

HALF YEAR REPORT

ENDED 31 DECEMBER 2024



WINGELLINA
NICKEL/COBALT PROJECT

ACN: 649 817 425

NiCo
NICO RESOURCES LTD

CONTENTS

	Page
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	11
Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income	12
Condensed Consolidated Statement of Financial Position	13
Condensed Consolidated Statement of Changes in Equity	14
Condensed Consolidated Statement of Cash Flows	15
Notes to the Condensed Consolidated Financial Statements	16
Directors' Declaration	23
Independent Auditor's Review Report	24

WINGELLINA
NICKEL/COBALT PROJECT

CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairman

Mr Peter Cook

Managing Director

Mr Jonathan Shellabear

Non-Executive Director

Mr Roderick Corps

Non-Executive Director

Mr Stewart Findlay

Non-Executive Director

Mr Brett Smith

Company Secretary

Ms Amanda Burgess

REGISTERED OFFICE

Level 8

216 St Georges Terrace

Perth Western Australia 6000

Website: www.nicoresources.com.au

PRINCIPAL OFFICE

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190 St Georges Terrace

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AUDITORS

HALL CHADWICK

283 Rockeby Road

Subiaco Western Australia 6008

LEGAL ADVISORS

Blackwall Legal LLP

Level 26, 140 St Georges Terrace

Perth Western Australia 6000

BANKERS

National Australia Bank Limited

Ground Floor, 100 St Georges Terrace

Perth Western Australia 6000

STOCK EXCHANGE

Australian Securities Exchange Limited

ASX Code: NCI

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Terrace

Perth Western Australia 6000

Telephone: 1300 787 272



DIRECTORS REPORT

The Directors present their Interim Financial Report of Nico Resources Limited (referred to hereafter as **“the Company”** or **“Nico”**) and its subsidiaries for the half-year to 31 December 2024.

Directors

The name and details of the Company’s Directors in office during the half-year and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Peter Cook - Non-Executive Chairman
Mr Jonathan Shellabear – Managing Director
Mr Roderick Corps – Non-Executive Director
Mr Brett Smith – Non-Executive Director
Mr Stewart Findlay - Non-Executive Director

Principal Activities

The principal activity of the Company during the half-year was the exploration of the Central Musgrave Nickel Project (CMP).

Operating Results for the Period

The operating result of the Company for the half-year was a Profit of \$83,875 (Dec 2023 loss of \$2,336,571).

Dividends

No dividends were paid during the half-year and no dividend has been declared for the half-year ended 31 December 2024.

Significant Changes in State of Affairs

Other than those disclosed in this report, no significant changes in the state of affairs of the Company occurred during the half-year.

Significant Events after Reporting date

The Company has no matters or circumstances that have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Review of Operations

Nico is exploring its flagship Central Musgrave Nickel-Cobalt Project (“CMP”) located in Western Australia. The CMP comprises exploration tenements in Western Australia and South Australia along with Exploration Licences that cover the Lewis calcrete resource, immediately north of the Wingellina Nickel-Cobalt Project (“Wingellina” or the “Project”) within the CMP, and Miscellaneous Licences which cover the defined water resources. The CMP hosts 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 at Wingellina.

Wingellina is a large undeveloped oxide-type nickel-cobalt deposit which hosts an initial probable reserve 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 asset, characterised by its long life, low cost and high operating margins.

In light of the current metals price environment and outlook, the company has materially reduced its expenditure which reflects both a reduction in corporate overheads and completion

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

DIRECTORS REPORT

of the bench scale metallurgical testwork program. The operations and results of the Company for the half-year ended 31 December 2024 are reviewed below.

Nickel Market

During the half-year the nickel price averaged around US\$16,148/tonne, a decline of around 7.7% from the first half of the calendar year. The average nickel price for the 2024 calendar year was around US\$16,825/tonne which was a decline of around 21.6% from the previous year which placed nickel as the worst performing base metal for the 2024 year. The principal reason for this price underperformance was the ongoing growth in Indonesian production which is estimated to have increased by around 16% from the previous year and now represents nearly two-thirds of global supply (having been less than 10% a decade ago).

Nickel production from Indonesia is forecast to increase in the current year and, despite a continued fall in production from the rest of the world and a consumption growth rate in excess of 5%, the market is expected to remain in surplus and the short term remains challenging. However, the long term outlook is promising underwritten by continuing strong demand growth and a possibility of a slowing in production growth from Indonesia. The nickel market is forecast to require an additional 1.5 million tonnes per annum of nickel by 2030 which will require a significant increase in prices from current levels to incentivise investment in new capacity.

Wingellina Nickel-Cobalt Project

During the half-year, notwithstanding continued weak market conditions, Nico continued to focus on progressing Wingellina. Nico recognises the inherent unrealised value in Wingellina which is not reflected in the current share price and the Company will judiciously continue to advance the development of Wingellina for the benefit of all stakeholders.

Significant advancements were achieved during the half-year including the completion of the updated Mineral Resource Estimate², the metallurgical testwork program and continued engagement with key stakeholders that reinforced the strategic direction and potential of the Wingellina Project.

Updated Mineral Resource Estimate

The updated Wingellina Mineral Resource Estimate ("MRE") was completed during the half year by Independent Consultants ERM Australia Pty Ltd ("ERM") (formerly CSA Global). The 2024 MRE at a cut-off of 0.4% Ni, is 187.3Mt at 0.91% Ni and 0.06% Co for 1.7Mt of contained nickel metal. This estimate closely approximates the previous in-house estimate of 182.6 Mt at 0.92% Ni and 0.07% Co completed in 2016 by MetalsX Limited which confirms the robustness of the global resource.

Classification	Tonnes (Mt)	Ni (%)	Ni metal (Kt)	Co (%)	Co metal (Kt)
Indicated	164.1	0.93	1,531	0.06	98
Inferred	23.3	0.72	166	0.03	7.3
Total	187.3	0.91	1,698	0.06	106

Table 1. 2024 Wingellina Nickel-Cobalt Project MRE

Note:

1. Heritage Exclusion areas have been excluded from the MRE.

2. Minor discrepancies may occur due to rounding of appropriate significant figures.

² See ASX Announcement 28 August 2024 "

DIRECTORS REPORT

Modelling and gap analysis has identified the opportunity to increase the Wingellina Resource with mineralisation remaining open at depth and along strike in some domains. Regolith modelling confirms that Wingellina is an oxide dominant laterite deposit with 86% of the MRE modelled as limonite ore or transitional limonite ore. This supports the selection of HPAL technology as the preferred processing pathway.

Regolith Zone	Tonnes (Mt)	Ni (%)	Co (%)	MgO (%)	Fe ₂ O ₃ (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	MnO ₂ (%)	CaO (%)	LOI (%)	Sc (ppm)
Limonite	142.6	0.96	0.06	2.1	47.1	17.2	12.6	1.2	0.7	14.2	55
Transitional Limonite	18.6	0.77	0.04	7.1	21.6	42	8.9	0.6	3.2	13.4	29
Saprolite	26.1	0.68	0.02	11.8	16.6	37.5	8.4	0.4	6.1	17	31
Total	187.3	0.91	0.06	4.0	40.3	22.5	11.7	1.0	1.7	14.5	49

Table 2. 2024 Wingellina Nickel-Cobalt Project MRE by Regolith

Note:

- Heritage Exclusion areas have been excluded
- Minor discrepancies may occur due to rounding of appropriate significant figures.

Detailed lithological modelling and enhanced understanding and modelling of regolith boundaries is a critical improvement from the previous Mineral Resource Estimates. This detailed modelling, combined with the updated grade estimate, will provide the foundation for material type definition and effective mine planning and optimisation studies. Results from extensive bench-scale metallurgical testwork³ recently completed at ALS laboratories will be incorporated into the updated model to develop a working geo-metallurgical model.

A review of all available small-scale and large-scale geometallurgical testwork, together with the resource block model, will form the foundation for developing a predictive ore control development model for mine planning and production, ore preparation and ore delivery and processing.

Bench Scale Metallurgical Testwork Program

ALS Laboratories was engaged to commence the bench scale metallurgical testwork program in September 2023 and these activities were completed in the recent half year. The completion of these metallurgical programs have significantly contributed to the ongoing development of Wingellina and allow the commencement of the DFS. The testwork has generated relevant information including:

- 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.

³ See ASX Announcements 23 January 2024 "Wingellina Metallurgical Testwork Update". 10 April 2024 "Wingellina Advances Metallurgical Testwork" and 27 June 2024 "Metallurgical Engineering delivers improved results for Wingellina".



Figure 1. Limonite Ore from Wingellina being prepared for testing

During the half year the company completed its metallurgical testwork program including additional ore preparation and beneficiation test work. This testwork delivered improved results and the production of a saleable nickel-cobalt product from Wingellina ore. Various ore preparation sizing and scrubbing test work continued to generate data to develop the process flow sheet design. Follow-up High Pressure acid Leach (“**HPAL**”) testwork was completed during the half year on different size distributions and its impact on metallurgical recoveries, acid consumption and slurry feed densities. The Wingellina HPAL flowsheet showing major metallurgical processing steps within the nickel extraction process is shown in Figure 2. Testwork has been undertaken to prove DFS level design data which will allow the metallurgical process and the project to proceed to the next phase.

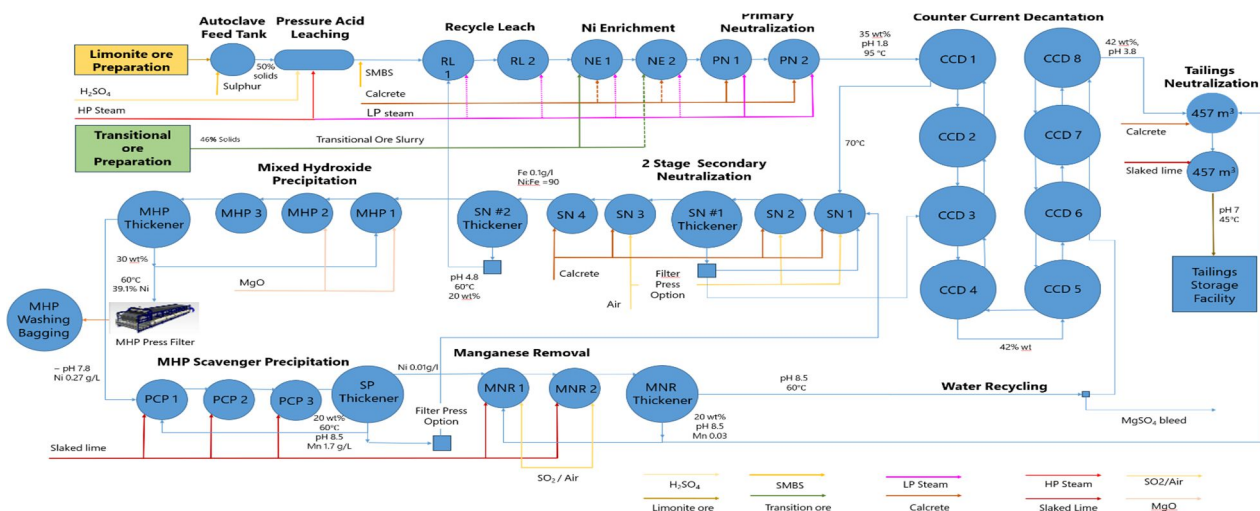


Figure 2. Wingellina HPAL flowsheet

DIRECTORS REPORT

The Wingellina Project PFS assumed an extraction of 95.2% nickel and 94.2% cobalt in the leach circuit which corresponds to an overall recovery of 92.15 nickel and 89.1% cobalt. Sulphuric acid, which would be produced on site by the proposed acid plant, is the most significant operating cost and updated metallurgical testwork from Wingellina ore has determined that the optimum acid injection for high Fe limonitic ore is between 240kg of H₂SO₄/tonne ore and 270kg of H₂SO₄/tonne ore. In the event that the operating temperature conditions are increased from 255°C to 270°C, the acid usage would decrease as the leaching kinetics are enhanced.

The nickel extraction results with varying acid doses are shown in Figure 3 and the cobalt extraction results are shown in Figure 4. The two main drivers of nickel and cobalt extraction and leaching kinetics are free acid in solution and temperature.

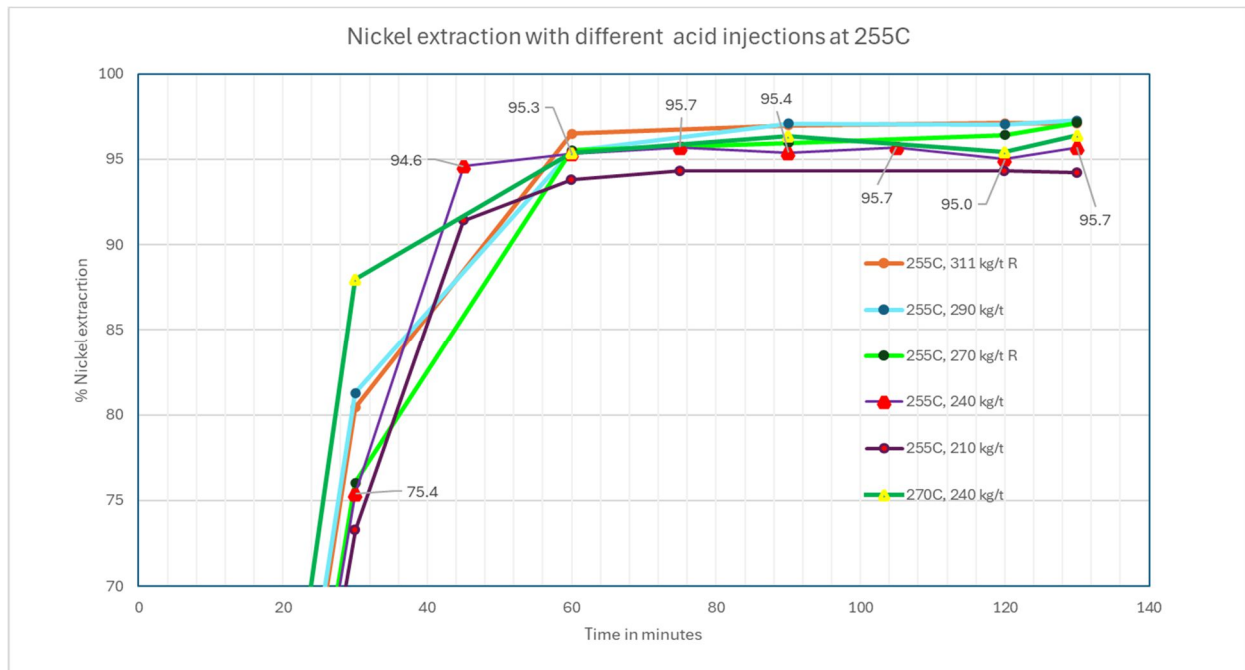


Figure 3. Nickel extractions at various acid doses

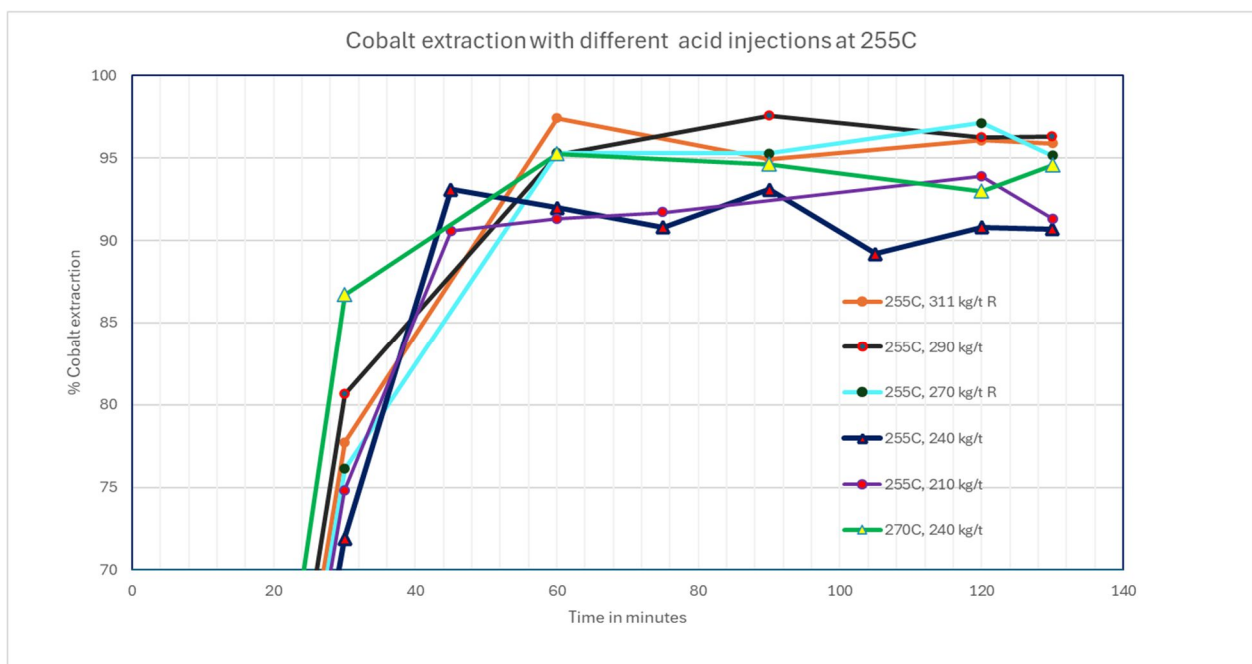


Figure 4. Cobalt extractions at various acid doses

DIRECTORS REPORT

In testwork the Company completed ore characterisation and elemental distribution by size fractions (see Figure 5). The results confirm the Wingellina ore is very fine in-situ yet does vary at different depths within the profile and nickel distribution by size fraction shows that 90% to 95% of the nickel content is present in size fractions less than 0.5 mm and the oversize fraction contains little nickel, particularly in the fraction above 2 mm, which are depleted in nickel, cobalt and enriched in acid consumers aluminium, magnesium and calcium.

It was found that the ore particle fractions between 1 mm and 0.5 mm still contain a material amount of nickel and cobalt. During the half year Nico continued investigative testwork to quantify the impact of larger particle sizes on HPAL nickel extraction yields.

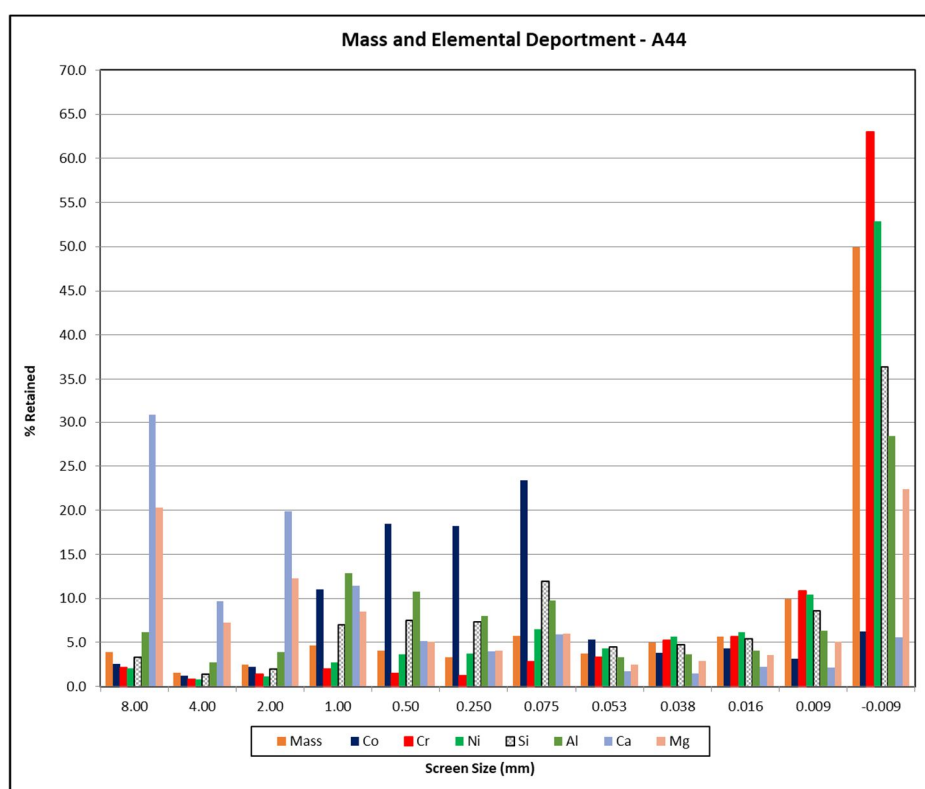


Figure 5. Mass and Elemental Distribution by Size Fraction

Rheological testwork on various limonite ore types indicates that HPAL feed rheology is significantly impacted by the ore type. Ore samples containing higher aluminium (7.5 %) and magnesium impurities (3.3 %) tend to have the highest Yield Point values and the highest values for the Bingham Model Parameters, which then translates into slurries with the highest viscosities.

Testwork also shows that without grinding, the HPAL ore feed sample will be able to achieve greater than 45% wt solids. After grinding of the sample to below 45 µm the slurry density is reduced to around 40% wt solids. The number of particles in the ultrafine particle size range of 0 to 10 µm is known to have a significant impact on the rheological properties of the slurry. Depending on the ore, the critical size that has the greatest effect on rheology will vary. Ultrafine material is difficult to settle and behaves more as a fluid. Consequently, the ultrafine solids increase the fluid density and by increasing the resistance to flow also increase the “apparent viscosity” of the fluid. Selection of the appropriate comminution methodology can minimise the creation of ultrafines and impact on slurry densities. The use of rod mills are preferable over ball mills to prevent overgrinding.

DIRECTORS REPORT

The particle sizes above 2 mm will be rejected during ore preparation as they contain lower nickel and cobalt levels and require high acid injection to extract any nickel present. In addition, the particles are rich in acid consumers aluminium and magnesium.

Particle sizes between 0.25 mm and below 1 mm contain significant levels of nickel and particularly cobalt but are elevated in magnesium and aluminium (all acid consumers) and will likely require milling of the ore to below 100 µm to facilitate nickel and cobalt extraction. Additional testwork will be undertaken to refine the parameters further.

Logistics

The logistics report was completed during the half year. The report outlines a new proposed transport route from Esperance to Leonora by rail, followed by road transport from Leonora to Wingellina. This route is expected to reduce operational and construction logistics costs significantly and has become a viable alternative due to the expected material reduction in volume on the railway which has allowed for additional slots to become available. Both the operational and construction logistics plans have been updated to reflect this new option, which will streamline the movement of materials and equipment to and from the project site. Importantly, Nico now has two alternative logistics options which provide enhanced Project flexibility.

We understand that the commencement of the upgrade of the Outback Way in Western Australia is expected to commence imminently.

Water Resources

A revised drill plan comprising 16 exploratory holes was proposed to advance the understanding of the Cobb aquifer. The positions and access to the six westernmost lines are still being worked on, and this process is expected to continue into the current half year.

The company completed another follow-up Passive seismic survey in the region during the half year to build on and refine the results from the 2023 survey. This work was completed with the intention of better defining the paleo horizon within the Cobb embayment sediments.

Environmental, Social and Governance

Nico continues to engage with stakeholders for the Wingellina Project in an open, transparent and collaborative manner. Nico received the Archaeological Reports from Maru Consulting for the Lewis Calcrete area, Cobb Embayment area and the Giles-Mulga Park Road during the period which identified no areas of significance.

Nico also received a Heritage Clearance Survey Report from NGC Land and Culture during the period which related to work programs conducted by Nico in July 2024 on the Cobb Embayment, Lewis Calcrete and Giles-Mulga Park road.

DIRECTORS REPORT

The draft Cultural Heritage Management Plan ("CHMP") has been completed and consultation with and review by Traditional Owners and the NGC is expected to commence shortly.

Throughout the quarter, Nico actively engaged with stakeholders at both State and Federal levels of Government to advance and increase the understanding of the Wingellina Project. Meetings with both State and Federal Government representatives addressed project updates, funding opportunities and the economic benefits provided by the Project for all stakeholders. Key discussions included logistics, infrastructure development, economic opportunities for the Traditional Owners and potential government support. Importantly, there was continued bipartisan support for the Wingellina Project and the importance of the upgrading and sealing of the Outback Way for project logistics. The discussions also underscored the need for careful, considered engagement with all parties to ensure that all stakeholders' concerns are addressed and the recognition that development of the Project would create significant opportunities for all stakeholders.

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. Nico is continuously attempting to enhance the relationship with the NGC and the Traditional Owners which reflects a commitment to improve the livelihoods and make a positive and lasting difference to the Traditional Owners. The Wingellina Project Agreement, which was registered as an Indigenous Land Use Agreement in October 2011, sets out the rights and obligations of all parties in relation to the proposed mining and processing activities. Nico has had an excellent and cooperative relationship with the Traditional Owners and has complied, and will continue to comply, with the Agreement since execution. While a number of payments have already been made under the Wingellina ILUA, further compensation payments will be required following the announcement of a final investment decision.

During the period the Company was awarded Major Projects Status by the Federal Government which recognises its national significance and importance in the energy transition. Nico's proactive engagement with various Government departments underscores the company's commitment to securing the necessary approvals and support for the project's successful development.

Auditor Independence

A copy of the auditors independence declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 24.

Signed in accordance with a resolution of the directors:



Jonathan Shellabear
Managing Director

Dated this 11 March 2025

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Nico Resources Limited and its controlled entities for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 11th day of March 2025
Perth, Western Australia

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	Note	31 December 2024 \$	31 December 2023 \$
Other Income	4(a)	1,381,213	315,500
Salary and wages expense		(689,075)	(1,150,434)
Corporate and administrative expenses	4(b)	(576,108)	(629,367)
Depreciation expense		(10,822)	(93,671)
Finance expenses		(2,985)	(5,785)
Share based payments expense	12	(18,348)	(772,814)
Profit/(loss) before income tax		83,875	(2,336,571)
Income tax expense		-	-
Net profit/(loss) for the period		83,875	(2,336,571)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		83,875	(2,336,571)
Basic and diluted Earnings/(Loss) per share for the half-year (cents per share)		0.08	(2.41)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 \$	30 June 2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,782,908	4,590,815
Trade and other receivables	6	1,242,781	296,362
Inventories	7	28,724	20,866
Other financial assets	8	1,168,337	168,337
TOTAL CURRENT ASSETS		4,222,750	5,076,380
NON-CURRENT ASSETS			
Property, plant and equipment		90,296	101,118
Exploration and evaluation expenditure	16	14,042,934	13,150,405
TOTAL NON-CURRENT ASSETS		14,133,230	13,251,523
TOTAL ASSETS		18,355,980	18,327,903
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	465,617	547,676
Loan payable		75,088	-
Provisions		97,645	164,820
TOTAL CURRENT LIABILITIES		638,350	712,496
TOTAL LIABILITIES		638,350	712,496
NET ASSETS		17,717,630	17,615,407
EQUITY			
Issued capital	11	40,457,326	40,457,326
Reserves	13	2,799,399	2,781,051
Accumulated losses		(25,539,095)	(25,622,970)
TOTAL EQUITY		17,717,630	17,615,407

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
Balance at 1 July 2024		40,457,326	2,781,051	(25,622,970)	17,615,407
Profit for the period		-	-	83,875	83,875
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	83,875	83,875
Transactions with equity holders in their capacity as owners					
Share Based Payments	12	-	18,348	-	18,347
Balance at 31 Dec 2024		40,457,326	2,799,399	(25,539,095)	17,717,630
		\$		\$	\$
Balance at 1 July 2023		33,559,968	1,665,686	(22,005,217)	13,220,437
Loss for the period		-	-	(2,336,571)	(2,336,571)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(2,336,571)	(2,336,571)
Transactions with equity holders in their capacity as owners					
Share Based Payments		-	772,814	-	772,814
Issue of shares		7,280,230	-	-	7,280,230
Less Capital Raising costs		(416,622)			(416,622)
Balance at 31 Dec 2023		40,423,576	2,438,500	(24,341,788)	18,520,288

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Receipts from Customers		252,411	208,881
Interest Received		97,027	65,223
Interest Paid		(2,986)	(5,785)
Payments to suppliers and employees		(1,248,810)	(1,780,580)
Net cash flows (used in) operating activities		(938,358)	(1,512,261)
Cash flows from investing activities			
Payments for Plant and Equipment		-	(56,047)
Payments for exploration and evaluation expenditure		(869,549)	(2,437,896)
Payment for short term investments		(1,000,000)	-
Net cash flows from/(used in) investing activities		(1,869,549)	(2,493,943)
Cash flows from financing activities			
Principal payments of lease liabilities		-	(76,713)
Proceeds from the issue of shares		-	7,280,230
Capital raising costs		-	(416,622)
Net cash flows from/(used in) financing activities		-	6,786,895
Net increase/(decrease) in cash and cash equivalents		(2,807,907)	2,780,691
Cash and cash equivalents at the beginning of the period		4,590,815	4,439,771
Cash and cash equivalents at the end of the period		1,782,908	7,220,462

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

This Interim Financial Report of Nico Resources Limited ("Company" or "Nico") was authorised for issue in accordance with a resolution of the directors on 11 March 2025.

Nico is a for profit public listed company, incorporated and domiciled in Australia. The Interim Financial Report is as at and for the half-year ended 31 December 2024 and comprises of the Company and its subsidiaries (together referred to as the Group).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

These condensed consolidated half-year financial statements for the interim reporting period have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value.

These condensed consolidated half year financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made by Nico during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules. The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted in the annual financial report for 30 June 2024.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a profit for the period of \$83,875 (Dec 2023: loss of \$2,336,571) and net cash operating outflows of \$938,358 (Dec 2023 outflows of: \$1,512,261).

As at 31 December 2024, the Company has a working capital surplus of \$3,584,400 (June 2024: \$4,363,884) and a cash balance of \$1,782,908 (June 24: \$4,590,815). There is additional short term investments of \$1,040,000 as at 31 December 2024. Included in current assets is \$1.04million receivable from the ATO with respect to an R and D claim which was received post period end.

Based on the cashflow forecasts prepared, and other factors referred to above the directors are satisfied the Company can continue to pay its debts as and when they fall due for at least the next twelve months.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(c) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Directors have determined that there is no material impact from the adoption of the new or amended standards.

(d) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Share based payments

Share-based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model for options with a set exercise price, and an enhanced Hull-White Model for those issued with a wvap exercise price, that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. For the performance rights with a market based vesting condition, a Monte Carlo simulation using the Hoadley's ESO Hybrid- Model Single Share Price Target Consec Days model. Refer to note 12 for further details on estimates used.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry.

The Board considers that it has only operated in one segment, being mineral exploration in Australia.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

4. INCOME AND EXPENSES

	31 December 2024	31 December 2023
	\$	\$
(a) Income		
Rental Income	251,722	210,830
Interest Income	87,537	99,815
R&D Tax rebate	1,041,954	-
Other Income	-	4,855
	1,381,213	315,500
(b) Expenses		
Corporate and Administrative Expenses		
Accounting Expenses	48,960	71,370
ASX Fees	34,232	44,257
Auditor Fees	22,500	15,675
Consulting Fees	168,818	199,861
Company Secretary expenses	48,960	69,870
Insurance	45,139	39,189
Investor relations	44,540	-
Legal Fees	4,460	22,946
Office costs	97,719	-
Travel expenses	13,829	30,649
Share Registry	7,495	44,257
Software expenses	29,925	42,809
Other	9,531	48,485
	576,108	629,368

5. CASH AND CASH EQUIVALENTS

	31 December 2024	30 June 2024
	\$	\$
Cash at bank and on hand	1,782,908	4,590,815
	1,782,908	4,590,815

Cash at bank and on hand earns interest at floating rates based on daily at call bank deposit and savings rates. There is additional short-term investments of \$1,040,000 classified as other financial assets (refer note 8).

6. TRADE AND OTHER RECEIVABLES

	31 December 2024	30 June 2024
Current	\$	\$
Accounts Receivables	1,057,128	30,698
GST Receivable	59,747	159,398
Interest Receivable	22,004	31,494
Prepayments	100,890	64,939
Other	3,012	9,833
	1,242,781	296,362

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

7. INVENTORIES

	31 December 2024 \$	30 June 2024 \$
Stores	28,724	20,866
	28,724	20,866

8. OTHER FINANCIAL ASSETS

	31 December 2024 \$	30 June 2024 \$
Short term investments	1,040,000	40,000
Bank Guarantee	128,337	128,337
	1,168,337	168,337

Short term investments are term deposits that earn interest at fixed rates at various maturity terms. All term deposits have terms and conditions that allow termination within 30 days with immaterial penalties applied.

9. TRADE AND OTHER PAYABLES

	31 December 2024 \$	30 June 2024 \$
Trade Creditors	368,323	325,981
Accrued Expense	22,000	72,805
Payroll Liabilities	75,294	148,890
	465,617	547,676

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

10. PROJECT EXPENDITURE COMMITMENTS

	31 December 2024 \$	30 June 2024 \$
Planned project expenditure commitments contracted for:		
Exploration Permits*	570,722	647,455
Office Lease**	44,553	133,666
	615,275	781,121
Payable:		
- not later than 12 months	316,616	448,666
- between 12 months and 5 years	298,659	332,455
- more than 5 years	-	-
	615,275	781,121

* The Company has commercial leases over the tenements in which the mining operations are located. To maintain current rights to explore and mine the tenements, the Company is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing authorities.

** The Company signed a commercial office lease for 9 months on 28 June 2024 commencing on 1 July 2024.

11. ISSUED CAPITAL

	31 December 2024
Ordinary shares	
Issued and fully paid	109,450,575
<i>Movement in ordinary shares on issue</i>	
	No. \$
Opening balance fully paid ordinary shares of at 30 June 2024	109,450,575 41,440,730
Movement during half-year:	
Less capital raising costs	(983,404)
Closing balance at 31 December 2024	109,450,575 40,457,326

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

12. SHARE BASED PAYMENTS

As at 31 December 2024 8,925,000 unlisted options were on issue. On 28 July 2024 9,000,000 options expired. 175,000 options were cancelled on 6 October 2024 due to service conditions not being met and on 3 November 2024 25,000,000 options expired. No Options were issued during the Half-year.

As at 31 December 2024 2,750,000 Performance rights were on issue, no Performance rights were issued during the Half-year

The fair value of the share based payment was based on the value of securities granted as the value of services is not otherwise reliably measurable.

13. RESERVES

	31 December 2024 \$	30 June 2024 \$
Share Based Payments Reserve	2,799,399	2,781,051
Total Reserves	2,799,399	2,781,051

Share Based Payments Reserve

Opening balance	2,781,051	1,665,686
Share based payments expense	92,372	1,149,115
Options cancelled/expired	(74,024)	
Options/Performance rights exercised	-	(33,750)
Total Reserves	2,799,399	2,781,051

The share-based payments reserve records items recognised as expenses on valuation of employee share options. Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion.

Any options that are not exercised by their expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging an Option Exercise Notice accompanied by the payment of the exercise price.

14. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities, and the results of the following subsidiaries:

Controlled Entities	Country of Origin	Percentage owned
Metals Exploration Pty Ltd	Australia	100%
Metex Nickel Pty Ltd (subsidiary of Metals Exploration Pty Ltd)	Australia	100%
Austral Nickel Pty Ltd (subsidiary of Metals Exploration Pty Ltd)	Australia	100%
Hinkley Range Pty Ltd (subsidiary of Metals Exploration Pty Ltd)	Australia	100%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

15. CONTINGENT LIABILITIES

There have been no additional contingent liabilities or contingent assets recognised since the end of the previous annual reporting period, 30 June 2024.

16. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2024 \$	30 June 2024 \$
A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:		
Carrying amount at the beginning of the period	13,150,405	8,959,340
Exploration and Expenditure during the half-year	892,529	4,191,065
Carrying Value at the end of the period	14,042,934	13,150,405

The use of expenditure during the half-year was a continued focus on progressing Wingellina from PFS to DFS. Several critical components were advanced including Bench scale metallurgical test work, as well as Lewis Calcrete deposit and updating the resources modelling.

17. RELATED PARTIES

Transactions with related parties

Other than those stated in note 12 and 13 above there were no related party transactions during the half-year period.

18. EVENTS AFTER BALANCE DATE

The Company has no matters or circumstances that have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS DECLARATION

In the opinion of the Directors of Nico Resources Limited:

1. The Interim Financial Report and notes, are in accordance with the Corporations Act 2001 and:
 - a) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Jonathan Shellabear
Managing Director

Dated 11 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NICO RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Nico Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nico Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated this 11th day of March 2025
Perth, Western Australia

