

# QUARTERLY REPORT JUNE 24

ASX ANNOUNCEMENT 17 JULY 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

109.45M shares on issue  
43.10M unlisted options  
2.75M Performance shares

### Market Capitalisation

\$15.870million

### Enterprise Value

\$11.11 million

### Cash at Bank (30-Jun-24)

\$4.76 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 30 June 2024.

The Wingellina nickel-cobalt project in Western Australia ("**Wingellina**" or the "**Project**") is a substantial oxide-type nickel cobalt limonite deposit which hosts an initial reserve of 1.56 million tonnes of contained nickel metal (168.4 million tonnes at 0.93% Ni and 0.07% Co). A PFS completed in December 2022 outlined a robust development capable of producing 40,000t of nickel and 3,000t of cobalt in a Mixed Hydroxide Precipitate ("**MHP**") for over 40 years.

The June 2024 quarter witnessed solid progress as we advanced the project toward a DFS and later development decision.

## KEY HIGHLIGHTS

- Bench scale metallurgical testwork during the June quarter has delivered improved results and the production of a saleable nickel-cobalt product from Wingellina ore.
- Metallurgical testwork outcomes identified improved leaching kinetics, higher metallurgical recoveries and a reduction in acid consumption without compromise of metallurgical recovery.
- Beneficiation testwork has provided an option to increase head grade with minimal metal loss and the nearby by Lewis Calcrete deposit has proved to be a viable long-term source of neutralising agent. All these factors have had a positive impact by reducing projected operating costs of the project.
- Nico received confirmation of a Crown Land Licence over land at the Brewer Estate, south of Alice Springs from the NT Government. This licence is a beneficial step in the company's plans for a logistics hub at Brewer Estate.
- The extension to the previous EPA approval for the development of the Wingellina project was granted for a further 5 years (Ministerial Statement 1223 from the Minister for Environment.)
- Ongoing engagement with key stakeholders continued throughout the quarter including Federal, State and Territory Governments. Additionally, Nico secured approval from the APY Lands for works to proceed on the South Australian tenements where there is significant exploration prospectivity within the Giles Complex of the Musgrave Block.
- Ongoing collaboration with CSA Global continued throughout the quarter to complete an updated and independent resource model for the Project. Completion is expected in the September quarter.



## QUARTERLY ACTIVITIES

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Nico Resources Limited (“**Nico**” or the “**Company**”) is pleased to present a summary of activities for the quarter ended 30 June 2024.

### PROCESSING AND METALLURGY

During the June 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:

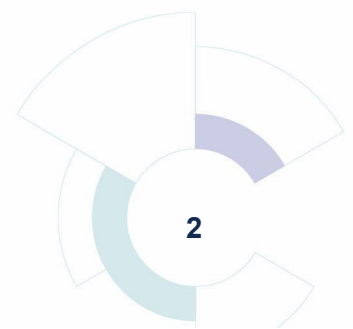
- Metal recovery data;
- Stream composition data and physical property data (including rheology);
- Bulk solids materials handling properties;
- Key equipment sizing data;
- Materials of construction data;
- Reagent consumption and waste composition data; and
- Product specification and purity.

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. For further detail on the metallurgical results refer to the ASX Announcement on 12 June 2024 (“Metallurgical Engineering delivers improved results for Wingellina”).

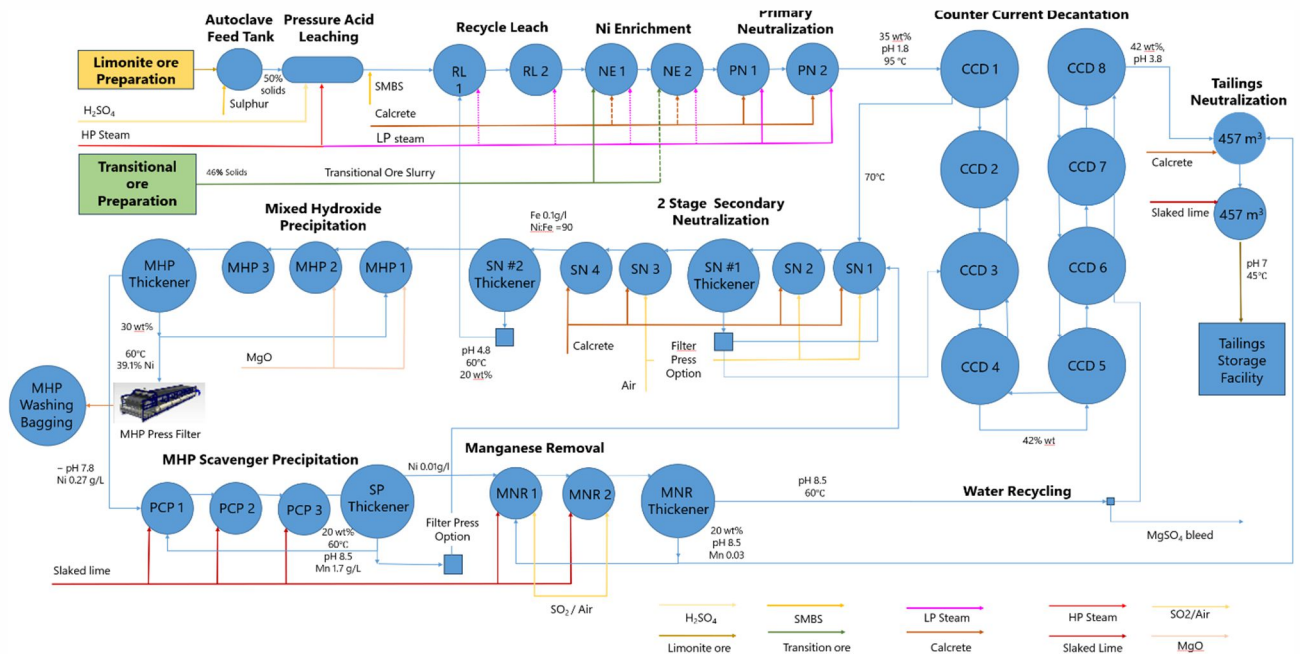
### *Summary of Activities in the June Quarter*

During the quarter the company advanced its ore preparation testwork activities. High-Pressure Acid Leaching (HPAL) tests indicated good extractions with low acid consumption. Re-leach test work on Secondary Neutralisation solids showed promising results for nickel recovery and batch scrubbing tests to remove agglomerates was completed at ALS. These efforts are critical for refining the ore preparation process and optimizing the plant’s performance, ensuring efficient extraction and processing of nickel and cobalt. Plant modelling based on these tests indicated yields comparable to the 2008 and 2022 Prefeasibility Studies.

In addition, during the June quarter the purified secondary neutralisation liquor was treated with calcined magnesia to produce a Mixed Hydroxide Precipitate (MHP). The company’s current test work indicates that MHP composition is similar to the elemental compositions of other MHP blends currently sold in the market. These findings support the ongoing development of the nickel and cobalt processing flowsheet, ensuring high-quality output from the Wingellina Project.



The Wingellina HPAI flowsheet showing major metallurgical processing steps within the nickel extraction process is shown below in Figure 1. 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.



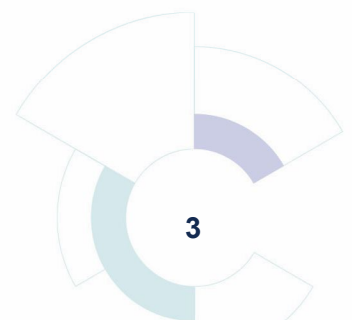
**Figure 1. Wingellina HPAI flowsheet**

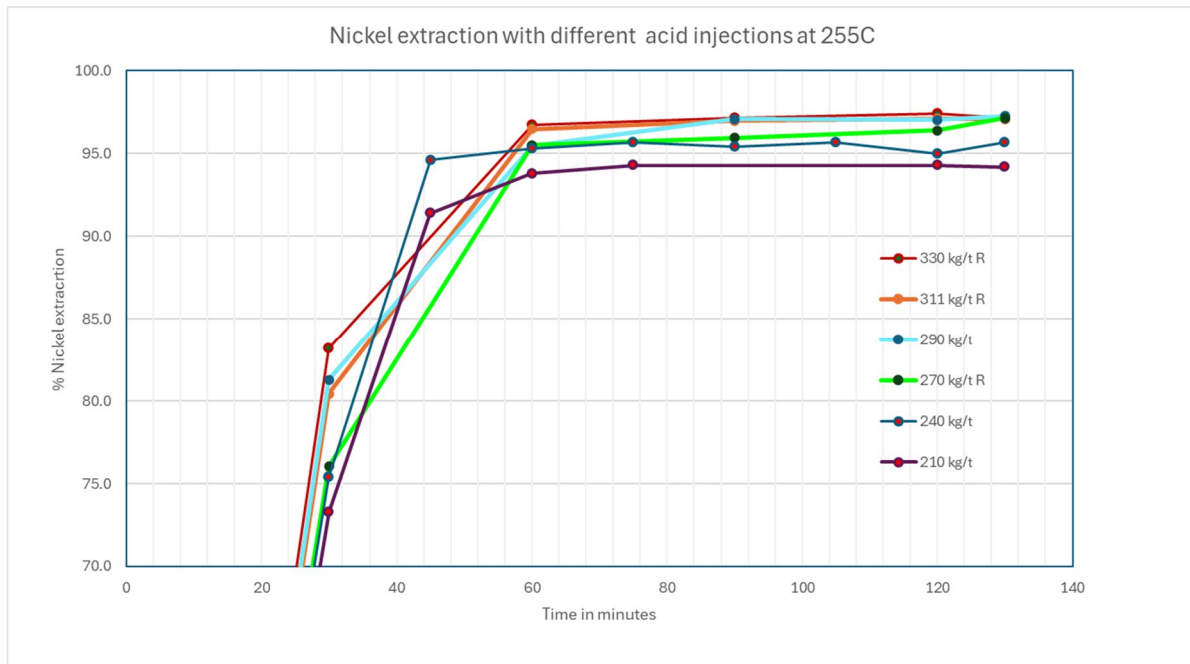
HPAI conditions with 12% lower acid consumption than that assumed<sup>1</sup> in the December 2022 Pre-feasibility study and high Ni and Co extractions have been achieved.

Nico are committing time and resources to validate these findings and incorporate the revised HPAI conditions into the future plant design. This will further enhance the project's value by minimising acid addition which in turn reduces ongoing operating expenditure. A decline in acid usage of 12% can result in a material reduction in total annual operating costs for the project.

Nico have determined acid doses higher than 210kg/t ore provide greater than 94% nickel extraction. Under laboratory conditions, nickel extraction kinetics for acid doses from 210kg/t to 330kg/t indicate maximum extraction is achieved after 60 minutes. At HPAI conditions of T=255°C and 240 kg H<sub>2</sub>SO<sub>4</sub>/t ore, nickel extraction of 95%, cobalt extraction of 93% and free acid concentration of 39 g H<sub>2</sub>SO<sub>4</sub>/L was achieved (Figure 2).

<sup>1</sup> Acid usage of 300kg/tonne of sulphuric acid per tonne of ore treated was assumed in the PFS.





**Figure 2: Nickel Extractions versus acid dose**

### **Supplementary Nickel Recovery Test Work**

In the current quarter testwork was undertaken to recover nickel and cobalt from waste streams that are directed to tailings. Up to 60% of the nickel was recovered from the Secondary Neutralisation Stage 1 (“SN1”) precipitate that is directed to tailings. This has the potential to increase overall plant nickel recovery by a further 1%.

### **Ore Preparation**

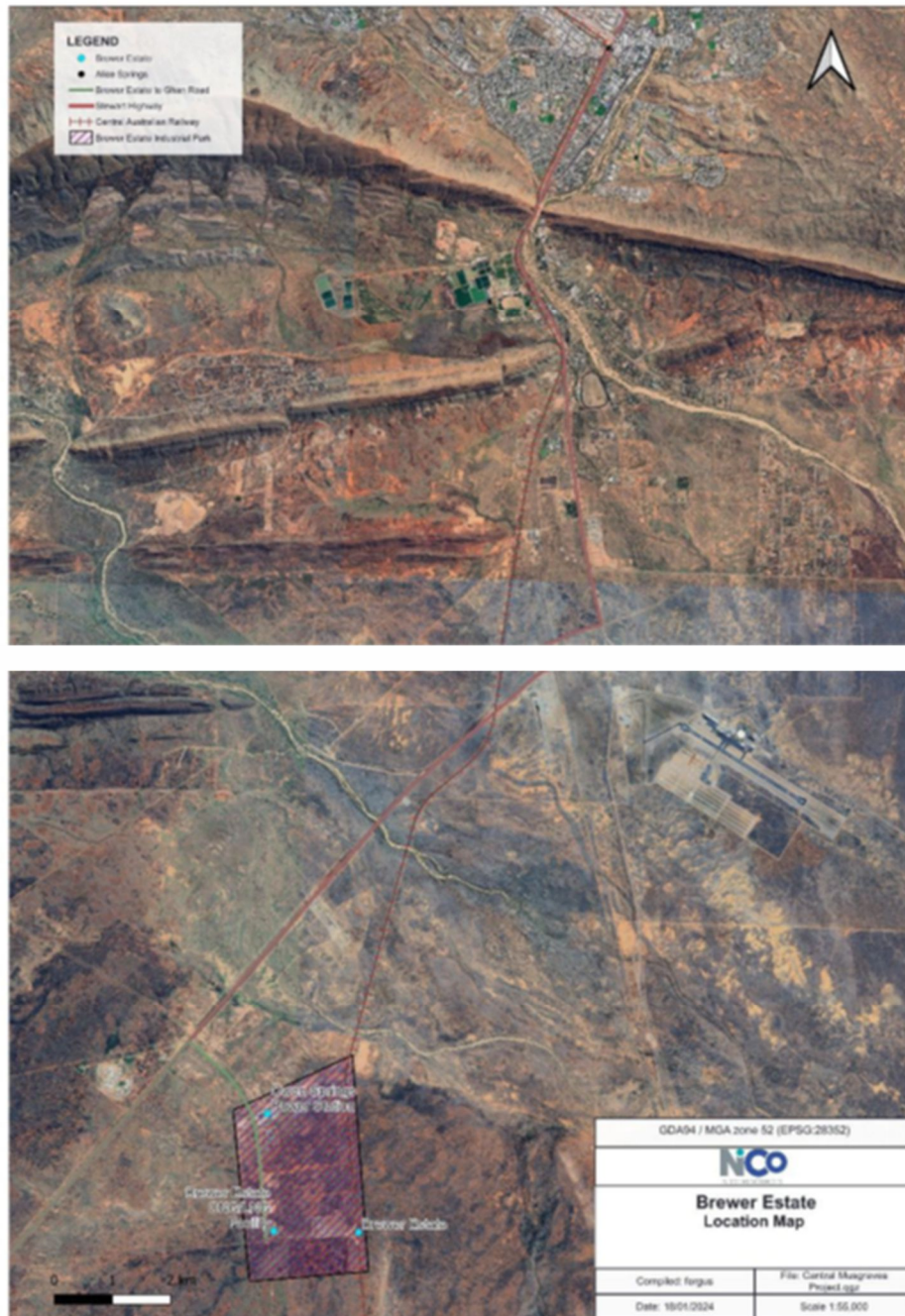
During the quarter significant work was undertaken on particle size distribution on key elements (including Fe, Ni, Co, Mg, Mn, Al and Si). Understanding this ore particle size distribution is important to define milling capacity to reduce all the nickel rich ore to a fine particle size. A particle size below 150µm (0.15mm) will allow an optimum nickel extraction in the HPAL allowing for an extraction time of one hour.

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 very little nickel. The coarse fractions are increasingly depleted in nickel, cobalt and enriched in acid consumers aluminium, magnesium and calcium. This analysis has implications for ore preparation whereby the coarse material can be rejected (which contains unwanted elements) and the fine material fed into the autoclave, with an increase in nickel grade and a decrease in the grade of deleterious elements.

Small scale scrubbing tests were also undertaken and due to the fineness of the ore excessive grinding is not required and the leaching kinetics are enhanced by fine particle size. In the ore preparation stage, a simple scrubbing stage followed by sizing and further separation by gravity is envisaged that will enable rejection of coarse fractions at different screen sizes, which allows for optimization for the ore variability and enhancement of nickel and cobalt feed grade whilst resulting in an increase in acid efficiency.

## NON-PROCESS INFRASTRUCTURE

Nico received confirmation of the fully executed Crown Land Licence for land at Brewer Estate, approximately 20 kilometres south of Alice Springs which will serve as a logistics hub for the Wingellina project. The licence commences on 30 June 2024 and will expire on 1 July 2026. The Licensee is required to comply with all licence conditions throughout the term, including giving notice of any changes to the Licensee or its use of the Licence area. Importantly, there is no licence fee payable.



**Figure 3: Brewer Estate location**

This licence is a crucial step in Nico's logistics development plans, providing the necessary land access to advance engineering studies for an integrated logistics hub at Brewer Estate. The approval of this licence is the culmination of 18 months of work on Nico's project logistics strategy. Brewer Estate represents the preferred location for the company due to the following factors:

- The Darwin to Adelaide rail passes immediately to the east of Brewer Estate and has an existing spur line at Brewer Estate;
- The area is permitted and zoned as a heavy industrial estate;
- Ready access to both power and water;
- Brewer Estate is located in close proximity to Alice Springs and an existing residential workforce;
- The location's close proximity to the Amadeus gas pipeline and related infrastructure (including the gas-fired Owen Springs Power Station).

## EXPLORATION & GEOLOGY

### *Geological Database*

CSA Global was engaged to compile, review and validate existing drillhole data for the Central Musgrave Project (CMP) and then import this data into a robust geological SQL database. This work is now complete with data imported into a Micromine Geobank framework. This robust database is crucial for supporting Nico's exploration and development activities and providing a solid foundation for future resource estimates and operational planning. Ongoing work on the database will include the setup of a suitable logging system with inbuilt validation to ensure data captured in future drilling programs is of the highest standard.

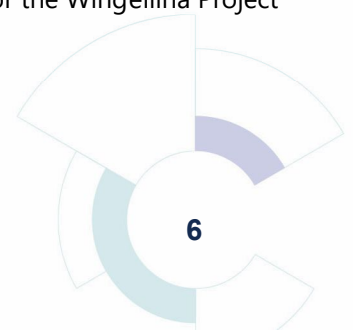
### *Updated Resource Estimation*

Resource modelling efforts by independent consultants CSA Global at the Wingellina Deposit saw significant progress and are nearing completion. CSA continue to work on the validation of the estimate and final reporting. Preliminary results presented match closely with the previous 2016 Resource Estimate, confirming the robustness of the global resource. The final draft report is expected sometime in the September quarter. The next step will be to incorporate the results from historical and extensive recent metallurgical testwork to create a comprehensive geo-metallurgical model. This model will provide critical insights for planning and optimizing the project's development strategy, ensuring the value of the deposit can be maximised.

### *Water Resources*

Progress continued on the water exploration activities at the Cobb and Mann Fault. A passive seismic survey was completed in 2023 at the Cobb Embayment, with the data reviewed and modelled by Resource Potential. Hydrogeological consultants Rockwater have provided an updated drill plan of 16 exploratory holes to further define the aquifer and its potential water output. Ground-truthing of the drill sites has commenced and is ongoing, Supplementary passive seismic data is planned to be collected in the September quarter this year.

The Mann Fault in South Australia (EL5860) has been identified as a potential target for water to supply the construction phase of the Wingellina Project. A work program and access permit applications to complete archaeology, flora and fauna surveys and drill programs were submitted to the APY Council for consideration. Access permit applications have been granted and consultation has commenced regarding the proposed works. These activities are essential for securing a sustainable water supply for the Wingellina Project and advancing the project towards development.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### *Approvals*

During the quarter, Nico achieved a significant milestone with the receipt of an extension to the previous EPA approval for the development of the Wingellina project as outlined in Ministerial Statement 1223 from the Minister for Environment. The approval provides a 5-year extension of the time granted to significantly implement the Wingellina Project.

EPA Services conducted a thorough review of key environmental factors at the request of the Minister for Environment to ensure previous conclusions were still current and took into account feedback from stakeholders. This environmental permit, as recommended by the Environmental Protection Authority (EPA Report 1762), removes previous conditions related to flora species and includes new conditions related to climate change and social surroundings.

Nico is pleased to have received this approval as a validation of the Wingellina Project by the Western Australian Government.

Additionally, Nico secured the APY Organisational Permit from Anangu Pitjantjatjara Yankunytjatjara (APY) Lands Council, allowing for flora, fauna, and archaeological studies to proceed on South Australian tenements, subject to Traditional Owner consultation.

### *Environmental and Social Management System*

Nico has continued to develop its Environmental and Social Management System (ESMS) to align with international standards (ISO 14001). This quarter saw the drafting of the ESMS framework and updating of Standard Operating Procedures (SOPs) across the business to meet these international standards. In addition, a comprehensive review of mineral waste characterisation studies against regulatory requirements was completed which underscores Nico's proactive approach to sustainable development of the Wingellina Nickel-Cobalt Project.

### *Health and Safety*

Health and safety remain of paramount importance for the company. The Mine Safety Management System (MSMS) has been completed for the current stage of the Wingellina Project and Workplace Health and Safety (WHS) training, required under the WHS (Mines) Regulations 2022, has been successfully rolled out to both site and Perth teams.

Notably, there were no reportable incidents during this quarter, reflecting the effectiveness of the company's health and safety protocols.

### *Stakeholder Engagement*

Nico continues to engage with stakeholders for the Wingellina Project in an open, transparent and collaborative manner. Maru Consulting has completed the Archaeological Reports for the Lewis Calcrete area, Cobb Embayment area and the Giles-Mulga Park Road to the Ngaanyatjarra Council (NGC) for review.

Nico is also awaiting finalisation of this Archaeological Report and Heritage Clearance Survey Reports from NGC Land and Culture. The Cultural Heritage Management Plan ("**CHMP**") was completed during the prior quarter and consultation with and review by Traditional Owners and their representatives will commence in the current quarter.

Throughout the quarter, Nico actively engaged with stakeholders at various levels of Government to advance the Wingellina Project. Meetings with both State and Federal Government representatives addressed project updates and funding opportunities. Key discussions included logistics, infrastructure development and potential government support.

During the quarter the company submitted an application to the Federal Government's Major Projects Facilitation Agency (MPFA) for the Wingellina Project to be awarded Major Project Status (MPS). The information provided will be reviewed and consultation with Australian Government regulatory agencies will be undertaken. The decision to award MPS is the decision of the responsible Minister and the timing of any decision is at the Minister's discretion. 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.

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.

### **Governance**

Nico continues to monitor changes to laws and regulations and supporting documentation, which included the Commonwealth's Nature Positive (Environment Protection Australia) Bill 2024 and Environmentally Sustainable Procurement Policy, Western Australian (WA) Government's implementation of recommendations under the Vogel-McFerran Review of WA environmental approvals processes, WA Mining Amendment Act 2022 and associated revised DMIRS guidelines for the preparation of Mine Development and Closure Proposals, and upcoming review of the Mine Rehabilitation Fund Act 2012 (WA).

The company approved the Human Rights Policy and Supplier Code of Conduct for display on its website, reinforcing its commitment to ethical practices. These initiatives highlight Nico's dedication to maintaining high standards of governance and transparency.

A summary of Nico's sustainable development activities is also provided in its Sustainability Report (<https://nicoresources.com.au/sustainability/>).

### **Future Work Program**

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

- Complete the bench scale testwork at ALS to confirm the robust project flowsheet design.
- 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.
- 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 and continue dialogue with APY 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.
- Progress engagement with other key stakeholders, including various Government entities, 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 \$4,759,152. Exploration and Evaluation expenditure during the quarter was \$743,858.

### Capital Structure<sup>2</sup> as at 30 June 2024

Description	Number
Fully paid ordinary shares	109,450,575
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) <sup>1</sup>	5,300,000
Unlisted Performance shares	2,750,000

### Conversion of Performance shares

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 30 June 2024) are:

- Mr Peter Cook 10.86%
- Mr Rod Corps 9.20%
- 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 \$138,125 and includes amounts paid to directors including director's fees and statutory superannuation.

***This announcement has been authorised for release by the Board.***

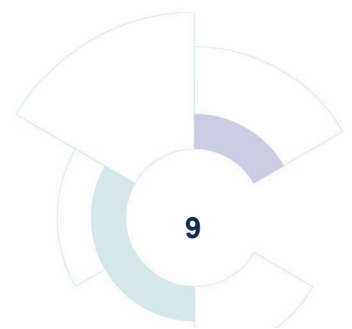
## CONTACTS

For more information, please visit our website [rte](http://rte) or email [info@nicoresources.com.au](mailto:info@nicoresources.com.au).

Jonathan Shellabear  
**Managing Director/CEO**

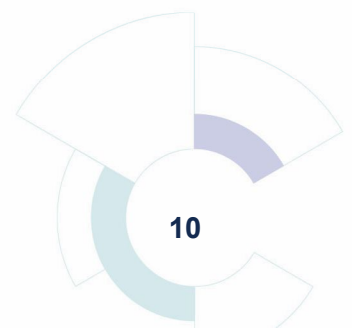
Amanda Burgess  
**Company Secretary**

<sup>2</sup> See various 3B announcements for details.



## 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

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**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 1,469km<sup>2</sup> 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](http://www.nicoresources.com.au) and the ASX website [www.asx.com.au](http://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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development		
(c) production		
(d) staff costs	(392)	(2,183)
(e) administration and corporate costs	(287)	(1,382)
1.3 Dividends received (see note 3)		
1.4 Interest received	69	216
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	265	265
1.8 Other (provide details if material)	36	86
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(309)</b>	<b>(2,998)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment		(61)
(d) exploration & evaluation	(744)	(3,641)
(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 (12 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(744)</b>	<b>(3,702)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>6,851</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,812	4,608
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(309)	(2,998)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(744)	(3,702)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,759</b>	<b>4,759</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	591	644
5.2	Call deposits	4,168	5,168
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,759</b>	<b>5,812</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	138
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. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		
<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>	
8.1 Net cash from / (used in) operating activities (item 1.9)	(309)	
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(744)	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,053)	
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,759	
8.5 Unused finance facilities available at quarter end (item 7.5)	-	
8.6 Total available funding (item 8.4 + item 8.5)	4,759	
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.52	
<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: 17 July 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.