

Central Musgraves High Grade Drill Program Completed

KEY HIGHLIGHTS

- 10,192 meters of Reverse Circulation (RC) drilling in 456 holes completed at Central Musgraves project.
- Current program (152 RC drillholes for 7,904m) complements and completes the previously High-Grade Nickel Cobalt delineation. The results will provide production scheduling inputs into the bankable feasibility study and is likely to further enhance the economics of the project. Geological logging confirmed the targeted high-grade lithologies.
- 2,144m of Reverse Circulation drilling for 302 holes of calcrete resource definition drilling completed at the Lewis Calcrete deposit (E69/3065) to delineate a resource to be utilised as a neutralisation agent in the HPAL circuit.
- 144m of Reverse Circulation drilling in 2 holes to define water resource in the Mann Fault Palaeovalley confirming the presence of a suitable water resource proximal to the proposed plant infrastructure site
- Results from drilling will be incorporated into an updated Mineral Resource estimate early 2023. More detailed geological and grade modelling is expected to result in an uplift in the projects high-grade tonnage expected to contribute positively to the project economics and payback period for the project.

Nico Resources Limited (ASX: NC1, “**the Company**” or “**Nico**”) is pleased to advise that it has recently completed a 10,196m reverse circulation (RC) drilling program of works across the Company’s Central Musgrave Project in the preeminent Musgrave Province.

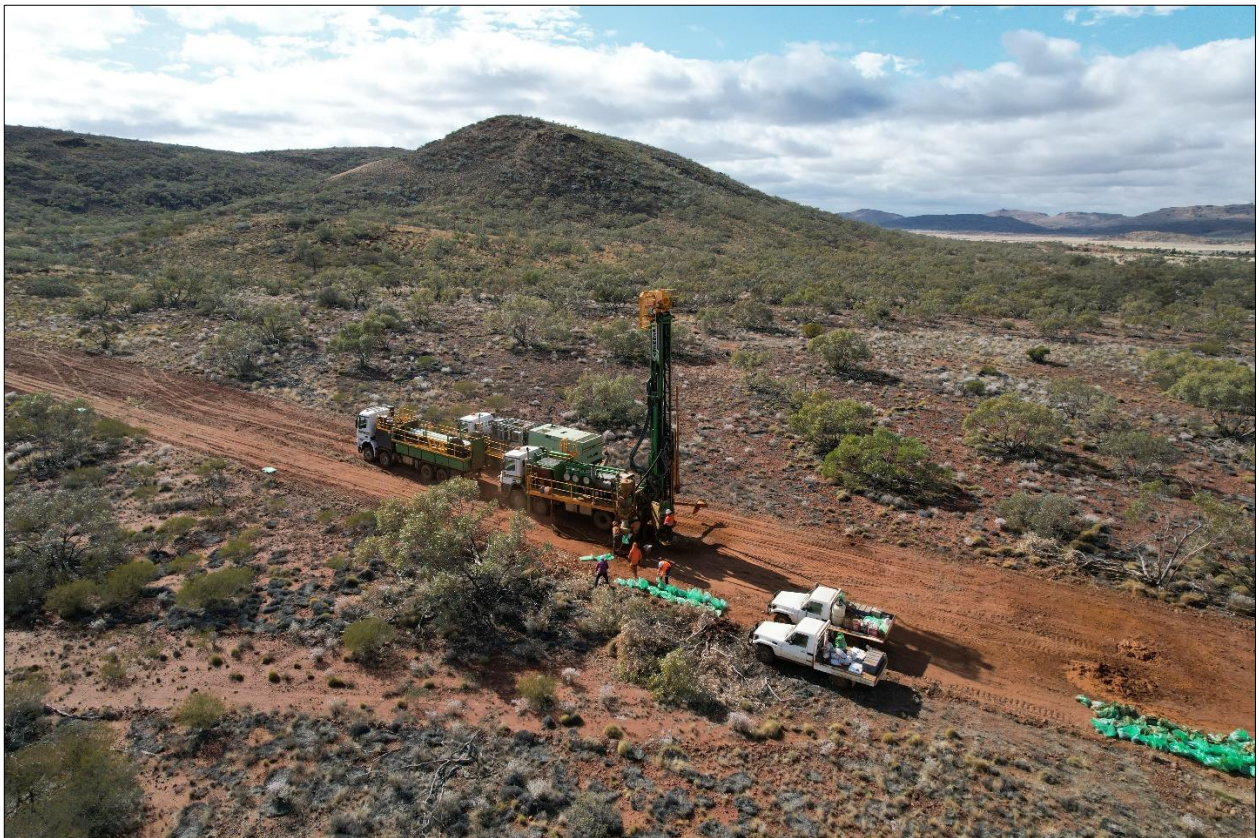


Figure 1 – RC Drilling at Nico Wingellina Project ASX: NC1

The Wingellina portion of the drill program focused on improving the definition of the highest-grade nickel and cobalt zones within the entire resource base. This material has been targeted for confirmatory reserve classification to feed into an updated mine schedule for the impending bankable feasibility study. The program delineated 15 high grade starter pits which will form the basis of the first years of production and results in strong project valuation uplift.

“The expediated and safely executed drill program across our various tenements was delivered ahead of time by the Nico field team and provides the company with substantial inputs into the Definitive Feasibility Study. The drilling of these previously defined high grade pits are anticipated to provide additional data for mine scheduling of the higher grade ores in earlier years of the project which should enhance the early stage cashflows of the project. Completion of the program represents a key value input driver for the DFS” said Managing Director Rod Corps.

This recently completed Wingellina high-grade drilling program (Figure 1) provided infill drill lines to spacings of 60m by 25m within the 15 proposed starter pits. This is the same drill density which currently supports the JORC (2012) Measured category within other portions of the larger deposit. Data obtained will also provide additional orebody knowledge in regard to ore geometry, controls on mineralisation, grades and in turn anticipated mixed hydroxide precipitant grades.

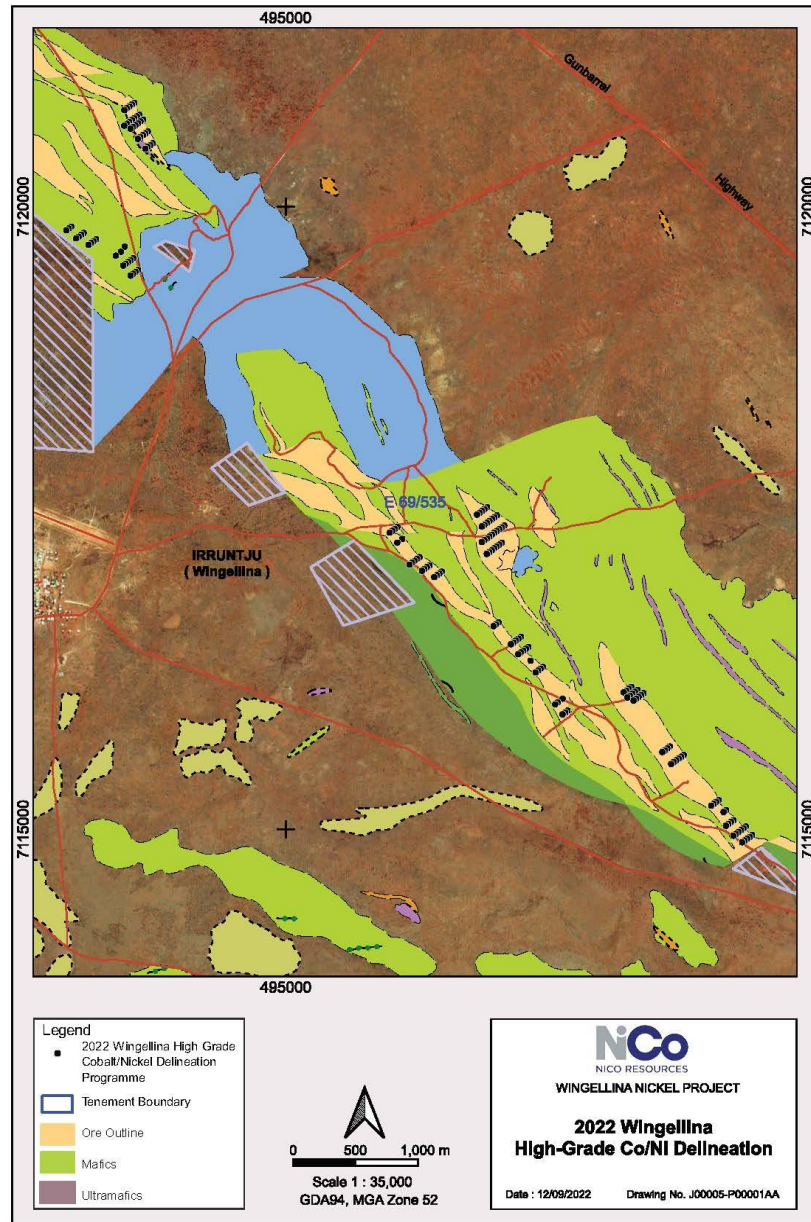


Figure 2 – RC Drilling collar locations in the 15 high-grade zones at Nico Wingellina Project

The RC drilling program undertaken at the Lewis Calcrete was completed as a follow-up to the 2019 program initiated by Metals X. An additional 302 holes have been completed in this 2022 program resulting in a total of 543 across the area prospective for calcrete. Based on the previous testwork and field acid testing during drilling, along with drill logs indicates calcareous material has been intersected in 301 of the 302 holes drilled. The NiCo technical team believe this material will provide a solid foundation for the development of a maiden resource at the Lewis Calcrete prospect. The program has also delivered over 10 tons of RC chip material for demonstration scale test work required for the definitive feasibility study.

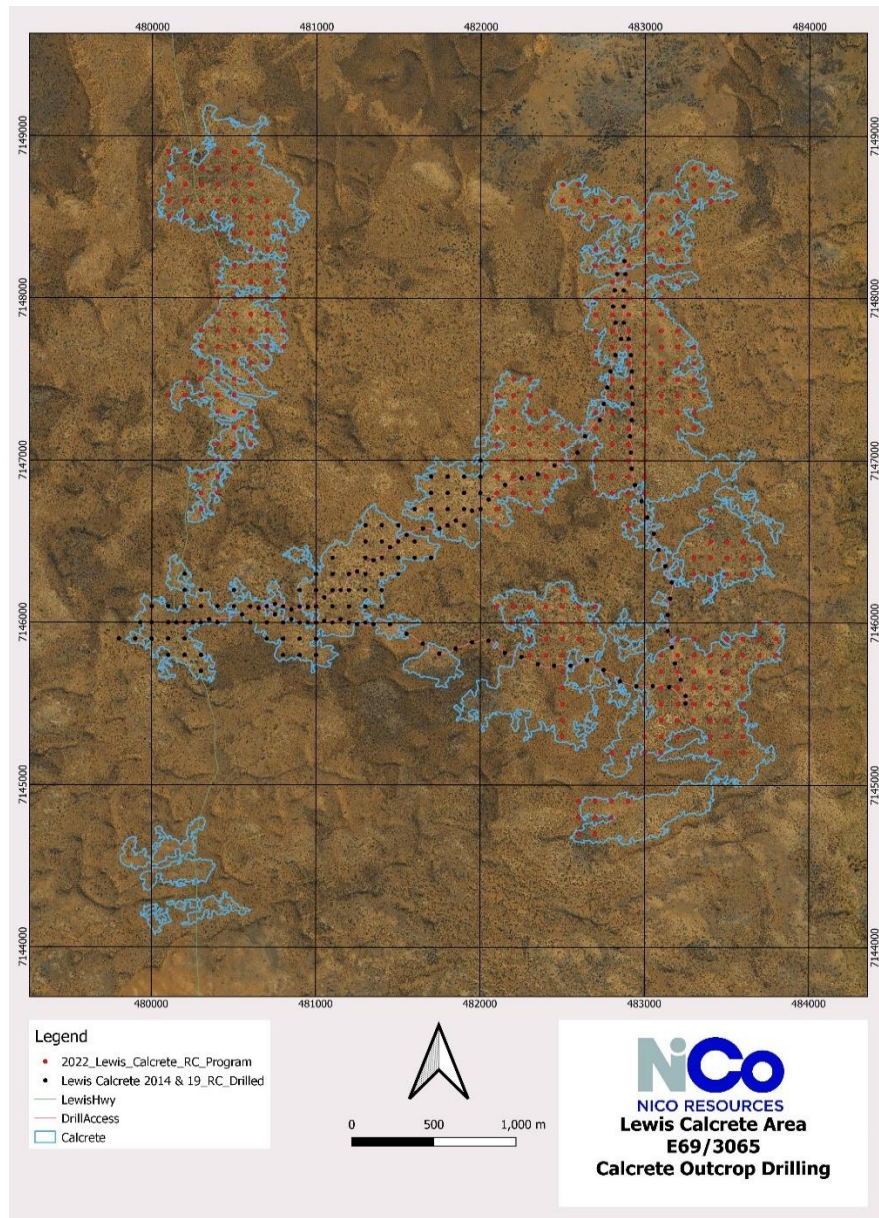


Figure 3 – RC collars completed at the Lewis Calcrete project for Resource Classification

Next Steps

Once all data is returned and validated, a resource model update will be completed for the Wingellina deposit. A maiden resource estimate will also be undertaken for the Lewis Calcrete resource. Both estimates are expected to be delivered in early 2023. Associated mine studies will flow on from this work as primary feed inputs to support a Definitive feasibility study commencing in 2023. Project financial and debt modelling to follow shortly after.

This announcement has been authorised for release by the Board.

CONTACTS

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

Mr Rod Corps
Managing Director
Rod.Corps@nicoresources.com.au

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

ABOUT NICO REOSURCES LIMITED

NICO Resources Limited is an Australian company focusing on Australian Nickel projects (<https://www.nicoresources.com.au/>). 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.

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	5,832,000
	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

Competent Person Statement

The information in this report that relates to Exploration Targets or Exploration Results is based on information compiled by Mr Jake (Jacob) Russell from Metals X Limited (Metals X), who was previously an employee of Metals X, and a “Competent Person” who is a Member of Australian Institute of Geoscientists (AIG). Mr Russell has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to Qualify as a “Competent Person” as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Russell consents to the inclusion in this announcement of the matters based on his information and in the form and context in which it appears.

PREVIOUS DISCLOSURE

The information in this announcement 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.