

For Market Release

17 January 2022

## Pre-Quotation Disclosure Statement

NICO Resources Limited (ASX code: NC1) (**NICO** or **the Company**) makes the following disclosures in accordance with ASX's conditions for the Company's admission to the official list of ASX.

Capitalised terms in this release have the same meaning as given under the Company's replacement prospectus dated 23 November 2021 (**Prospectus**) unless the context otherwise requires.

### Confirmation of close of Public Offer and issue of securities

The Company confirms that:

- (a) The offer of shares (**Public Offer**) pursuant to the Prospectus has closed. The Public Offer closed on 17 December 2021.
- (b) Pursuant to the Public Offer and the Prospectus, the Company has issued 60,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.20 per Share, raising gross proceeds of \$12,000,000 before costs.
- (c) The Company has issued 25,000,000 Shares to Metals X Limited (**Metals X**), as consideration for the acquisition by the Company of 100% shares in Metals Exploration Pty Ltd. The 25,000,000 Shares issued to Metals X have been distributed to eligible shareholders of Metals X pursuant to the Distribution Offer in the Prospectus.
- (d) The Company has issued 800,000 Options (exercisable at \$0.30 each; expiring 17 January 2025) to Blue Ocean Equities Limited, a Lead Manager to the Public Offer.

### Restricted Securities

The following securities have been classified by ASX as restricted securities and are subject to escrow restrictions for the stated escrow period:



Security Code	Security Type	Escrow Period	Number
ES1	Shares	24 months from Quotation	2,700,000
ES2	Shares	12 months from 29/07/2021	675,000
ES2	Shares	12 months from 10/11/2021	375,000
OP1	Options (ex. \$0.20; exp. 29 July 2024)	24 months from Quotation	9,000,000
OP2	Options (ex. \$0.25; exp. 3 November 2024)	24 months from Quotation	25,000,000
OP3	Options (ex. \$0.30; exp. 17 January 2025 )	24 months from Quotation	800,000

### Voluntarily Escrowed Securities

The following Shares are subject to a voluntary escrow agreement between the Company and Metals X pursuant to which Metals X has undertaken not to dispose of the Shares during the voluntary escrow period, subject to certain exceptions to allow Metals X to accept any takeover bid or merger proposal in certain circumstances:

Security Code	Security Type	Escrow Period	Number
ES3	Shares (issued to Metals X)	12 months from Quotation	15,000,000

### Company's Capital Structure

The Company's issued securities comprise the following:

Security	Number
<b>Shares</b>	
Shares issued before Public Offer	6,000,002
Shares issued to Metals X and distributed to eligible Metals X shareholders	25,000,000
Shares issued under the Public Offer	60,000,000
<b>Total Shares on issue</b>	<b>91,000,002</b>



<b>Options</b>	
Options granted to Directors (ex. @ \$0.20, exp. 29 July 2024)	9,000,000
Options granted to Metals X (ex. @ \$0.25, exp. 3 November 2024)	25,000,000
Options granted to L39 Pty Ltd (nominee of Blue Ocean Equities, a Lead Manager) (ex. @ \$0.30, exp. 3 yrs from date of admission 2025)	800,000
<b>Total Options on issue</b>	<b>34,800,000</b>

## Confirmation of Completion of Transaction

The Company confirms that Metals X Limited and Nico Resources Limited have completed the sale of the nickel asset portfolio pursuant to the share sale and subscription agreement ( **SSA**) executed on 7 December 2021. All conditions precedent to the completion of sale have been satisfied and the sale was completed on 7 January 2022, including the issue of 25,000,000 NC ordinary fully paid shares to Metals X Limited.

## Waivers / confirmations granted by ASX

For the purposes of the Company's admission, ASX provided the following confirmation to the Company in respect of the Company's compliance with the Listing Rules of ASX:

### *Listing rule 1.1 Condition 8 - Confirmation Decision*

Based solely on the information provided and pursuant to the proposed spin-out of Metals X Limited ('MLX') assets into NICO Resources Limited ('Company'), in consideration for the issue of 25,000,000 Company shares to be distributed in-specie to MLX shareholders ('Consideration Shares') ('Spin-Out'), ASX confirms that the non-affiliated MLX shareholders who will receive Consideration Shares in the Company through the Spin-Out will not be excluded for the purposes of the Company demonstrating satisfaction of Listing Rule 1.1 condition 8.

ASX has considered Listing Rule 1.1 condition 8 only and makes no statement as to the Company's compliance with other Listing Rules.

### *Listing Rule 9.1 - Confirmation Decision*

Based solely on the information provided and pursuant to the proposed spin-out of Metals X Limited ('MLX') assets into NICO Resources Limited ('Company'), in consideration for the issue of 25,000,000 Company shares to be distributed in-specie to MLX shareholders ('Consideration Shares'), ASX confirms that the requirements in Listing Rule 9.1 do not apply to the Consideration Shares issued to MLX shareholders.



ASX has considered Listing Rule 9.1 only and makes no statement as to the Company's compliance with other Listing Rules.

## Updated Pro-forma Statement of Financial Position

The Company has provided a release to ASX updated pro-forma statement of financial position based on the actual amount of funds (\$12,000,000) raised under the Prospectus.

## Expenditure Commitments – Revised Statements of Proposed Use of Fund

The following information is provided by way of an update and revision to the information stated in Section 2.4 of the Prospectus concerning the proposed use of funds available to the Company.

Following completion of the Public Offer at the maximum subscription (\$12,000,000), the following funds are available to the Company:

Source of funds	Amount
Existing cash as at the Prospectus Date	\$56,987
Proceeds from Public Offer	\$12,000,000
<b>Total funds available</b>	<b>\$12,056,987</b>

The Company intends the following use of funds in the two-year period following Admission:

Use of funds – Year 1	Amount	%
Exploration expenditure	\$1,816,000	32.5%
Studies and reviews	\$400,000	7.2%
Directors' fees	\$400,000	7.2%
General administration fees and working capital	\$786,000	14.1%
Future acquisition costs	\$850,000	15.2%
Transfer duty and transfer fees	\$260,000	4.6%
Capital expenditure	\$12,000	0.2%



<b>Use of funds – Year 1</b>	<b>Amount</b>	<b>%</b>
Actual expenses of the Offer	\$1,062,000	19.0%
<b>Total funds allocated – Year 1</b>	<b>\$5,586,000</b>	<b>100%</b>
<b>Use of Funds – Year 2</b>		
Exploration expenditure	\$2,338,000	53.9%
Studies and reviews	\$500,000	11.5%
Directors' fees	\$400,000	9.2%
General administration fees and working capital	\$586,000	13.5%
Future acquisition costs	\$500,000	11.5%
Capital expenditure	\$12,000	0.3%
<b>Total funds allocated – Year 2</b>	<b>\$4,336,000</b>	<b>100%</b>
<b>Total funds allocated - Years 1 and 2</b>	<b>\$9,922,000</b>	

**Notes:**

Working capital includes the general costs associated with the management and operation of the business including administration expenses, rent, other associated costs and also surplus funds.

Future acquisition costs include costs required for the identification of new projects and opportunistic acquisitions. The Company notes that: (i) it is not currently considering other acquisitions; (ii) that any future acquisitions are likely to be in the mineral resource sector; (iii) that the timing of any such transactions is not yet known; and (iv) if no suitable acquisition opportunity arises, and subject to the outcomes of exploration activities, the Company may elect to allocate some or all of these funds to exploration on the Company's existing Projects.

Expenses paid or payable by the Company in relation to the Public Offer are set out in Section 8.8 of the Prospectus.

The above tables are statements of current intentions as at the date of this release. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4 of Prospectus), and actual expenditure levels, may differ significantly from the above estimates.



Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

The Board believes that the funds raised from the Public Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this release and the Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for only 2 years' operations. As the Company has no operating revenue, the Company will require further financing in the future. See Section 4.1(c) of the Prospectus for further details about the risks associated with the Company's future capital requirements.

### **Status of Wingellina Project Tenements**

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to NICO entering any of the Tenements comprising the Central Musgrave Project, being the tenements referred to in Section 3.4.1 of the Prospectus and in Table 4 of the Independent Technical Assessment Report in the Prospectus, and carrying out exploration activities such that NICO will be able to spend its cash in accordance with its commitments set out above for the purposes of Listing Rule 1.3.2(b).

### **Relationship disclosure – Rod Corps and Marketech Online Trading Pty Ltd**

The Company wishes to clarify the relationship between Marketech Online Trading Pty Ltd, a Lead Manager to the Public Offer, and NICO's Managing Director, Mr Roderick Corps, and NICO's conflict management arrangements that are in place.

Marketech Online Trading Pty Ltd is a wholly owned subsidiary of Marketech Limited (Marketech).

Rod Corps is a non-executive director of Marketech (as noted in the Prospectus), but is not a director or employee of Marketech Online Trading Pty Ltd. Mr Corps does not receive any fee or remuneration for his services as a director, and is not entitled to any fee or remuneration.

Rod Corps has an approximate 9.6% shareholding interest in Marketech, but does not control Marketech.



Rod Corps has not received and will not be entitled to receive any portion of the fee or commission payable by NICO to Marketech Online Trading Pty Ltd under the Joint Lead Manager Engagement (or any fee or commission from Marketech as result of its engagement by NICO).

Rod Corps is not providing and has not provided any services to Marketech in relation to the Company or the Public Offer. Rod Corps' involvement in the Public Offer has been limited to his role as Director and CEO of the Company.

The Company's Board considers that it has the necessary corporate governance measures in place to ensure that all potential conflicts of interest of any director are managed appropriately. The Company's Board Charter provides that if a director considers that they may be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any person associated with them, or their duties to any other company on the one hand and the interests of the Company or their duties to the Company on the other hand, the director must:

- (a) fully and frankly inform the Board about the circumstances giving rise to the conflict; and
- (b) unless the Board otherwise determines, abstain from voting on any motion relation to the matter and absent themselves from all board deliberations relating to the matter, including receipt of Board papers concerning the matter.

The relationship between Rod Corps and Marketech has been disclosed and managed in accordance with the Board Charter.

## **Wingellina Project – Reserves and Pre-Feasibility Study**

The Company has provided a release to ASX entitled "Additional Information Listing Rule 5.9" for the purposes of compliance with ASX Listing Rules, in particular Listing Rule 5.9.

The release is in relation to the Mineral Resource and Reserve Estimate and the Phase 1 Feasibility Study (**P1FS**) for the Wingellina nickel and cobalt project. The provided in the release is in addition to the information concerning P1FS in the Prospectus, particularly the Independent Technical Assessment Report at Schedule 3 of the Prospectus.

-----

Authorised for release by the Board.

14 January 2022

**For further information please contact:**



[info@nicoresources.com.au](mailto:info@nicoresources.com.au)  
[www.nicoresources.com.au](http://www.nicoresources.com.au)



+61 89481 0389  
ABN: 80 649 817 425



L5/197 St Georges Tce  
Perth WA 6000  
GPO Box 2517 Perth WA 6831

Yours faithfully



**Rod Corps**  
**Managing Director and CEO**  
[Info@nicoresources.com.au](mailto:Info@nicoresources.com.au)



**Amanda Burgess**  
**Company Secretary**  
[Info@nicoresources.com.au](mailto:Info@nicoresources.com.au)



---

[info@nicoresources.com.au](mailto:info@nicoresources.com.au)  
[www.nicoresources.com.au](http://www.nicoresources.com.au)



+61 89481 0389  
ABN: 80 649 817 425



L5/197 St Georges Tce  
Perth WA 6000  
GPO Box 2517 Perth WA 6831