

16 February 2023



Dear Shareholders

Nico Resources Limited – Sale of Unmarketable Parcel of Shares

Nico Resources Limited (ACN 649 817 425) ('Nico' or the 'Company') is pleased to advise that it has established a share sale facility (**Facility**) for small shareholders who hold parcels of fully paid ordinary shares in the Company (**Shares**) valued at less than A\$500 as at 4:00pm (AWST) on Monday, 13 February 2023 (**Record Date**) (**Unmarketable Parcel**).

Based on the Share price at the close of trading on the Record Date of A\$0.57, a holding of 877 Shares or less constitutes an Unmarketable Parcel.

Nico appreciates that Unmarketable Parcels can be difficult or expensive to sell, so the Company is offering the Facility to enable eligible shareholders who hold Unmarketable Parcels to sell their Shares without having to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholder).

The Facility, whilst benefitting small shareholders, will also benefit Nico as it is expected to significantly reduce the administration costs associated with maintaining a large number of small shareholdings on the Company's share register.

Nico has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under Schedule 3.8 of the Company's Constitution (**Constitution**) and ASX Listing Rule 15.13.

WHY AM I RECEIVING THIS LETTER?

Our records indicate that you hold an Unmarketable Parcel based on the price of Shares of A\$0.57 as at close of trade on the Record Date.

Unless you advise the Company by **2:00pm (AWST) on Thursday, 6 April 2023 (Closing Time)** that you do NOT wish to have your Shares sold, the Company intends to sell your Shares through the Facility. You do not need to do anything if you wish to have your Shares sold through the Facility.

Shareholders with Unmarketable Parcels are not obliged to sell their Shares. To advise the Company that you do NOT wish to have your Shares sold, you must complete the Share Retention form (**Retention Form**) enclosed with this letter, and return it to the Company's share registry, Computershare Investor Services Pty Limited (**Computershare**), in accordance with the instructions on the Retention Form, prior to the Closing Time.

If, at the Closing Time, the value of your Shares has increased such that you no longer have an Unmarketable Parcel (e.g. due to an increase in the market price of Shares or the number of Shares you hold), your Shares will NOT be sold.

If you have multiple holdings of Shares which, if aggregated, would not constitute an Unmarketable Parcel, you may contact Computershare at 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) to amalgamate your holdings. In these circumstances, your Shares will NOT be sold.

Nico Resources Limited
ASX: NC1
ABN 80 649 817 425

Nicoresources.com.au
T: +61 (08) 9481 0389
E: info@nicoresources.com.au

Principle Business address

Level 6, 190 St Georges Tce Perth WA 6000

Registered address

Level 8, 216 St Georges Tce Perth WA 6000

Please also note that, pursuant to Schedule 3 of the Constitution and ASX Listing Rule 15.13.5, the Company will not sell your Shares in the event that a third party announces a takeover offer for the Company.

In accordance with its continuous disclosure obligations, the Company may release information to the ASX which may affect your decision as to whether you wish to have your Shares sold or to retain your Shares. If such information is released, it will be published on the ASX website (www.asx.com.au, ASX code: NC1) and on the Company's website (www.nicoresources.com.au).

This letter is the first and final notice to holders of Unmarketable Parcels of Shares regarding the Facility.

WHAT DO I NEED TO DO?

As a holder of an Unmarketable Parcel as at the Record Date, your options are described below:

1. Sell your Unmarketable Parcel

If you WISH TO SELL your Shares through the Facility, you should TAKE NO ACTION. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent to:

- (a) sell, or procure the sale of, all of your Shares at a price to be determined based on the market price at the time of sale, without any costs being incurred by you; and
- (b) deal with the proceeds of the sale in accordance with the Company's Constitution (for more information about the payment of the sale proceeds through Computershare, please refer to Question 9 of the enclosed Information Sheet).

The Company has appointed Argonaut Securities Pty Ltd to facilitate the sale of the Unmarketable Parcel. Payment for your Shares will be remitted to you as soon as practicable, following settlement of the sale of all Shares sold through the Facility.

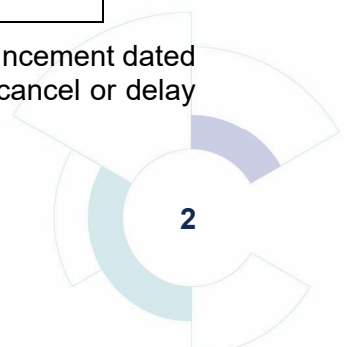
2. Retain your Unmarketable Parcel

If you DO NOT WISH TO SELL your Unmarketable Parcel, you MUST OPT-OUT of the Facility by completing and returning the enclosed Retention Form in accordance with the instructions on the Retention Form so that it is received by Computershare prior to the Closing Time. Please carefully read the instructions on the Retention Form before completing it.

The key dates in relation to the Facility are set out below:

EVENT	DATE
Record Date for establishing Unmarketable Parcels	Monday, 13 February 2023, 4:00pm (AWST)
ASX Announcement regarding Unmarketable Parcel Sale Facility	Tuesday, 14 February 2023
Shareholder Letter and Retention Form despatched to Unmarketable Parcel holders	Thursday, 16 February 2023
Closing date for receipt of completed Retention Forms	Thursday, 6 April 2023, 2:00pm (AWST)

Nico reserves the right to change any of the dates referred to in its ASX announcement dated 14 February 2023 or this letter and the enclosed Retention Form, or to vary, cancel or delay



the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

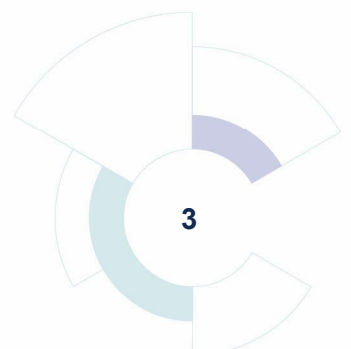
The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares.

Enclosed is an Information Sheet to answer questions that you may have with respect to the sale of Unmarketable Parcels. **This letter is important. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.**

If you have any other questions about the operation of the Facility, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 (3) 9415 4000 (outside Australia).

Yours faithfully

Amanda Burgess
Company Secretary



INFORMATION SHEET UNMARKETABLE PARCEL SALE FACILITY

1. What is an Unmarketable Parcel?

An Unmarketable Parcel is a holding of fully paid ordinary shares (**Shares**) in Nico Resources Limited (**Company**) that is valued at less than A\$500. Based on the closing price of Shares on Monday, 13 February 2023 (**Record Date**) of A\$0.57, this is equivalent to a holding of 877 Shares or less.

2. Why has the Facility been established?

The Company has decided to establish an Unmarketable Parcel sale facility (**Facility**) to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of your Unmarketable Parcel through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

3. Why have I received this letter?

You have received this letter because our records indicate that you hold an Unmarketable Parcel of Shares based on the price of Shares of A\$0.57 as at close of trade on the Record Date.

4. What do I need to do to sell my Shares?

If you wish to have your Shares sold, you should TAKE NO ACTION. Your Shares will be sold through the Facility.

5. What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to have your Shares sold, you MUST OPT-OUT of the Facility by completing and returning the enclosed Retention Form to the address provided in the Retention Form so that it is received by Computershare prior to **2:00pm (AWST) on Thursday, 6 April 2023 (Closing Time)**. If Computershare has not received your Retention Form by the Closing Time, your Shares will be sold through the Facility. Alternatively, you can purchase more Shares on-market so that you hold at least A\$500 worth of Shares as at the Closing Time. See Question 12 below for further information.

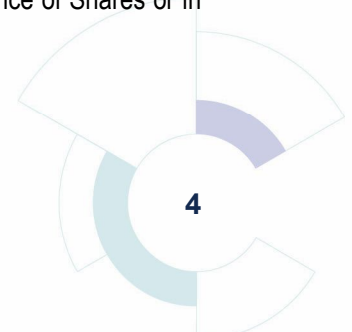
6. How will my shares be sold under the Facility?

Your Shares will be sold by the appointed broker, Argonaut Securities Pty Ltd, on the Australian Securities Exchange (**ASX**), subject to prevailing market conditions and available liquidity. The Shares sold under the Facility may be sold in a single or multiple parcels, and may be sold at different parcels on different days.

7. What price will I receive for Shares sold through the Facility?

The Shares will be sold at market prices on ASX, subject to prevailing market conditions and available liquidity, as soon as practicable after the Closing Time. You will receive a proportionate share of the total sale proceeds of all Shares sold under the Facility.

You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold. If, at the Closing Time, the value of your Shares has increased so that you no longer have an Unmarketable Parcel (for example, due to an increase in the price of Shares or in the number of Shares you hold) your Shares will not be sold.



8. Do I need to pay anything if I participate in the Facility?

The Company will pay all costs and expenses arising in connection with the Facility (apart from any costs generated by your bank for the receipt of your payment). Any tax payable, or other tax consequences from the sale, will be your responsibility.

9. When will I receive the proceeds for the Shares sold?

Payment will be remitted to you as soon as reasonably practicable following settlement of all Shares sold under the Facility. Payment will be made via a direct credit to your bank account at an Australian financial institution (where the Company has your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Company's share register.

If your direct credit details require updating, you can amend your Australian banking details online through Computershare's Investor Centre website at www.computershare.com.au/easyupdate/NC1. Alternatively, you may contact Computershare on 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia). Payment will be made in Australian dollars.

10. What are the advantages and disadvantages of participating in the Facility?

You may consider the following consequences of participating in the Facility to be advantageous to you:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares;
- utilising a cost effective way of disposing of an Unmarketable Parcel; and
- the sale price of your Shares being determined by reference to the prevailing market price of Shares.

You may consider the following consequences of participating in the Facility to be disadvantageous to you:

- no longer holding any Shares in the Company (unless you subsequently buy more Shares);
- possible capital gains tax being payable following the sale of your Shares; and
- the price of the Company's shares subsequently rising following the sale of your Shares (although there is no way of predicting whether this would actually occur).

11. What if the price of Shares changes between the Record Date and the Closing Time?

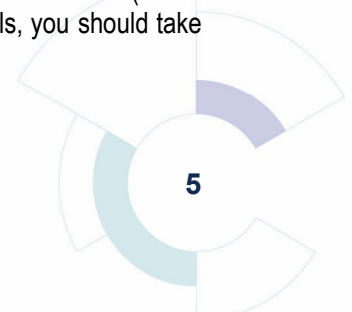
If the market price of Shares increases between the Record Date and the Closing Time, such that at the Closing Time the value of your Shares is equal to or greater than A\$500, your Shares will not be sold through the Facility.

12. If I buy more Shares in the Company, will I retain my holding?

The Company will not sell your Shares if you increase your holding to a marketable parcel, being a holding of Shares with a market value of at least A\$500 based on the price of Shares as at the Closing Time. Please note that any additional Shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Retention Form.

13. What if I hold multiple Unmarketable Parcels of Shares?

If you hold multiple Unmarketable Parcels of Shares, you must complete and return a Retention Form for each separate Unmarketable Parcel that you wish to retain. Alternatively, you may aggregate your multiple holdings prior to the Closing Time to avoid them being sold. To do this, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). If you wish to sell your Unmarketable Parcels, you should take no action.



14. What if my holding of Shares in the Company is a CHESS Holding?

If your Shares remain in a CHESS Holding, the Company may move those Shares to an Issued Sponsored Holding and the Shares will then be sold under the Facility.

15. How does the Company have the authority to establish the Facility?

The Company has the authority to establish the Facility and facilitate the sale of Unmarketable Parcels under Schedule 3 of its Constitution and the ASX Listing Rule 15.13.

16. Where can I obtain further information?

If you have any other questions about the operation of the Facility, please contact the Company Secretary on +61 8 9481 0389. Alternatively, you may contact Computershare on 1300 850 505 (within Australia) or + 61 3 9415 4000 (outside Australia).

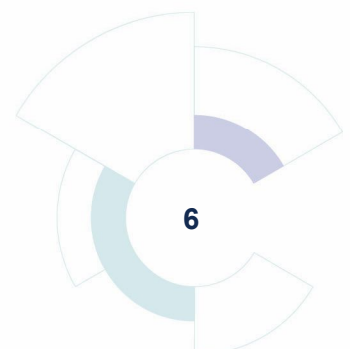
17. What if I am unsure of what to do?

If you are in doubt about what to do, you should consult a financial, legal or taxation adviser. This Information Sheet does not constitute advice, nor is it a recommendation to sell, buy or hold Shares.

18. Important notes

The Company reserves the right to change any of the dates referred to in its ASX announcement dated 14 February 2023, this Information Sheet, or the Retention Form and accompanying letter, or to vary, cancel, suspend or delay the Facility (either generally or in specific cases), or the sale of your Shares, at any time before Shares are sold under the Facility, by making an announcement to ASX.

The Company is not bound to sell any or all of the Shares that may be available for it to sell under this Facility, and there is no guarantee that the Company will be able to sell your Shares. In addition, the sale proceeds may differ from the market value of your Shares on the Record Date, depending on movements in the market price of the Shares and on the Company appointed brokers' ability to procure purchasers.





NICO RESOURCES

NICO RESOURCES LIMITED
ABN 80 649 817 425

Return your Form to the Company's share registry:

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

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

Share Retention Form

 **If you wish to retain your shares, your form must be received by 2:00pm (AWST) on Thursday, 6 April 2023**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Nico Resources Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Nico Resources Limited, do not complete or return this form. If you have more than one shareholding on Nico Resources Limited's register and you do not wish to sell your shares under the Share Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on 1300 850 505 or +61 3 9415 4000.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

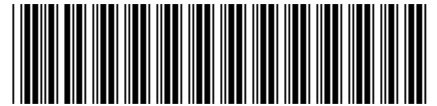
Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details


Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Nico Resources Limited Share Retention Form



STEP 1 Shareholding Details

 For your security keep your SRN/
HIN confidential.



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

Shares held as at 4:00pm (AWST) on
Monday, 13 February 2023:

STEP 2 Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Share Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3 Contact Details

Contact Name _____ Contact Daytime Telephone _____ Date ____ / ____ / ____

Email Address _____

Please ensure you return your completed form to the address overleaf, or alternatively, email a copy of your completed form to corpactprocessing@computershare.com.au. Please ensure only one form is attached per e-mail and please do not use this e-mail address for any other purpose.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.