c) **Summary of material terms of Options**

The material terms of the Employees Options are as follows:

(i) The Options are granted under the terms and conditions of the Company's Employee Incentive Plan, a summary of which appears in the Schedule to this Notice of General Meeting.

(ii) Each Option entitles the holder to subscribe for one fully paid ordinary Share, subject to the Option vesting. If the Options are exercised into fully paid ordinary Shares of the Company prior to expiry, those Shares will rank equally with all Shares then on issue.

(iii) The Options are granted in 3 tranches, with each tranche vesting on the applicable vesting date, and exercisable at the exercisable price, stated as follows:

Tranche	Vesting Date	Exercise Price
1,000,000	22 March 2022	Price equal to the 5 day VWAP of Shares prior to vesting on 22/3/2022
1,000,000	22 March 2023	Price equal to the 5 day VWAP of Shares prior to vesting on 22/3/2023
1,000,000	22 March 2024	Price equal to the 5 day VWAP of Shares prior to vesting on 22/3/2024

(iv) Options which have vested may be exercised before their expiry date of 22 March 2025.

(v) The Options are not transferable.

(d) **The date on which the securities were issued**

29 March 2022.

(e) **The price at which the securities were issued**

Options were issued at a nil issue price.

(f) **The use or intended use of the funds raised**

The Company did not raise any funds from the issue of the Options, however, if the Options are exercised, the Company will raise funds from the exercise of the Options, which will be utilised for general working capital purposes.

(g) **Agreement for issue of securities**

The Options were not issued pursuant to the terms of any agreement with the employee.

(h) **Voting exclusion statement**

A voting exclusion statement appears on page 4 of the Notice.

4.3 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as it will refresh the Company's issuing capacities under Listing Rule 7.1 and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

5. **Resolution 4: Increase in limit of total aggregate amount of Non-Executive Directors' fees**

5.1 **Background**

The approval of Shareholders is sought under Listing Rule 10.17 and clause 10.2 of the Company's Constitution so that the limit on the total aggregate amount of directors' fees payable to all of Nico's non-executive Directors for their services is increased by \$300,000 per annum, from the existing \$350,000 per financial year to a maximum sum not exceeding \$650,000 per annum.

It is not intended to use the maximum amount immediately or in the near future. Approval is being sought so that the Company has adequate provision to enable the Company to attract and appoint additional non-executive Directors to the Board in order to properly manage and direct the Company as the Company grows and develops in size and complexity of operations.

If Resolution 4 is passed, the limit on the aggregate amount of directors' fees payable to all of Nico's non-executive Directors for their services will increase to \$650,000 per financial year.

If Resolution 4 is not passed, the limit on the aggregate amount of directors' fees payable to all of Nico's non-executive Directors for their services will remain at \$350,000 per financial year.

5.2 **Information in relation to the Resolution**

Shareholders should note the following in relation to this resolution.

- ASX Listing Rule 10.17 provides that an ASX-listed company must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary shares.
- The current total aggregate amount of directors' fees payable to all of the Company's non-executive Directors was set at \$350,000 per annum prior to the Company's admission to ASX on 17 January 2022 and has not increased since that time.
- The Company currently has two non-executive Directors to whom it pays directors' fees (being the Warren Hallam and Brett Smith), and one executive Director (the Company's Managing Director, Rod Corps), who is not paid Directors' fees but is remunerated as an employee of the Company. The amount of directors' fees being paid to non-executive Directors is currently set at \$60,000 for the Company's Chairman Warren Hallam and \$40,000 for Brett Smith. These amounts may increase within the aggregate limit.
- The Company anticipates that in the near to medium term its operations and business will significantly increase in size, scope and complexity as the Company develops the Wingellina Nickel Project into production and the Company anticipates the need to appoint additional non-executive Directors in order to better manage and direct the Company's growth.

- An increase in the limit on Directors' fees will provide the Company with the scope to attract and appoint additional non-executive Directors with the necessary skills and experience to enhance the existing experience and skills of the current Board.
- In response to the increasing importance of maintaining a high standard of corporate governance oversight, and the importance placed on independent representation on the Board, the number of non-executive Directors will need to increase in the future.
- The Company discloses the annual fees paid to non-executive Directors in its annual remuneration report contained in the Company's annual report.
- No securities have been issued to non-executive Directors under Listing Rules 10.11 or 10.14 with the approval of Shareholders at any time within the preceding 3 years.

5.3 Directors' recommendation

The Managing Director, Rod Corps, recommends that Shareholders vote in favour of Resolution 4.

The non-executive Directors, Warren Hallam and Brett Smith, decline to make a voting recommendation noting their potential interests in the Resolution.

6. Resolution 5: Approval of issue of Equity Securities under the Employee Incentive Plan

6.1 Background

Resolution 5 is an ordinary resolution seeking Shareholder approval to adopt the Company's Employee Incentive Plan.

The Company currently operates an Employee Incentive Plan which was initially established by the Board in August 2021, prior to the Company's initial public offer and admission to the official list of ASX, with the key objectives of:

- assist in the reward, retention and motivation of 'Eligible Persons' (as identified in the table below);
- link the reward of Eligible Employees to Shareholder value creation; and
- align the interests of Eligible Employees with Shareholders by providing an opportunity to Eligible Employees to earn rewards via an equity interest in the Company based on creating Shareholder value.

The plan allows for performance-based awards to receive Equity Securities (e.g. Options and Performance Rights).

As a result of the *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth), the Corporations Act has been amended to include a new Division 1A into Part 7.12 (**ESS Division**) governing the operation of employee share schemes such as the Employee Incentive Plan.

The ESS Division came into effect on 1 October 2022, replacing and expanding the disclosure, financial services licensing and other relief for employee share schemes under ASIC Class Order [14/1000] – *Employee incentive schemes: Listed bodies (CO 14/1000)*.

The Board considers it appropriate to update the Employee Incentive Plan Rules to reflect the legislative changes under the ESS Division.

The key changes to the Employee Incentive Plan are as follows:

- (a) expansion of the eligibility criteria to include certain related persons such as directors, employees and service providers (including immediate family members, controlled bodies corporate or related self-managed superannuation funds) and removing the minimum service requirements;
- (b) for offers of securities made for no monetary consideration, removing the issue limit previously stated in the Employee Incentive Plan for the purposes of enabling those offers to be made without the need for a disclosure document under the Corporations Act to be given to the participant; and
- (c) requiring that a cleansing notice be issued to ensure that any securities issued may be on-sold within 12 months of issue.

A summary of the updated Employee Incentive Plan is set out at the Schedule.

If Resolution 5 is approved, the Employee Incentive Plan Rules will be amended as outlined above. Further, Equity Securities issued under the Employee Incentive Plan to non-Related Parties will be excluded from the calculation of the Company's 15% issuing capacity under Listing Rule 7.1, up to a maximum of 9,100,000 Equity Securities.

If Resolution 5 is not approved, the Company may still issue Equity Securities under the Employee Incentive Plan to non-Related Parties under its Listing Rule 7.1 issuing capacity. However, this will reduce the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the date of the issue of the relevant securities.

6.2 Listing Rule requirements

Listing Rule 7.1 provides that an entity must not, subject to specified exceptions, issue or agree to issue more Equity Securities during a 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 exception 13(b) sets out an exception to Listing Rule 7.1 for the issue of Equity Securities under an employee incentive scheme (e.g. the Employee Incentive Plan) that has been approved by an entity's shareholders. For a period of 3 years from approval, Equity Securities issued to persons who are not Related Parties of the entity under the employee incentive scheme are not counted in the calculation of the entity's 15% issuing capacity under Listing Rule 7.1, up to a maximum number as set out in the notice of meeting pursuant to which the approval is obtained.

6.3 Listing Rule information

The following information is provided in relation to the Employee Incentive Plan, for the purposes of Listing Rule 7.2 exception 13(b):

(a) Summary of terms

A summary of the material terms of the Employee Incentive Plan is set out in the Schedule. A copy of the complete Employee Incentive Plan Rules is available on the Company's website using the following link, www.nicoresources.com.au/download/employee-incentive-plan/.

(b) Securities issued/granted since listing or last approval

Since the Company's admission to ASX on , the Company has issued the following securities under the Employee Incentive Plan:

- 3,000,000 Employee Options issued to an employee on 30 March 2022.

(c) Maximum number of securities proposed to be issued

The maximum number of Equity Securities proposed to be issued under the Plan, following Shareholder approval, in accordance with Listing Rule 7.2 exception 13(b) is 9,100,000 securities (being 10% of the 91,000,002 Shares currently on issue).

6.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. This will ensure that the Employee Incentive Plan reflects the current legislative regime under the Corporations Act, as well as giving the Board the flexibility to issue/grant Equity Securities to eligible participants (who are not Related Parties) under the plan without using the Company's issuing capacity under Listing Rule 7.1.

7. Resolution 6: Approval of Additional Issuance Capacity

7.1 Background

Resolution 6 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Issuance Capacity**).

If approved, the Resolution will enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without having to obtain Shareholder approval. If the Resolution is not approved, the

Company's ability to issue Equity Securities without Shareholder approval will remain limited to the amount permitted under Listing Rule 7.1.

Resolution 6 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution.

7.2 Applicable Listing Rules

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (i.e. the Additional Issuance Capacity). This capacity is in addition to the 15% annual issuance capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company meets the requirements of an eligible entity for this purpose.

7.3 Overview of Listing Rule 7.1A

(a) Quoted securities

Equity Securities issued under the Additional Issuance Capacity must be the same as an existing class of Equity Securities of the Company quoted on ASX.

As at the date of this Notice, the Company has only class of quoted Equity Securities on issue, being fully paid ordinary Shares.

(b) Formula for calculating Additional Issuance Capacity

Listing Rule 7.1A.2 provides that the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula under the Additional Issuance Capacity:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A is the number of Shares on issue 12 months before the commencement of the relevant period:

- plus the number of Shares issued in the period from the date the Company was admitted to the official list of ASX to the date immediately preceding the date of the issue or agreement (**Relevant Period**) under an exception in Listing Rule 7.2 (other than exceptions 9, 16 or 17);
- plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or rule 7.4;
- plus the number of Shares issued in the Relevant Period with approval under Listing Rules 7.1 or 7.4;

- plus the number of partly paid ordinary securities that became fully paid in the Relevant Period; and
- less the number of Shares cancelled in the Relevant Period;

D is 10%; and

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the Shareholders under Listing Rule 7.4.

(c) **Interaction with Listing Rule 7.1**

Listing Rule 7.1 limits the number of Equity Securities that an entity may issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to certain exceptions.

The Additional Issuance Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Listing Rule requirements

The following information is provided in relation Resolution 6, in accordance with Listing Rule 7.3A:

(a) **Period over which approval will be valid**

The Additional Issuance Capacity will commence on date of the Meeting and expire on the earlier of:

- 12 months from the Meeting date;
- the Company's next annual general meeting; and
- when a transaction under Listing Rules 11.1.2 (change to nature or scale of activities) or 11.2 (change involving main undertaking) is approved by Shareholders.

(b) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Issuance Capacity will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

(c) **Purposes for which funds may be used**

The Company does not have any current intention to issue Equity Securities using the Additional Issuance Capacity. However, it may decide to do so for cash consideration to fund working capital requirements, advancing projects (including those outlined in its initial public offer prospectus), potential acquisitions, meet financial commitments and capital management activities.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon any issue of Equity Securities under Listing Rule 7.1A.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the Additional Issuance Capacity will dilute the interests of Shareholders who do not receive Shares under the issue.

If Resolution 6 is approved and the Company issues Equity Securities under the Additional Issuance Capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of the Meeting; and

- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

This may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Issuance Capacity (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

Number of Shares on issue	Share price	New Shares issued	Funds raised	Voting dilution	Economic dilution
91,000,002 (Shares currently on issue / current variable 'A' in Listing Rule 7.1A)	\$0.585 (current market price)	9,100,000	\$5,323,500	10.00%	0.00%
	\$0.439 (25% decrease)	9,100,000	\$3,992,625	10.00%	2.27%
	\$0.293 (50% decrease)	9,100,000	\$2,661,750	10.00%	4.55%
136,500,003 (50% increase)	\$0.585 (current market price)	13,650,000	\$7,985,250	10.00%	0.00%
	\$0.439 (25% decrease)	13,650,000	\$5,988,938	10.00%	2.27%
	\$0.293 (50% decrease)	13,650,000	\$3,992,625	10.00%	4.55%
182,000,004 (100% increase)	\$0.585 (current market price)	18,200,000	\$10,647,000	10.00%	0.00%
	\$0.439 (25% decrease)	18,200,000	\$7,985,250	10.00%	2.27%
	\$0.293 (50% decrease)	18,200,000	\$5,323,500	10.00%	4.55%

Notes: The above table has been prepared on the following assumptions:

1. the current market price is the closing price at which Shares were traded on 19 October 2022 (being \$0.585);
2. the current Shares on issue are the Shares at 19 October 2022 (being 91,000,002 Shares);
3. the Company issues the maximum number of Equity Securities available under the Additional Issuance Capacity;
4. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Issuance Capacity;
5. the Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Issuance Capacity;
6. the impact of placements under Listing Rule 7.1 or following the conversion of convertible securities (e.g. Options, Performance Rights) is not included in the calculations; and

7. economic dilution (**ED**) is calculated using the following formula:

$$\text{ED} = (\text{MP} - (\text{NMC} / \text{TS})) / \text{MP}$$

where:

MP = the market price of shares traded on ASX, expressed in dollars;

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total shares on issue following new Equity Security issue.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional Issuance Capacity.

The Company has not yet identified allottees to receive the Equity Securities under the Additional Issuance Capacity. However, they may include current Shareholders, new investors, or both. None of the allottees will be Related Parties or 'associate' (as defined in the Listing Rules) of Related Parties.

Potential allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company including, but not limited to, an entitlements issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

(f) **Details of prior issues**

The Company has not issued any Equity Securities under Listing Rule 7.1A in the 12 months prior to the Meeting.

(g) **Voting exclusion statement**

A voting exclusion statement appears on page 4 of the Notice.

7.5 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6 as it will give the Company the flexibility to raise additional working capital whilst preserving the Company's cash reserves.

8. **Resolution 7: Amendment to Constitution**

8.1 **Background**

In 2021 the Corporations Act was amended to permit a company to hold and conduct general meetings using virtual meeting technology in accordance with the requirements of the Corporations Act.

The Board considers it important that the Company continue to have the ability to hold virtual meetings to ensure it is able to conduct general meetings in circumstances where in person attendance is not possible, practical or appropriate. Accordingly, it is proposed that the Constitution be amended to ensure the Company is able to hold virtual general meetings in accordance with the provisions in the Corporations Act concerning the use of virtual meeting technology.

While hybrid and virtual meetings can be held, wholly virtual meetings will only be allowed if expressly permitted under the Company’s Constitution. Whichever format is used, members as a whole must be given a reasonable opportunity to participate, and any technology used must allow members to exercise, orally and in writing, any rights those members have to ask questions and make comments.

8.2 Resolution

Resolution 7 is a special resolution to amend the Constitution to expressly permit the Company to hold and conduct general meetings using virtual meeting technology only. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

If passed, the Resolution will enable the Company to amend its Constitution to:

- (a) expressly permit the Company to hold and conduct general meetings using virtual meeting technology as permitted by section 249R(1)(c) of the Corporations Act; and
- (b) to ensure that the provisions of the Constitution concerning the conduct of meetings using virtual meeting technology are consistent with the requirements of section 253Q of the Corporations Act.

8.3 Proposed amendments

The table below sets out the proposed variations to the Constitution required to enable to the Company to hold and conduct general meetings using virtual meeting technology only.

Constitution clause reference	Amendment
Clause 2.1	The following new definition is added to clause 2.1: <i>“Virtual Meeting Technology means any technology that allows a person to participate in a meeting without being physically present at the meeting.”</i>
Clause 6.2(b)(ii)	Clause 6.2(b)(ii) is wholly replaced with the following: <i>“(ii) if the meeting is to be held using Virtual Meeting Technology in accordance with clause 6.6, the technology that will be used to facilitate the meeting and sufficient information to allow the members to participate in the meeting by means of the Virtual Meeting Technology;</i>
Clause 6.6	Clause 6.6 is wholly replaced with the following: “6.6 Use of technology at general meetings <i>(a) A general meeting may be held at two or more venues using Virtual Meeting Technology or using Virtual Meeting Technology only.</i> <i>(b) Subject to the Corporations Act and this Constitution, a general meeting may be held using one or more technologies that give the members participating a reasonable opportunity to participate in the meeting without being physically present.</i> <i>(c) Where a general meeting is held using any form of technology in accordance with clause 6.6(b):</i> <i>(i) the technology used must be reasonable and allow the members who are entitled to attend the meeting, and do attend the meeting using that Virtual Meeting Technology, as a whole, to exercise their right to ask questions and make comments both verbally and in writing;</i> <i>(ii) a member participating in the meeting is taken for all purposes, including the quorum requirements in clause 6.4, to be present in person at the meeting;</i> <i>(iii) if a person is entitled to attend the meeting, or to vote at the meeting, by proxy, the chair of the meeting must treat a duly appointed proxy in the same way as the person would be entitled or required to be treated if they attended the meeting</i>

Constitution clause reference	Amendment
	<p><i>in person;</i></p> <p>(iv) <i>the provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes, to general meetings held using that technology; and</i></p> <p>(v) <i>the meeting is to be taken to be held at:</i></p> <p>(A) <i>if the meeting is held at more than one physical venue (whether or not it is also held using Virtual Meeting Technology), the main physical venue of the meeting as set out in the notice of the meeting; or</i></p> <p>(B) <i>if the meeting is held using Virtual Meeting Technology only, the registered office of the Company.</i></p> <p>(d) <i>If a separate meeting place is linked to the main place of a general meeting by Virtual Meeting Technology which, by itself or in conjunction with other arrangements:</i></p> <p>(i) <i>gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;</i></p> <p>(ii) <i>enables the chair to be aware of proceedings in the other place; and</i></p> <p>(iii) <i>enables the members in the separate meeting place to vote on a show of hands or on a poll,</i></p> <p><i>a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if they were present at the main place.</i></p> <p>(e) <i>If any technical difficulty occurs, whether before or during the general meeting, that results in one or more of the matters in clause 6.6(d) no longer being satisfied, the chair may, subject to the Corporations Act and clause 6.4:</i></p> <p>(i) <i>allow the meeting to continue; or</i></p> <p>(ii) <i>adjourn the meeting either for a reasonable period of time as may be required to fix the technology or to such other date, time and location as the chair of the meeting considers appropriate.</i></p> <p>(f) <i>To avoid doubt, where the chair has allowed the general meeting to continue in accordance with clause 6.6(e)(i), any resolution passed at that meeting is valid.</i></p> <p>(g) <i>The chair of a meeting of members may delegate any power conferred by this clause 6.6 to any person."</i></p>
Clause 6.7(j)	<p>Clause 6.7(j) is amended by adding the following sentence at the end:</p> <p><i>"A notice of a meeting resumed from an adjourned meeting and a notice postponing a meeting of Members must set out the place, date and time for the revised meeting (and if the revised meeting is to use Virtual Meeting Technology, the technology that will be used to facilitate the meeting and sufficient information to allow the members to participate in the meeting by means of the Virtual Meeting Technology)."</i></p>

8.4 Corporations Act requirements

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution (or a provision in its constitution), or may adopt a new constitution, by special resolution of its shareholders.

8.5 **Directors' recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 7 to give the Company the flexibility to hold and conduct general meetings using virtual meeting technology only.

9. **Resolution 8 – Appointment of Auditor**

9.1 **Background**

Under the Corporations Act, shareholder approval is required for the appointment of a new auditor. It is proposed that KPMG be appointed as the auditor of the Company and its controlled entities.

Criterion Audit Pty Ltd is currently the Company's auditor. Following receipt of a proposal which the Board considers to be reasonable and competitive in terms, the Board has determined that KPMG be appointed as the new auditor of the Company and its controlled entities. KPMG has consented to the appointment subject to ASIC's consent to the resignation of Criterion Audit Pty Ltd as the existing auditor.

Criterion Audit Pty Ltd has agreed to resign as auditor with effect from the close of the Meeting and will seek consent from ASIC for the resignation in accordance with section 329(5) of the Corporations Act prior to the Meeting.

Section 328B(1) of the Corporations Act requires that written notice of nomination of a new auditor be received from a member of the Company. The Company has received such a nomination from the Company's Company Secretary, Amanda Burgess, in her capacity as a member of the Company, nominating the proposed new auditor. A copy of this nomination is set out in Annexure A to this Notice of Meeting.

If Resolution 8 is approved, the appointment of KPMG as the Company's new auditor will take effect at the close of the Annual General Meeting.

9.2 **Directors' recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 8.

Glossary

In this Explanatory Statement, the following terms have the meaning set out below, unless the context otherwise requires:

2022 Annual Report	The annual report of the Company for the financial year ended 30 June 2022, including the annual financial report, the Directors' report and the Auditor's report.
Additional Issuance Capacity	Has the same meaning as given to that term in Section 7.1 of this Explanatory Statement.
Annual General Meeting or Meeting	The annual general meeting of Shareholders convened by this Notice, including or any adjournment of such meeting.
Associated Entity	Has the same meaning as given to that term in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Auditor	The auditor of the Company, being Criterion Audit Pty Ltd at the date of this Notice.
Board	The Company's Board of Directors.
Closely Related Parties	Has same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).
Company	Nico Resources Limited (ABN 80 649 817 425).
Company Secretary	The Company Secretary of the Company at the time of the Meeting.
Constitution	The Constitution of the Company as at the date of the Notice.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Employee Incentive Plan	The Employee Incentive Plan adopted by the Board in 2021, a summary of which is set out in the Schedule to this Explanatory Statement.
Employee Options	Options granted to employees under the Employee Incentive Plan.
Equity Security	Has the same meaning as given to that term in Listing Rule 19.12, being: <ul style="list-style-type: none">(a) a share;(b) a unit;(c) a right to a share or unit or option;(d) an option over an issued or unissued security;(e) a convertible security;(f) any security that ASX decides to classify as an equity security;(g) but not a security that ASX decides to classify as a debt security.

Exempt Investor	An investor to whom securities may be offered and issued without disclosure under Chapter 6D of the Corporations Act, including an investor within a category in section 708 of the Corporations Act.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice of Meeting.
Glossary	This glossary of terms.
Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	The listing rules of ASX, as amended from time to time.
Meeting Chair	The chairperson of the Meeting.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Performance Right	A contractual right to be issued with a Share on satisfaction of specified vesting conditions/performance hurdles.
Proxy Form	The proxy form accompanying the Notice.
Related Party	Has the same meaning as given to that term in the Listing Rules.
Remuneration Report	The remuneration report of the Company for the period ended 30 June 2022, appearing in the Director's report as set out in the 2022 Annual Report.
Resolution	A resolution set out in the Notice.
Section	A section of this Notice.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Securities Registry	The Company's securities registry, being Computershare Investor Services Pty Ltd.
VWAP	The volume weighted average sale prices of Shares sold on ASX during the specified period, excluding any transaction defined in the ASX Operating Rules as 'special', crossings prior to the commencement of normal trading, crossings during the after-hours adjust phase and any overseas trades or exchange traded option exercises.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule – Summary of Employee Incentive Plan

Item	Details
Eligibility	<p>The following persons of the Company are eligible to participate in the Employee Incentive Plan (Plan):</p> <ul style="list-style-type: none"> • an employee of the Company or any of its Associated Entities; • a director of the Company or any of its Associated Entities; • an individual who provides services to the Company or any of its Associated Entities; • any other person who is a ‘primary participant’ as defined in section 1100L(1)(a) of the Corporations Act in relation to the Company or any of its Associated Entities; or • any other person who is a ‘related person’ as defined in section 1100L(1)(b) of the Corporations Act of a ‘primary participant’ referred to above, <p>(Eligible Employees). An Eligible Employee who participates in the Plan is a “Participant”.</p>
Employee Incentives	<p>Equity Incentives issued under the Employee Incentive Plan includes any share-based incentive award, including:</p> <ul style="list-style-type: none"> • shares; • options to subscribe for a share issued in accordance with the Employee Incentive Plan and subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price; or • performance rights which provide entitlements to be issued with shares, subject to the satisfaction of any vesting conditions and/or performance conditions, <p>(Employee Incentives).</p> <p>Employee Incentives may, among other things, be issued as tax-deferred incentives under Australian tax legislation.</p>
Maximum allocation	<p>The Company must not make an offer of Employee Incentives under the Plan where the total number of Shares that may be issued, or acquired upon exercise of Options or performance rights, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3-year period would exceed 10% of the total number of Shares on issue at the date of the offer.</p>
Administration	<p>The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion</p>
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Employee may participate in the Plan and make an offer to that Eligible Employee to apply for Employee Incentives on such terms and conditions as the Board decides.</p> <p>On receipt of an application, an Eligible Employee may apply for the Employee Incentives the subject of the offer by sending a completed application form to the Company. The Board may accept an application from an Eligible Employee in whole or in part. An Eligible Employee may nominate a related party of the Eligible Employee to be issued or granted the Employee Incentives if so permitted by the terms of the offer</p>
Grant of Employee Incentives	<p>The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Employee the relevant number of Employee Incentives, subject to the terms and conditions set out in the offer, the Plan rules and any ancillary documentation required.</p>

Possible vesting and performance conditions	Employee Incentives issued/granted under the Plan may be subject to vesting conditions set in the offer of the Employee Incentives, as determined by the Board. These are conditions which must be satisfied or waived before the Employee Incentives can vest or can be exercised (if applicable). They may be time-based criteria or performance-based criteria.
Possible restrictions on disposal	Employee Incentives issued/granted under the Plan and any resulting Shares, may be subject to restrictions on sale or disposal, as determined by the Board
Limits on Issue	<p>The Company must not make an offer of Equity Incentives for ‘monetary consideration’ (within the meaning of section 1100Q of the Corporations Act) Monetary Offers for Equity Incentives that are subject to the ESS Division to the extent doing so would contravene the ‘issue cap’ under section 1100W of the Corporations Act.</p> <p>The following will be excluded from the calculation of the ‘issue cap’ unless and to the extent they are required by applicable law to be included in such calculation:</p> <ul style="list-style-type: none"> • Equity Incentives which are issued by the Company in circumstances where the Company does not rely upon Division 1A of Part 7.12 of the Corporations Act (ESS Division) or a similar exemption or modification to the Corporations Act granted by ASIC; and • Equity Incentives offered in the following circumstances: <ul style="list-style-type: none"> ○ an Offer made to a person situated outside of Australia at the time of receipt of the Offer; ○ an Offer that did not need disclosure to the Eligible Person because of section 708 or section 1012D of the Corporations Act; or ○ an Offer made pursuant to a ‘disclosure document’ (as defined in the Corporations Act). <p>Equity Incentives may not be issued to any person to whom the issue of those Equity Incentives would require the approval of Shareholders under the Corporations Act, the Listing Rules or other applicable law unless:</p> <ul style="list-style-type: none"> • approval is given by Shareholders in general meeting in accordance with the applicable legal requirements; or • the issue of those Equity Incentives falls within a relevant exception to the applicable law.
Forfeiture of Employee Incentives	<p>At the discretion of the Board, a Participant may forfeit any Employee Incentives in various circumstances including where the Participant acts fraudulently or dishonestly, breaches his or her duties to the Company, commits a material breach of their employment contract, is charged with or convicted of a criminal offence or commits serious misconduct or accepts a position to work with a competitor of the Company.</p> <p>Unless the Board otherwise determines, where a person commits an action of the type described above and ceases to be an employee or officer of the Company (and becomes a “Bad Leave” as defined under the Plan) any Employee Incentives (vested or unvested) will be forfeited immediately.</p>
Vesting of change of control	If a change of control event occurs in relation to the Company, the Options or performance rights granted under the Plan which are subject to vesting conditions may automatically vest regardless of whether any performance criteria or vesting conditions have been satisfied.
Rights attaching to Plan Shares	All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a convertible security (Plan Shares), will rank pari passu in all respects with all other Shares on issue.
Taxation deferral	The Plan provides for the issue of Equity Securities in circumstances where income tax otherwise payable by a Participant on the value of Options or performance rights granted

	under the Plan may be deferred in accordance with the provisions of subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth)
Participation in new issues	There are no participation rights or entitlements inherent in Options or performance rights granted under the Plan and holders are not entitled to participate in any new issue of Shares of the Company during the currency of Options or performance rights granted under the Plan without exercising the Options or performance rights.
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Employee Incentives have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by Participants.</p>
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time terminate or suspend the operation of the Plan for such period as it thinks fit.

Annexure A – Nomination of Auditor

21 October 2022

Nico Resources Limited
Level 6, 190 St Georges Terrace
PERTH WA 6000

Dear Directors

NOMINATION OF KPMG AS AUDITOR OF NICO RESOURCES LIMITED

I Amanda Burgess, being a shareholder of Nico Resources Limited (**Company**), hereby nominate KPMG of 235 St Georges Tce, Western Australia for appointment as auditor of the Company at its 2022 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2022 Annual General Meeting of the Company as required by section 328B(3) of the Corporations Act 2001.

Yours faithfully

Amanda Burgess

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:30pm (AWST) Sunday 20 November 2022**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 181940

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Nico Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Nico Resources Limited to be held at Level 8, 216 St Georges Terrace, Perth, WA 6000 on Tuesday, 22 November 2022 at 12:30 pm and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director – Brett Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of prior issue of Employee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in limit on aggregate amount of remuneration payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of issue of Equity Securities under Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Additional Issuance Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Amendment to Constitution – virtual meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

