

QUARTERLY REPORT MARCH 24

ASX ANNOUNCEMENT 24 APRIL 2024



ASX: NC1

Board

Peter Cook
Non-Executive Chairman

Jonathan Shellabear
Managing Director/CEO

Rod Corps
Non-Executive Director

Stewart Findlay
Non-Executive Director

Brett Smith
Non-Executive Director

Issued Capital

109.20M shares on issue
43.10M unlisted options
3.0M Performance shares

Market Capitalisation

\$19.71 million

Enterprise Value

\$13.89 million

Cash at Bank (31-Mar-24)

\$5.81 million

Nico Resources Limited

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Nico Resources Limited ("**Nico**" or the "**Company**") is pleased to present a summary of activities for the quarter ended 31 March 2024.

The Wingellina nickel-cobalt project in Western Australia ("**Wingellina**" or the "**Project**") is a world-class oxide-type nickel cobalt deposit which hosts an initial reserve of 1.56 million tonnes of contained nickel capable of producing approximately 40,000t of nickel and 3,000t of cobalt in a Mixed Hydroxide Precipitate ("**MHP**") for at least 42 years. A detailed pre-feasibility study¹ ("**PFS**") completed on the Project in December 2022 confirmed a globally significant Tier 1 asset, characterised by its long life, low cost and high operating margins.

The developments during the March quarter are discussed in more detail below.

KEY HIGHLIGHTS

- The results received from the metallurgical testwork program during the quarter continue to confirm all previous metallurgical testwork and show that Wingellina ore has characteristics that are particularly well suited to processing by High Pressure Acid Leach ("**HPAL**") which results in high metallurgical recoveries and low reagent usage.
- Ongoing bench-scale testing for High-Pressure Acid Leach (HPAL) has shown consistent nickel and cobalt extractions of around 95% or higher, surpassing expectations. Preliminary analysis suggests optimized leaching temperatures between 250°C to 260°C and acid usage of around 270kg/tonne of ore.
- Assessment of transitional ores has revealed opportunities to enhance metal recovery and provide additional neutralizing capacity. This testwork will provide additional metal units and neutralisation capacity which will have an additional positive impact on production and costs.
- Testwork has confirmed Lewis Calcrete as a viable neutralizing agent, with an acid neutralization capacity of 642 kg H₂SO₄ per tonne. The production of Quicklime from the Lewis calcrete deposit has also confirmed its applicability for use as a neutralising agent. The use of Lewis Quicklime is a cost-effective alternative, offering substantial operational benefits.
- Collaboration with CSA Global continued throughout the quarter to integrate historical data and recent drilling results to update the Wingellina resource model. The updated resource model is close to completion and will allow for the development of a geo-metallurgical model for the Project.
- Subsequent to quarter end the MHP testwork program commenced. Conditions have been defined which will allow Nico to progress to the production of a bulk sample of MHP.

¹ See ASX Announcement 22 December 2022 "PFS confirms Wingellina as a Tier 1 project capable of supplying decades on Nickel and Cobalt".

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QUARTERLY ACTIVITIES

Nico Resources Limited (“**Nico**” or the “**Company**”) is pleased to present a summary of activities for the quarter ended 31 March 2024.

PROCESSING AND METALLURGY

During the March Quarter, ALS Laboratories continued the bench scale metallurgical testwork program which commenced in the September 2023 quarter. These metallurgical programs will significantly contribute to the ongoing development of the Project and are an important component of the preparatory work required to progress to a Definitive Feasibility Study (“**DFS**”). The processing flowsheet consists of ore scrubbing and beneficiation, HPAL, neutralization, CCD, two-stage secondary neutralisation for iron and aluminium impurity removal, MHP precipitation, tailings neutralization and storage. The testwork will generate the following relevant information for the DFS:

- Metal recovery data;
- Stream composition data and physical property data (including rheology);
- Bulk solids materials handling properties;
- Key equipment sizing data;
- Materials of construction data;
- Reagent consumption and waste composition data; and
- Product specification and purity.

The latest phase of metallurgical testwork continues to validate the suitability of HPAL technology for processing ore from the Wingellina project. Recent advancements in HPAL technology, coupled with comprehensive test work results, indicate potential benefits in operational efficiencies which should provide reductions in both capital and operating costs.

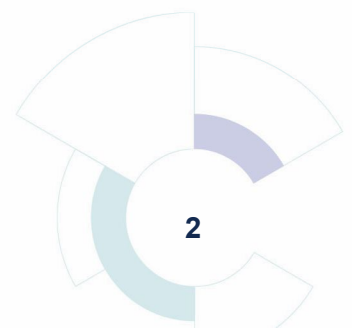
Samples for testwork

Samples for limonite testwork were sourced from a Bauer drilling campaign conducted in 2013. During this campaign four 30 metre holes were drilled to generate bulk samples for metallurgical testwork. Holes three and four were selected as sources for the current program since they represented areas of the deposit that were identified for early processing during prefeasibility studies and are representative of the predominant limonite ore type within the Wingellina deposit. The typical limonite ore is shown in Figure 1 below.

Representative samples from the nearby Lewis calcrete deposit were collected from Reverse Circulation (“**RC**”) drilling pulps. The representative composite assayed 64% CaCO₃.

Hydrometallurgical Bench Scale test work

The ongoing hydrometallurgical bench-scale testwork has yielded promising results, particularly in the area of HPAL leaching. Sufficient bulk HPAL leaches have been conducted to generate slurry for downstream testing. Current ongoing testing includes verification of the performance criteria for Primary Neutralisation, Counter Current Decantation, Secondary Neutralisation, MHP precipitation, nickel and cobalt scavenging and manganese removal.



On-going programme of batch HPAL leaches has been undertaken to confirm acid addition, temperature, and kinetic parameters and the summary results are shown below:

- Leaching temperatures in the range of 245 °C to 260 °C.
- Nickel and cobalt extractions of 95% or higher were achieved.
- The addition of minor amounts of sulphur was successful in reducing chromium extraction.
- Acid requirements are typically at the lower end of expectations (see Figures 2 and 3) and below that assumed in the PFS.
- Additional analysis to determine the optimum leaching temperature is on-going but is expected to be in the range of 250 °C to 260 °C.



Figure 1. Limonite Ore from Wingellina

HPAL testing at lower acid doses of 240 kg acid/t ore have indicated encouraging Ni and Co extraction results, while the aluminium in solution has decreased. Reducing the aluminium in solution has the benefit of reducing calcrite consumption during the aluminium removal step in the Secondary Neutralisation circuit, with the additional benefit of reducing the volume of SN waste directed to tailings and reduction of Ni and Co in the liquor associated with this waste. The effect of the lower acid dose results in lower sulphur consumption, lower calcrite consumption and lower tailings volume which has a direct positive impact on operating costs.

To identify the lower bound of acid addition with good nickel and cobalt recoveries, a further HPAL test at 210 kg acid/t ore will be conducted in the next quarter.

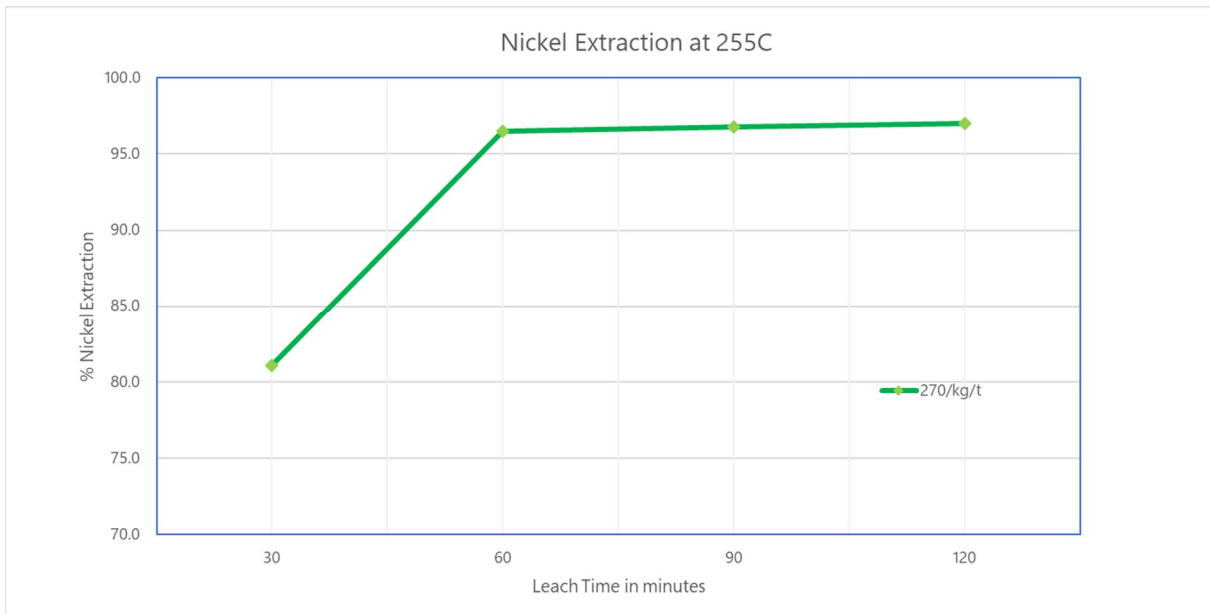


Figure 2: Typical Nickel Extractions at 255 °C and 270 kg/t acid

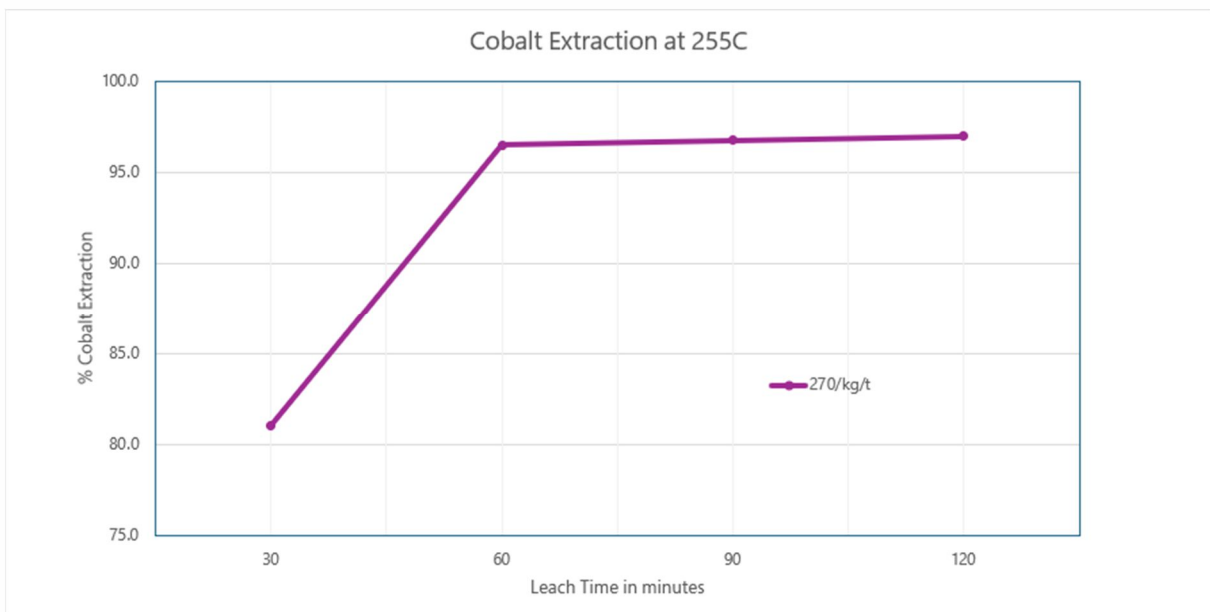


Figure 3: Typical Cobalt Extractions at 255 °C and 270 kg/t acid

Downstream testing activities have progressed smoothly, with a particular emphasis on metal precipitation, neutralization, and manganese removal. These processes are essential for refining the extracted metals and ensuring the purity and quality of the final product. Notably, testing has included rheological assessments of the discharge slurry, which should enable higher pulp densities thus ensuring optimal operating performance. Additionally, flocculant screening tests for CCD1 have been completed, further refining process parameters and enhancing overall efficiency.

Material from the Lewis calcrete resource, located around 30 kilometres from Wingellina, was used in all neutralisation testwork. The results from the use of Lewis calcrete have further confirmed the viability of its use in the proposed HPAL circuit at Wingellina. This is a major advantage of the project to have a large resource of neutralising material located in very close proximity to the proposed plant.

Testwork downstream of HPAL and results completed during the month included:

- PN metal precipitation vs pH.
- PN kinetic tests to select the optimal reaction time and pH, to remove iron and aluminium from the liquor with nickel losses of less than 1%.
- Rheological testing of PN discharge slurry:
- The slurry yield stress at 50% solids is less than 100 Pa and comfortably within the operating range of centrifugal pumps.
- CCD1 flocculant screening tests were successfully completed. Optimum flocculant types and dosage was typical for an oxide-type deposit.
- SN metal precipitation vs pH test completed.
- SN1 kinetic tests completed. Results achieved assist in the selection of an appropriate reaction time and pH that maximises aluminium precipitation while minimising nickel losses to less than 2%.
- SN1 bulk test completed to confirm performance at selected pH condition and to produce solids for further testing.
- SN1 conditions used resulted in aluminium precipitation of 83% and <1% nickel loss.
- SN2 kinetic test completed. Results assist in the selection of a reaction time and pH for complete aluminium removal and ensure that a pure liquor progresses to Mixed Hydroxide precipitation.
- SN2 bulk test completed to confirm performance at selected pH conditions and to produce solids for further testing.
- Future tests will leach SN2 precipitate under recycle re-leach conditions.

Transitional Ore testwork

Transitional ores form a minor component of the Wingellina resource and represent around 5% of the total Wingellina resource². A bench scale test work program has commenced to assess the beneficiation and leaching potential of transitional ore for potential incorporation into the process flowsheet. The overall feed contribution of transitional ores would be minor but would provide additional metal units and neutralising capacity.

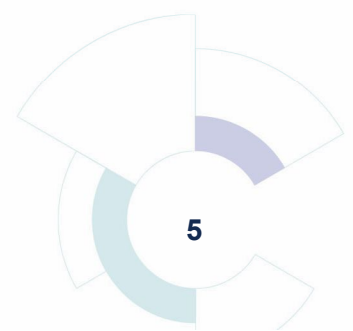
- Transitional ore samples were successfully separated by size, to produce a fine fraction, suitable as HPAL feed, and a coarse fraction with useful neutralising properties.
- HPAL tests successfully completed on 3 samples which resulted in nickel and cobalt extractions of around 95%. Results will be used to optimise transitional ore feed into the HPAL circuit.
- Acid neutralisation test completed on 10 oversize samples to determine ability to minimise calcrete addition. Results as anticipated, with acid neutralised capacity of course material typically in excess of 500 kg H₂SO₄ /t.

Calcrete and Quicklime from Lewis Calcrete Deposit

The utilization of Lewis Calcrete as a neutralizing agent has been a significant focus of the testwork program, given its critical role in the metallurgical process. The Lewis Calcrete Deposit is a substantial calcrete resource located approximately 30 kilometres north of Wingellina and appears of sufficient size and quality to supply calcrete to the project for the life of mine.

Results from acid neutralization capacity tests have reaffirmed the viability of Lewis Calcrete. This finding aligns with previous assessments and underscores the strategic advantage of having a local source of neutralizing material. Moreover, tests on "Lewis Quicklime", a product derived from the calcrete deposit, have validated its efficacy as an alternative to commercially produced quicklime, offering substantial cost savings and operational benefits.

² Total mineral resource of 182.6 million tonnes at 0.92% Nickel and 0.07% Cobalt.



The following testwork was undertaken to establish the viability of using Lewis Calcrete as a neutralising agent and as a source of material that can be converted to quicklime (Lewis Quicklime).

- Lewis calcrete was utilised in acid neutralisation capacity ("**ANC**") tests simulating neutralisation conditions and resulted in an acid neutralisation capacity of 642 kg H₂SO₄ / tonne of calcrete. This result is consistent with the calcium and magnesium carbonate contained within the calcrete.
- ALS conducted slaking tests on pilot plant generated quicklime, which confirmed the bench scale results generated at Simulus Laboratories in previous testwork.
- ANC tests on slaked lime generated at pilot plant scale confirmed previous results produced during bench scale tests.
- The Lewis Quicklime has been proven to be a viable alternative to commercially produced quicklime and results in substantial operating cost benefits for the project.
- Rheology tests for Lewis Quicklime slaked and screened at 106 micron were conducted, producing rheology results equivalent to commercially produced quicklime.
- Following the successful tests on Lewis Quicklime, slaked lime was produced for use in nickel and cobalt scavenging, and manganese removal.

Ongoing Metallurgical Testwork

Ongoing works encompass a range of activities aimed at further refining and optimizing the metallurgical process. These include ore preparation efforts to reduce agglomerate content, recycle re-leach tests to improve metal recovery, and primary neutralization stress testing to assess the system's capacity under varying conditions. Additionally, pilot plant testing, although delayed, remains a key component of the program, providing crucial data for the final plant design and operational planning. Overall, these ongoing activities underscore Nico's commitment to advancing the Wingellina nickel-cobalt project through robust and comprehensive metallurgical testwork.

Ore Preparation

Small scale scrubbing tests have highlighted the presence of agglomerates in some samples. Tests using 50 kg samples of the high agglomerate containing material have been successful in reducing the agglomerate content to less than 1% of ore feed mass. Additional batch scrubbing tests will be conducted to further reduce agglomerate content.

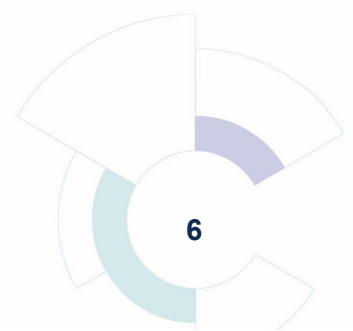
The results will be used to design a continuous ore preparation pilot plant, which will provide feed material for the HPAL pilot plant. Data from the continuous ore preparation plant will be used for the final plant design.

Recycle Releach

Secondary Neutralisation produces a precipitate that contains modest quantities of co-precipitated nickel and cobalt. To improve overall metal recovery, this precipitate will be re-leached in acidic slurry exiting the HPAL circuit. Tests will be conducted to determine the efficiency of this process.

Primary Neutralisation Stress Test

PN tests will be conducted on slurries spiked with aluminium to collect data on neutralisation of high aluminium liquors within the PN system, to simulate solution build-up due to processing recycle streams. This will ensure the PN system has the capacity to handle recycle streams containing aluminium.



Mixed Hydroxide Precipitation Test Work

In the current quarter the purified Secondary Neutralisation liquor will be treated with caustic calcined magnesia, to precipitate a mixture of nickel, cobalt, and manganese as MHP. The objective of the testwork is to determine the conditions required to produce a saleable Mixed Hydroxide Product.

Scavenger Precipitation Test Work

MHP discharge liquor will be treated with slaked lime produced from Lewis calcrete, to precipitate the remaining nickel and cobalt. The objectives of the testwork are to determine the conditions required to maximise nickel and cobalt precipitation while optimising manganese co-precipitation.

Manganese Removal Test Work

Nickel free liquor from the MHP testwork will be treated with Lewis slaked lime, to precipitate manganese from the liquor, prior to its use as wash water in the CCD train.

Pilot Plant testing

Organisation of hydrometallurgical piloting and bulk sample preparation was scheduled to commence on completion of the bench scale testwork. As previously stated, this pilot plant campaign will be delayed.

NON-PROCESS INFRASTRUCTURE

Nico has received a formal proposal for rail infrastructure from Aurizon, providing insight into the logistics of plant operations. The Company is now working together with Aurizon and other logistics providers to develop a holistic logistics study defining the total cost of logistics for project operations whilst also comparing the costs of various combinations of port, rail and road transport. The completion of this report will enable Nico to make informed decisions regarding transportation infrastructure, emphasizing cost-effectiveness and operational efficiency. This work is fundamental in supporting the company's efforts in contributing to the groundwork required before the commencement of a DFS.

Additionally, progress continues to be made in site infrastructure development, with ongoing work on the aerodrome and road realignment projects. While some aspects of site infrastructure are currently on hold pending further study, completed modelling and discussions with relevant authorities indicate progress towards enhancing site accessibility and operational readiness.

EXPLORATION & GEOLOGY

Wingellina Resources Modelling

During the quarter, Nico continued work on database consolidation and updating the Wingellina Resource Estimate. In collaboration with CSA Global, the Company has achieved substantial progress in the integration of existing historical data with the recently acquired drill results. The majority of the integration work is now complete and only minor validation of QAQC data remains.

The validated data has been imported into a Micromine Geobank framework, enhancing accessibility and organization for future exploration, resource development and mining activities. The interpretation of the geological and geochemical framework is now complete for the Wingellina deposit and statistical validation of domains and variography is underway, with results expected in the next quarter.

Integrating the updated resource model with results from the metallurgical testwork program will be the next step to facilitate best practice mine planning and optimisation of the Wingellina Deposit.

Water Resources

Nico recently conducted a passive seismic survey in October 2023 to gain deeper insights into the aquifer systems at the Cobb Embayment, north of the Project. This survey, combined with existing historical data, provided valuable information on the geological composition and structure of the region. Rockwater, hydrogeological consultants for the Project, have analysed the data and proposed an updated drill plan aimed at advancing the understanding of the aquifer in order to generate additional data to produce an aquifer model.

The drill plan developed by Rockwater and Nico integrates insights from both historical data and the recent seismic survey, allowing for a targeted approach to exploration and resource delineation. By identifying specific areas of interest, the plan aims to maximize the efficiency of drilling efforts while minimizing uncertainties and costs.

Moving forward Nico will proceed with approval planning for the drilling program. Ground-truthing of planned drill sites, guided by Rockwater's expertise, further enhances our confidence in the feasibility of the exploration endeavours. Nico remains focused on unlocking the potential of the Cobb Embayment as a project water source of good quality water while prioritizing environmental stewardship and community engagement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the quarter, Nico engaged in various regulatory and organizational interactions to advance environmental, social and governance (ESG) initiatives. This included a meeting with the Green Energy team, EPA Services, DWER to discuss the progress of the s46 application and the development of a decarbonisation strategy. Additionally, submissions were made to the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands Council for mineral and water exploration programs on the company's South Australian tenements, along with meetings with the South Australian Department of Energy and Mines regarding exploration plans and tenement maintenance.

Nico continued to focus on enhancing its Environmental and Social Management System (ESMS) during the reporting period. Efforts included updating the Greenhouse Gas Management Plan with a decarbonisation strategy. These initiatives align with the WA Government's Climate Policy as well as Nico's commitment to achieving net zero carbon emissions by 2050.

Throughout the quarter, Nico prioritized health and safety initiatives to ensure the well-being of its workforce. Key achievements included the completion of the WHS Framework aligned with ISO45001:2018 standards, as well as the development and implementation of various standard operating procedures. Training programs covering essential aspects of workplace health and safety were also conducted, with statutory training underway to meet regulatory requirements. Importantly, there were no reportable incidents during the reporting period, reflecting Nico's proactive approach to maintaining a safe work environment.

Stakeholder Relations

The Cultural Heritage Management Plan ("**CHMP**") was completed during the quarter ready for consultation with and review by Traditional Owners and their representatives. The ongoing engagement with Traditional Owners, through the Ngaanyatjarra Council ("**NGC**"), continues to be undertaken in an open, transparent and collaborative basis.

Effective stakeholder engagement remains a cornerstone of Nico's strategy. Nico is continuously engaging with the NGC and Traditional Owners which reflects a commitment to fostering positive relationships with indigenous communities and making a positive difference.

During the quarter Nico participated in an Austrade-hosted Japanese Critical Mineral delegation with representatives of leading Japanese companies from the battery supply chain. The visit was intended to continue

building on previous engagements, aiming at showcasing the leading Australian mining and processing hub and investment opportunities that exist in the critical minerals sector.

As part of the delegation, Nico presented to a group of Japanese delegates who are key corporate stakeholders for trading companies, mining companies, battery mineral producers and cell manufacturers. Japanese markets continue to remain one of the key regions of focus for Nico's strategic partner identification process. Opportunities to participate in these events continue to demonstrate third-party validation of the technical merit of Nico's Wingellina nickel-cobalt project as a potential long-term secure supply of battery metals with excellent environmental credentials.

Future Work Program

During the June 2024 quarter Nico plans to focus on the following activities:

- Continue the bench scale testwork at ALS to confirm the robust project flowsheet design which is expected to be completed at the end of the June quarter.
- Further exploration and associated work on the Lewis calcrete deposit.
- Continue the required works on the potential water supply from the Cobb Embayment in preparation for the drilling of additional bores in 2024 and continue dialogue on the Mann Fault extension in South Australia.
- Continue the logistics studies for the Project including discussions with the NT Government regarding the Brewer Estate logistics hub.
- Complete the updated mineral resource estimate and commence the geo-metallurgical model for the Wingellina orebody to assist in identification of orebody variability and mine planning and scheduling.
- Progress engagement with government agencies and other key stakeholders, including the local community and Ng Council.
- Continue the scope and definition documentation for the DFS.
- Continue engagement with a number of potential strategic partners that may assist in the development and funding of the Project.

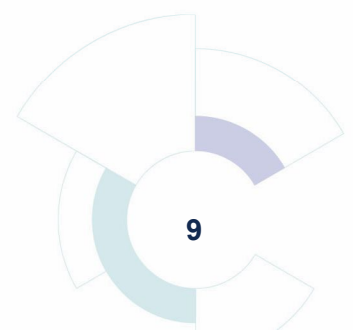
CORPORATE AND FINANCIAL

Financial

Nico closed the quarter with cash and working capital of \$5,812,011. Exploration and Evaluation expenditure during the quarter was \$618,613.

Substantial Shareholder

During the quarter Blackstone Minerals Limited ("Blackstone") ceased to be a substantial holder on 21st February 2024 (see ASX announcement "Ceasing to be a substantial holder - 21/02/2024") via an on-market sale. The company wishes to thank Blackstone for its support as a cornerstone investor in Nico's Initial Public Offering ("IPO") in early 2022. The Company acknowledges the collegiate nature of its working relationship with Blackstone including execution of the final sale of its shareholding in Nico.



Capital Structure³ as at 31 March 2024

Description	Number
Fully paid ordinary shares	109,200,575
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 Lead Manager Options exercisable at \$0.30 on or before 17 January 2025	800,000
Unlisted Director options exercisable at \$0.644 on or before 23 March 2026	3,000,000
Unlisted Employee options (various) ¹	5,300,000
Unlisted Performance shares	3,000,000

Conversion of Performance shares

Post end of quarter, on 4 April 2024, 250,000 performance shares held by the Managing Director converted to 250,000 fully paid ordinary shares.

Major Shareholders

The current major shareholders of the Company (as at 31 March 2024) are:

- Mr Peter Cook 10.86%
- Mr Rod Corps 9.46%
- Metals X Limited 8.44%

Related Party Transactions

Related party payments for the quarter, are as outlined in the attached Appendix 5B at section 6.1, total \$150,500 and includes amounts paid to directors including director's fees and statutory superannuation.

Use Of Funds⁴

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 31 Mar 2024	Variance
Exploration Expenses	\$4,023,000	\$5,891,739	\$1,868,739
Studies and Reviews	\$622,000	\$830,083	\$208,083
Directors Fees	\$800,000	\$1,145,942	\$345,942
Working Capital	\$1,396,000	\$4,601,692	\$3,205,692
Costs of offer	\$1,063,000	\$1,148,764	\$85,764
Future acquisition costs	\$1,350,000	-	(\$1,350,000)
Total	\$9,254,000	\$13,618,220	\$4,364,220

³ See various 3B announcements for details.

⁴ 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.

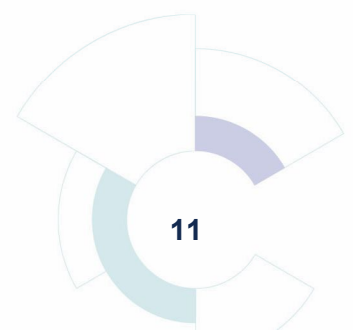
This announcement has been authorised for release by the Board.

CONTACTS

For more information, please visit our website nicoresources.com.au or email info@nicoresources.com.au.

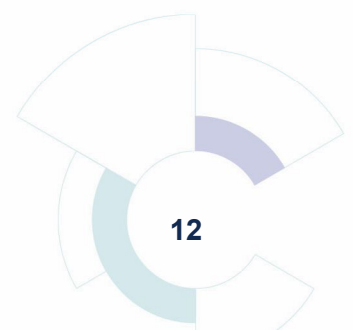
Jonathan Shellabear
Managing Director/CEO

Amanda Burgess
Company Secretary



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 RESOURCES 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 comprises three main exploration tenements - Wingellina (WA), Claude Hills (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.

COMPETENT PERSON'S STATEMENT

Exploration

The information in the report to which this statement is attached relates to Exploration Targets or Exploration Results is based on information compiled by Mr. M Jones, who is full time Employee of the company and also a Member of The Australian Institute of Mining and Metallurgy, with 20 years' experience in the mining industry. Mr. Jones has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Resources

The information in this report that relates to mineral resources, exploration targets or exploration results is based on information compiled by Mr Jake (Jacob) Russell, who was previously an employee of Metals X, and a "Competent Person" who is a Member of the 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.

Ore Reserves

The information in this report that relates to ore reserves is based on information compiled by Mr Michael Poepjes, who was a previous employee of Metals X in 2016, a member of the AusIMM at the time and a "Competent Person". Mr Poepjes 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 Poepjes consents to the inclusion in this announcement of the matters based on his information and in the form and context in which it appears.

PFS CAUTIONARY STATEMENT

The production target and forecast financial information derived from the production target referred to is based on 100% of the material form probable ore reserves. This includes all material modelled for the current mining schedule for Wingellina. There has been no modifying factors applied to the estimation as all of the material included in the study resides in the probable ore reserve category. The material assumptions used in the estimation of the production target and associated forecast financial information are set out in Table 2: Ore Reserve estimation for the Wingellina Project of the "Nico Resources Limited Technical Assessment Report of the Central Musgraves Nickel-Cobalt Project" prepared by CSA Global Mining Industry Consultants as part of the "Nico Resources Replacement Prospectus Initial Public Offer" dated 23 November as at 2021. The mineral resource and ore reserve estimates underpinning the production target were prepared by Competent Persons in accordance with the JORC Code 2012.

FORWARD-LOOKING STATEMENTS:

This announcement contains certain forward-looking statements. Forward-looking statements are statements that are not historical and consist primarily of projections — statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could", "potential", "should", "anticipates", "likely", and "believes" and words of similar import tend to identify forward-looking statements. All statements other than those of historical facts included in this announcement are forward-looking statements, including, without limitation, statements regarding plans, strategies and objectives, anticipated production and expected costs and projections and estimates of ore reserves and mineral resources. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, exploration, development and operational risks. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, their related bodies corporate and their respective officers, directors, employees, or advisers represent or warrant that such forward statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any forward statement contained in this release. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Recipients should form their own views as to these matters and any assumptions on which any of the forward statements are based and not place undue reliance on such statements.

PREVIOUS DISCLOSURE

The information in this quarterly activities report is based on the Nico Resources Limited Prospectus and Pre-feasibility study, which are 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 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")

31 Mar 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(707)	(1,790)
(e) administration and corporate costs	(347)	(1,096)
1.3 Dividends received (see note 3)		
1.4 Interest received	82	147
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)	14	50
1.9 Net cash from / (used in) operating activities	(958)	(2,689)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment		(61)
(d) exploration & evaluation	(619)	(2,897)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(619)	(2,958)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,280
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	-	(429)
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	-	6,851

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,389	4,608
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(958)	(2,689)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(619)	(2,958)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,851
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,812	5,812

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	644	220
5.2	Call deposits	5,168	7,169
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)	5,812	7,389

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	151
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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)	(958)	
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(619)	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,577)	
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,812	
8.5 Unused finance facilities available at quarter end (item 7.5)	-	
8.6 Total available funding (item 8.4 + item 8.5)	5,812	
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.69	
<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:		
<i>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.</i>		

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: 24 April 2024

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.