

QUARTERLY REPORT SEPTEMBER 2022

ASX code : NC1

Board

Rod Corps
Managing Director

Warren Hallam
Non-Executive Chairman

Brett Smith
Non-Executive Director

Issued Capital

91.00M shares on issue
37.8M unlisted options

Market Capitalisation

\$52.78 million

Enterprise Value

\$43.51million

Cash at Bank (Sept 30)

\$9.266 million

Nico Resources Limited

ABN 80 649 871 425

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KEY HIGHLIGHTS

- Pre-feasibility study awaiting final costing of renewable power options with expected completion December quarter.
- Drilling Program commenced as access to the lands reopen after COVID; completion is expected by end of November, with results to follow.
- Discussion with various offtake and finance partners ongoing.
- Appointment of highly experienced CFO, Mr Teck Lim.

Managing Director, Rod Corps said

"The company is pleased to report on a very active quarter. The PFS as advised is nearing completion and we are excited to be presenting it to shareholders, investors and interested joint venture partners in the very near future.

Nico has also at the time of writing completed its 10,000m drilling program to delineate the high-grade nickel and cobalt pits in preparation for optimising the production scheduling which will maximise cashflow in the early years of the development.

During the quarter the company managed to secure a very experienced project financier and banker as the company's CFO with the appointment of Mr Teck Lim. Teck comes to us at a critical time allowing us to refine the PFS and to move forward with financing and development.

Nico remains extremely excited by the level of inbound interest that we have seen from potential interested parties in what is a very exciting time for the battery minerals space. The company remains actively engaged with potential Joint venture partners and potential off-takers both locally and internationally.

The hard work from the Nico team and its consultants over the first 9 months since listing is now poised to deliver over the next quarter. Post the delivery of the PFS the company will be embarking on a very rigorous program of promotion, which we believe will bring even greater awareness of what is Australia's largest developing nickel/cobalt project in Australia.

Nico maintains a very strong cash position of \$9.2m which will enable the company to achieve its milestones over the long term."

It is a very exciting time and we look forward to the coming quarter, in what the company believes will be a significant step forward for Nico Resources. "

QUARTERLY ACTIVITIES

Nico Resources Limited (ACN 649 817 425) ("**Nico**" or the "**Company**") is pleased to present a summary of activities for the quarter ended 30 September 2022.

Nico's main focus during the quarter was to continue to advance the Wingellina project towards development and production. The main activities for the quarter were to:-

- Progress the pre-feasibility study (PFS);
- Engage with potential off-take and finance partners;
- Review and optimise the exploitation of the Wingellina ore deposit through the exploration and drilling of high grade zones;
- Review the satellite Claude Hills deposit and continue the approvals process for access for a resource upgrade drill program;
- Execute a resource definition drill program sufficient to derive a local Calcrete resource which will reduce the need to purchase lime for the ore processing.

Wingellina Prefeasibility Study

During the quarter the majority of the PFS works were completed including the process flowsheets, capital and operating costs and financial modelling. However, as a result of the exponential advancements in the competitive production of renewable power and the significant benefits that it is likely to provide to the project, the company believes it is important to include these benefits into the PFS with the completed PFS now expected during the December quarter. The various power consultants are currently costing the power options which will be added into the PFS model in order to finalise the PFS report.

The key attributes of the PFS and works completed during the quarter are summarised as follows :-

- Completion and release of PFS in the December quarter.
- PFS being undertaken with leading specialised consultants such as Worley amongst other contributors working in conjunction with Nico's management team.
- The optimal PFS key physicals proposes the production of approximately 40,000tpa of contained nickel and 3,000tpa of contained cobalt for over 40 years based on the current ore reserves only.
- The majority of Capital and Operating cost projections (awaiting power projections) have been received and are in line with Nico's expectations.
- Renewable power solutions are currently being assessed for the onsite power supply, which can be a competitive power option that involves a Build-Own-Operate model from independent power producers (IPPs). As a result of these significant benefits, in addition to the lower emissions, Nico believes it is best to incorporate these alternatives into the PFS which has delayed the finalisation of the PFS.
- A review of the previously completed metallurgical test work programs illustrated that the significant work previously completed is suitable for the basis of the PFS flow sheet design with Mixed Hydroxide Precipitant being the ideal product for the PFS design.
- Process plant and infrastructure flowsheet design and layouts have been completed.
- Mine design has been reviewed, the current mining schedule remains optimised for the current reserve. Following an update of the resource model in Q1 2023 an updated production schedule will be delivered to feed into the definitive feasibility study.
- The PFS is expected to confirm the potential for the Wingellina Project to become a globally significant producer of nickel with cobalt and manganese to feed the growing lithium-ion battery market.
- Further optimisation of the project will be undertaken to include technology advancements within the flowsheet and products which will be included in the definitive feasibility study.

- Drilling to confirm the delineation of high-grade nickel / cobalt pits to provide higher grade feed in the earlier years, along with resource definition drilling for calcretes has also commenced (Refer to ASX NC1 announcement on 13-9-2022) and is expected to be completed in early November with results to follow thereafter

Exploration & Geology:

Wingellina 2022 Drill Program update:

Nico commenced a 10,000m drill program in September at its Central Musgraves Project with the following objectives:

- 7,300m to confirm and optimise the high grade nickel and cobalt domains for production scheduling. The data generated from the 2022 program when combined with that from the 2017 and 2019 programs which will enable resource determinations of the high-grade zones to be undertaken and to optimise the project economics with the scheduling of mining higher grade zones in earlier years.
- 2,700m has been designed for the completion of resource definition drilling on E69/3065 (Lewis Calcrete Deposit). The program has the objective of defining up to 90Mt of suitable calcrete resources for use as an acid-neutralising agent for the life of operations at the proposed Wingellina Ni-Co Processing Plant. This will significantly off set the requirement to transport and purchase lime.
- 300m has been designed to test the depth, abundance, and quality of water within Palaeo valley sediments of the Mann Fault within 10kms of the Wingellina project. The purpose of this program is to confirm the potential water supply close to our project location that as a minimum will provide enough water for the requirements of project construction.

The program has progressed well and is anticipated to be completed by the end of November with assay results to be returned thereafter.

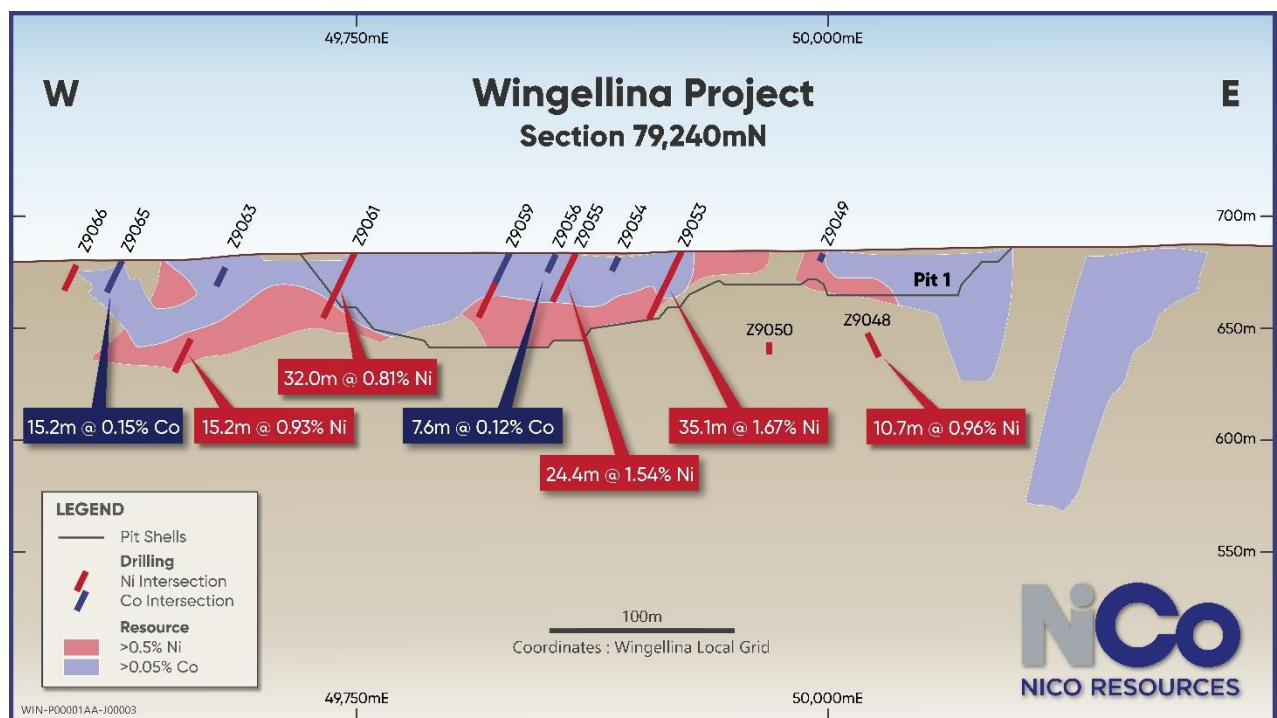


Figure 1: Cross section of the Wingellina Orebody outlining distinctions between the nickel and HG cobalt orebodies.

Australian Trade and Investment Commission (Austrade) Engagement:

Nico was invited to participate in the recent Australian Trade Delegation for Critical Minerals to the Republic of Korea in early October. The Delegation was lead by the Australian federal Minister for Trade and Tourism, Don Farrell and Supported by Austrade CEO Xavier Simonet Australian critical Minerals industry leaders, including Nico Resources The trade delegation was established to strengthen and pursue further opportunities for closer two-way trade and investment between the two countries whilst facilitating meetings between Korean industry participants and Australian development projects seeking funding solutions.



Figure 2: Group photo from the Australian-Korean Trade Delegation for Critical Minerals to the Republic of Korea. The photo includes all government and private enterprise organisations from Korea and Australia.

Nico also continues to engage with other end users within the downstream market for Nickel, Cobalt, and Manganese as it continues the development and execution of its project financing and development options for the world-class Wingellina project.

Austrade has remains a supportive partner in connecting Nico with potential investors seeking opportunities to secure long-term supplies of Nickel, Cobalt and Manganese. The Wingellina Project is currently listed on the “2021 Critical Minerals Prospectus”, (<https://www.austrade.gov.au/news/publications/australian-critical-minerals-prospectus-2021>) a document collated by Austrade for the promotion of Australian Critical Minerals projects seeking investment opportunities.

Environmental & Social Governance

2022 EPA PER Extension Application:

The Wingellina project received its EPA approval in September of 2016 which are granted for a term of 5 years with the ability to apply for extension for a second term of 5 years.

The company is working with its environmental advisors Santec and the EPA to obtain a 5 year extension to the approval.

Community & Traditional Owner Engagement

As part of Nico's continuous community engagement strategy, we continue to provide services to the local lands with access to accommodation and meals at our Wingellina exploration camp. Nico maintains this service as an option for the general public and service providers to the Ngaanyatjarra and Anangu Pitjantjatjara Yankunytjatjara lands.

During the Quarter the Nico field team hosted the Wingellina community school on a field excursion trip to observe our active drilling program at the Wingellina deposit. The trip was an opportunity to show the kids of the Wingellina community the activities that are associated with an exploration drilling program. It was also a great opportunity for the kids to ask questions. Nico would like to extend its thanks to the Kennedy Drilling team for participating in the field excursion.



Figure 3: Wingellina Community School trip attendees to the NiCo Resources field drilling program

During the quarter Nico continued its engagement with the communities and respective traditional owners of the lands in which we work and operate. Nico completed a project update meeting with the Ngaanyatjarra land council to discuss the development of our ongoing drilling campaign as well as progress the pre-feasibility study (PFS). Nico continues to remain actively engaged with community consultation on country.

CENTRAL MUSGRAVE PROJECT (CMP)

The world-class Wingellina Nickel-Cobalt Project (Wingellina) is the largest undeveloped nickel-cobalt deposit in Australia and part of Nico Resources Central Musgrave Project (CMP) which straddles the triple-point of the Western Australia, Northern Territory and South Australia borders.

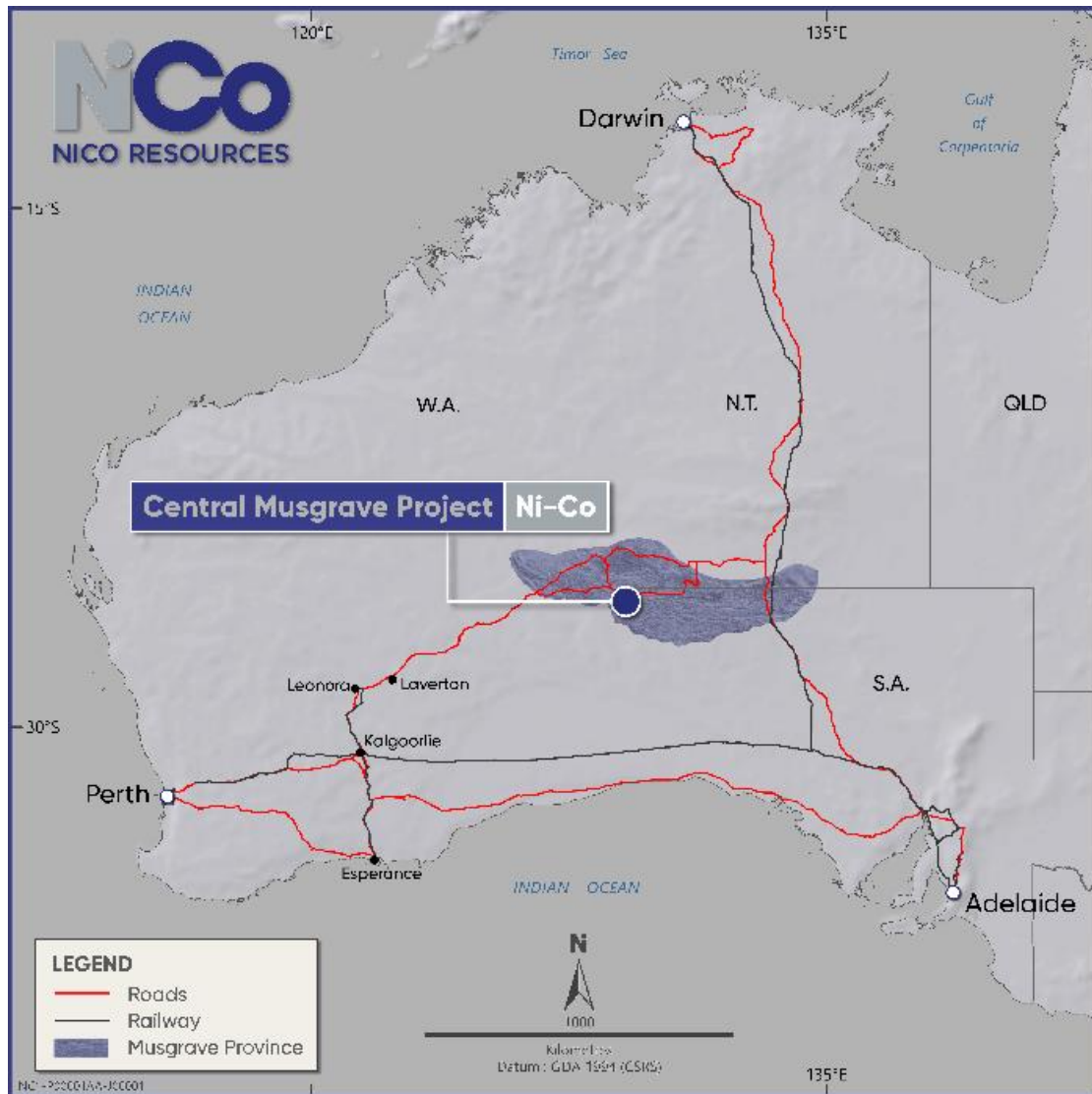


Figure 4: Central Musgraves location map

The Central Musgrave Project (CMP) tenement portfolio comprises of 3 main exploration licences, known as - Wingellina (WA), Claude Hill (SA) and Mt Davies (SA), an exploration licence covering the Lewis calcrete resource and three miscellaneous licences covering the defined water resources.

The Tenements host a nickel-cobalt lateritic Mineral Resources in excess of 200 million tonnes, containing 1.95 million tonnes of nickel and 150 thousand tonnes of cobalt, along with a probable Ore Reserve of 164.8 million tonnes containing 1.56 million tonnes of Nickel and 123,000 tonnes of cobalt.

The Wingellina deposit, a world class orebody specifically hosts a measured, indicated and inferred Mineral Resources of 182.6Mt at 0.92% Ni & 0.07% Co for 1.68Mt of contained nickel and 132Kt of contained cobalt, and hosts probable Ore Reserves of 168.4Mt at 0.93% Ni & 0.07% Co for 1.56Mt of contained nickel and 123Kt of contained cobalt (Please refer to the resource tables in appendix 1). This makes Wingellina the seventh largest Nickel equivalent ore reserve globally and the third largest undeveloped reserve in the world.

LARGEST GLOBAL NICKEL RESERVES

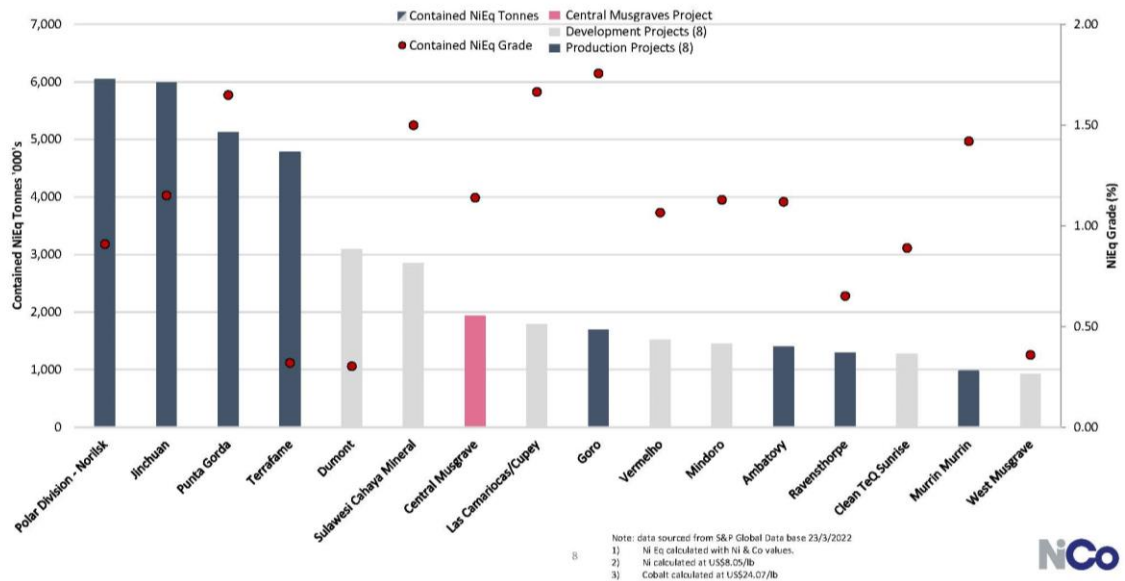


Figure 5: 16 Largest nickel equivalent reserves globally

LARGEST UNDEVELOPED GLOBAL NICKEL RESERVES

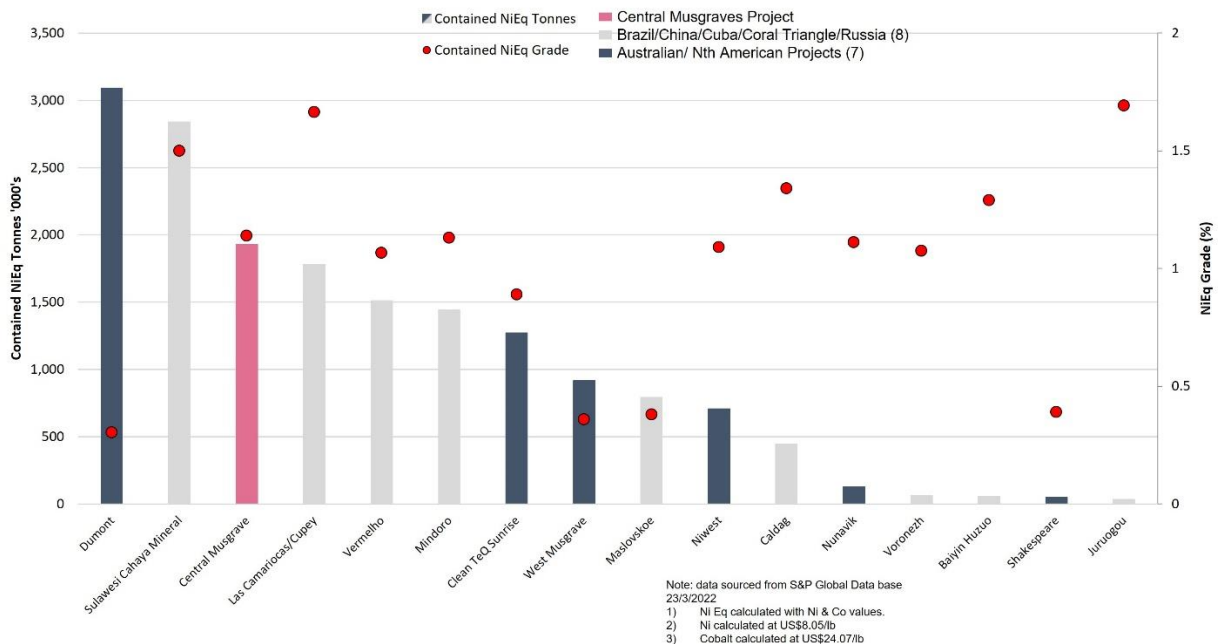


Figure 6: 16 Largest undeveloped nickel equivalent reserves globally

The Claude Hills deposit is located less than 20km from Wingellina and hosts an Inferred Resources of 33.3 Mt at 0.81% Ni and 0.07% Co for 270Kt of contained nickel and 23Kt of contained cobalt. Both Mineral Resources and Ore Reserves in respect of the CMP Project were declared in 2016 (Please refer to the resource tables in appendix 1).

A Phase 1 Feasibility Study was undertaken in 2008, a land access agreement was signed in 2010 and EPA approval to develop the project was obtained in 2016. Since 2016 additional metallurgical optimisation, processing and infrastructure studies have been undertaken

The Phase 1 Feasibility Study (+/-25%) envisioned HPAL processing with a potential project mine life of 42 years, producing approximately 40,000tpa of nickel and 3,000tpa cobalt. During the quarter, Nico commenced an update of the PFS study with Worley Services Pty Ltd (ASX release 7/4/22)

Various metallurgical testwork programs have been undertaken providing for the potential commercial production of high-quality cobalt and nickel sulphates, mixed nickel / cobalt sulphides, hydroxides and carbonates. The successful recovery of Scandium has also been investigated on the Wingellina ore body.

Due to the intense oxidation and free digging nature of the ores, mining is anticipated to account for less than 5% of the AISC cost as the ores can be extracted without the requirement for blasting. Mining studies, completed as part of the Phase 1 Feasibility Study estimated the average waste:ore strip ratio for the first 20 years of mining being only 0.5:1 and for the 42-year project 1:1.

Wingellina Proposed HPAL Operation	
Strip Ratio	1:1 (0.5:1 for 0-20 yrs)
Ore Thickness	80 metres average
Tonnes/km ²	50-60 Mt
Mining Technique	Free Dig
MgO	Low
Iron	High
Low Acid Consumption	< 300 Kg/t
Ore Blending	Not Required

Figure 7: Proposed Wingellina operation key mining characteristics

Nico, through its tenure now controls much of the Giles complex layer intrusion defined basal contact. an interpreted ~100km of strike is proposed to exist across the CMP project and there are multiple green and brownfields targets, some with associated mineralisation still to be tested. The Wingellina Deposit extends for approximately 10kms along this defined contact.

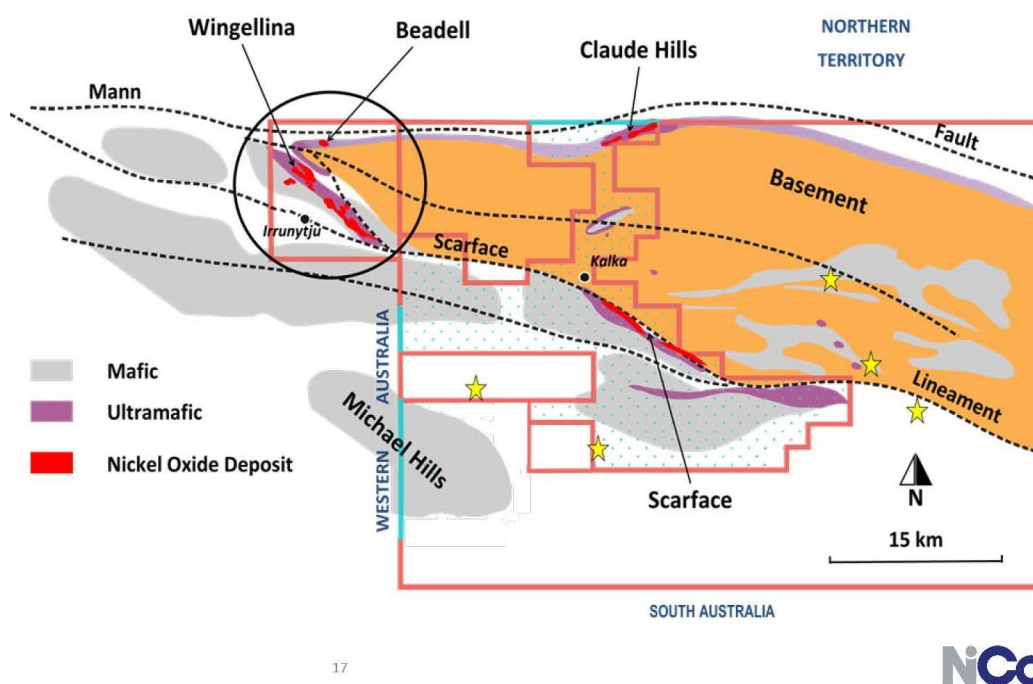


Figure 8: Central Musgraves exploration targets within proximity to Wingellina Orebody

Since 2008, comprehensive bench-scale metallurgical test work has been completed, geotechnical diamond drilling, extensive flora and fauna studies, site engineering testing, logistics investigations and feed and waste characteristics in preparation for a bankable feasibility study. Studies have included the production of mixed hydroxides, mixed sulphides, nickel and cobalt sulphates and scandium, process alternatives including PosNep (POSCO proprietary technology). Ammonia leaching, oxide flotation and Ion exchange. Recent studies have also reviewed the high grade cobalt and nickel start-up options to optimise the project economics by processing higher grade material in earlier years.

On 16 July 2010, Hinckley Range Pty Ltd (a wholly owned subsidiary of Metals Exploration Pty Ltd which is now a wholly owned subsidiary of Nico), the Yarnangu Ngaanyatjarraku Parna Aboriginal Corporation, the Ngaanyatjarra Council (Aboriginal Corporation) and the Ngaanyatjarra Land Council (Aboriginal Corporation) executed the Wingellina Project Agreement which provides for the future grant of mining leases, the construction and operation of the future Wingellina mine and details the associated compensation considerations.

In September 2016 after the submission of a final Public Environmental Review in August 2015, EPA approval was obtained to proceed with the implementation of the Wingellina Nickel Project proposal.

Calcrete Resources - Lewis Calcrete Project

In 2013 Exploration Licence E69/3065 located within WA, approximately 25km north-west of the Wingellina township was acquired - known as the Lewis Calcrete Deposit.

The PSF1 had estimated a total of ~800,000t/year of calcrete/limestone would be required over the life of the CMP for acid neutralisation purposes.

Initial drill testing comprising 89 shallow reconnaissance 100 metre spaced RC holes along a 9km access track was completed in 2014 with 579 samples submitted for analysis. Test work subsequently confirmed good quality calcrete with CaO+MgO+LOI exceeding 70% confirmed in 68 of the holes drilled. The calcrete is calcium-rich, with MgO rarely exceeding 2%. The base of the calcrete profile was found to occur at a depth of about 6 metres below surface.

Resource definition drilling commenced in late 2020 with the planned program being approximately 50% completed prior to being postponed due to COVID restrictions. With the recent lifting of the COVID restriction within the lands, the company recommenced the Calcrete drill program in September, as discussed early in the quarterly which is expected to be completed by the end of November. When completed, the results from this program will be used to quantify and ascertain the continuity of the best quality calcrete in the deposit for HPAL process requirements. Additional calcrete deposits also occur elsewhere and on the tenement that may also be utilised as a source for haul road construction materials for the Projects.

Additional Processing and Metallurgical Option Studies

While the P1FS contemplated an ore processing route of HPAL followed by metal precipitation to a mixed nickel-cobalt hydroxide product, subsequent investigations have been undertaken into other metallurgical options, including numerous product options, such as ammonia leach, oxide flotation and iron exchange.

Test work in 2012 showed that Di-(2-ethyl hexyl) phosphoric acid (DE2HPA) was a very effective extractant for scandium with excellent selectivity.

In 2012 precipitated test work using sodium hydrosulphide (NaHS) to produce a mixed nickel and cobalt sulphides product resulted in recoveries of approximately 90% nickel and 96% Cobalt into a product containing 47.6% nickel and 4.05% cobalt, with a sulphur to metal ratio of 1.16. In 2013 a mixed sulphide precipitate product was also achieved through using sulphide hydrogen gas which showed nickel recoveries in the ranged of 95.6 - 99.2% and cobalt in the ranged of 94.8 - 99.8%.

In late 2017 SGS Minerals Metallurgy was engaged to undertake sulphate crystallisation testwork (a product used in batteries) on Wingellina ores. The results of this work were positive and highlighted potential processing refinements warranting further investigation. Importantly, high quality nickel and cobalt sulphates as potential battery feedstock were produced.



Figure 9: Battery Grade Sulphates precipitated from Wingellina ore in 2017

In addition, various programs of testwork on the physical properties have also been undertaken to determine the physical, chemical and geochemical characteristics of mine waste materials. In 2014 testwork showed that all waste samples assessed were classed as non-acid forming (**NAF**) and the gabbro and saprock waste materials are physically, chemically and geochemically benign, and are likely to be a valuable source of competent surface armour material for use in rehabilitation of waste landforms.

Nico has undertaken a review of all of the various known metallurgical processes and advancements in extractive technology and in most it was concluded that there does not appear to be any processes sufficiently advanced that would be more superior than those already tested by the company. However, there are several potential value add steps which have been identified such as the production of HPA and Scandium. In addition, there are numerous downstream opportunities to produce battery products. These value options will be included in the definitive feasibility study.

Planned activities and exploration for quarter ending 31 December 2022

During the December Quarter Nico is expected to conduct the following activities:

- Nico will complete the planned 10,000 meters of RC drilling programs to optimise the high-grade cobalt resource, define Life of Mine calcrete resources and test the Mann paleochannel for additional water supplies. Results from drilling program will be released to the market soon after.
- Obtain costings for various renewable power options for the Wingellina development to complete the PFS costings and modelling.
- Finalisation of the PFS.
- Continue with the project financing and development strategy which will include engaging and maintaining dialogue with existing interested parties as well continuing to canvas new groups to ensure to move the Wingellina project into development and production.
- Following the completion of our PFS and whilst maintaining positive discussions with the Major Projects Facilitation Agency and relevant government bodies, Nico will continue with it's plan to make an application to become awarded major project status. Several key external consultants have been engaged to assist with the application.

CORPORATE

CFO APPOINTMENT

During the Quarter Nico appointed Mr Teck Lim as the company's CFO who has joined the company from KPMG Corporate Finance where he was the finance advisory Director for projects and infrastructure. Teck is a Chartered Accountant with 20 years accounting and finance experience specialising in Mining & Metals project development funding. His corporate advisory and banking experience include landmark critical minerals projects and mega project financings in Australia and globally.

FINANCIAL

Nico Resources Limited closed the quarter with cash and working capital of \$9,266,130.

MAJOR SHAREHOLDERS

The current major shareholders of the Company are:

- Metals X Limited 17.25%
- Blackstone Minerals Limited 15.11%
- Mr Rod Corps 12.32%

Related party payments for the quarter, are as outlined in the attached Appendix 5B at section 6.1, total \$197,518 and includes amounts paid to directors including director's fees and statutory superannuation.

Exploration and Evaluation expenditure during the quarter was \$481,520.

CAPITAL STRUCTURE AS AT 30 JUNE 2022

Description	Number
Fully paid ordinary shares	91,000,002
Unlisted options exercisable at \$0.25 on or before 3 November 2024	25,000,000
Unlisted options exercisable at \$0.25 on or before 29 July 2024	9,000,000
Unlisted options exercisable at \$0.30 on or before 17 January 2025	800,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2022 on or before 22 Mar 2025	1,000,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2023 on or before 22 Mar 2025	1,000,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 22 Mar 2025	1,000,000

USE OF FUNDS¹

Nico provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 19 January 2022 against the 'use of funds' statement in its prospectus dated 23 November 2021.

Expenditure	Funds allocated under Prospectus	Actual to 30 September 2022	Variance
Exploration Expenses	\$4,023,000	\$848,015	(\$3,174,985)
Studies and Reviews	\$622,000	\$161,458	(460,542)
Directors Fees	\$800,000	\$365,830	(\$434,171)
Working Capital	\$1,396,000	\$667,509	(\$728,491)
Costs of offer	\$1,063,000	\$1,148,764	\$85,764
Future acquisition costs	\$1,350,000	-	(1,350,000)
Total	\$9,254,000	\$3,191,576	(\$6,062,424)

1. The Use of Funds table is a statement of current intentions, investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

COMPLIANCE STATEMENTS

The information in this report that relates to Exploration Results for the Wingellina Nickel-Cobalt Project is compiled by Metals X technical employees and contractors under the supervision of Mr. Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a contractor to the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This announcement has been authorised for release by the Board.

CONTACTS

For more information, please visit our website www.nicoresources.com.au or contact:

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Managing Director
Rod.Corps@Nicoresources.com.au

Ms Amanda Burgess
Company Secretary
Amanda.Burgess@Nicoresources.com.au

SUMMARY OF MINING TENEMENTS

Tenement	Status	Project	Location	Ownership
E69/535	LIVE	Wingellina	WA	100
E69/3065	LIVE	Wingellina	WA	100
L69/12	LIVE	Wingellina	WA	100
L69/19	LIVE	Wingellina	WA	100
L69/27	LIVE	Wingellina	WA	100
EL5860	LIVE	Claude Hills	SA	100
EL6240	LIVE	Mt Davis	SA	100

ABOUT NICO REOSURCES LIMITED

NICO Resources Limited is an Australian company focusing on Australian Nickel projects.

Nico owns a 100% legal and beneficial interest in nickel assets consisting of the Wingellina (WA) and Claude Hills (SA) nickel projects.

Central Musgrave Project (CMP)

The CMP comprising of three main exploration tenements - Wingellina (WA), Claude Hill (SA) and Mt Davies (SA) along with an Exploration Licence covering the Lewis calcrete resource and three Miscellaneous Licences covering the defined water resources.

The CMP consists of a package of tenements hosting nickel-cobalt-scandium lateritic Mineral Resources in excess of 200 million tonnes, containing 1.95 million tonnes of Nickel and 150 thousand tonnes of Cobalt along with a Probable Ore Reserve of 164.8 million tonnes containing 1.56 million tonnes of Nickel and 123,000 tonnes of cobalt.

The project tenure is approximately 1,469km² located within Western Australia and South Australia adjoining the Surveyor Generals Corner (the junction between Western Australia, the Northern Territory and South Australia).

Wingellina is one of the largest undeveloped nickel resources / reserves globally to underpin an independent Australian nickel producer

The Wingellina deposit hosts a JORC (2012) defined Measured, Indicated and Inferred Resources of 182.6Mt at 0.92% Ni & 0.07% Co for 1.68Mt of contained nickel and 132Kt of contained cobalt, and hosts a JORC (2012) defined Probable Reserves of 168.4Mt at 0.93% Ni & 0.07% Co for 1.56Mt of contained nickel and 123Kt of contained cobalt).

The Claude Hills deposit located less than 20km from Wingellina hosts a JORC (2004) defined Inferred Resources of 33.3 Mt at 0.81% Ni and 0.07% Co for 270Kt of contained nickel and 23Kt of contained cobalt.

PREVIOUS DISCLOSURE

The information in this quarterly activities report is based on the Nico Resources Limited Prospectus, which is available from the Nico Resources Limited website www.nicoresources.com.au and the ASX website www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the Prospectus continue to apply and have not materially changed.

APPENDIX 1: Resource/Reserve table – Central Musgraves Project

RESOURCE & RESERVE STATEMENT

Central Musgraves Project (CMP), Western Australia

0.5% Ni cut-off grade	Classification	Tonnes	Grade	Metal (t)
Wingellina				
Nickel	Measured	37,600,000	0.98	368,000
	Indicated	130,900,000	0.91	1,193,000
	Inferred	14,100,000	0.87	122,000
	Total	182,600,000	0.92	1,684,000
Cobalt	Measured	37,600,000	0.075	28,000
	Indicated	130,900,000	0.072	94,600
	Inferred	14,100,000	0.065	9,100
	Total	182,600,000	0.07	131,700
Fe ₂ O ₃	Measured	37,600,000	45.94	17,260,000
	Indicated	130,900,000	45.55	59,611,000
	Inferred	14,100,000	41.25	5,832,100
	Total	182,600,000	45.30	82,701,000
Claude Hills 2010				
Nickel	Measured	-	-	-
	Indicated	-	-	-
	Inferred	33,000,000	0.81	270,000
	Total	33,000,000	0.81	270,000
Cobalt	Measured	-	-	-
	Indicated	-	-	-
	Inferred	33,000,000	0.07	22,700
	Total	33,000,000	0.07	22,700
Total Central Musgrave Project				
Nickel	Total	215,600,000	0.91	1,954,000
Cobalt	Total	215,600,000	0.07	154,400

Project	Ore Reserve category	Ore Mt	Nickel		Cobalt	
			Grade (% Ni)	Nickel (kt Ni)	Grade (% Co)	Cobalt (kt Co)
Wingellina	Proved	-	-	-	-	-
	Probable	168.4	0.93%	1,561	0.07%	122.6
	Total	168.4	0.93%	1,561	0.07%	122.6



For additional information please refer to the JORC table, Appendix A in the NiCo Resources Prospectus from page 211.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nico Resources Limited

ABN

80 649 817 425

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development		
(c) production		
(d) staff costs	(236)	(236)
(e) administration and corporate costs	(250)	(250)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	4	4
1.9 Net cash from / (used in) operating activities	(478)	(478)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(482)	(482)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	-	-
	Funds received in the prior quarter for capital allotted in the current quarter		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,226	10,226
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(478)	(478)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(482)	(482)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	9,266	9,266

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	218	678
5.2	Call deposits	9,048	9,548
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,266	10,226

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	197,519
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(478)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(482)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(959)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,266
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,266
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	10
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: **The Board of Nico Resources Limited**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.