

# QUARTERLY REPORT SEPTEMBER 24

ASX ANNOUNCEMENT 28 OCTOBER 2024



## ASX: NC1

### Board

Peter Cook  
*Non-Executive Chairman*

Jonathan Shellabear  
*Managing Director/CEO*

Rod Corps  
*Non-Executive Director*

Stewart Findlay  
*Non-Executive Director*

Brett Smith  
*Non-Executive Director*

### Issued Capital

109.20M shares on issue  
34.10M unlisted options  
2.75M Performance shares

### Market Capitalisation

\$14.22million

### Enterprise Value

\$10.506 million

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

\$3.714 million

### Nico Resources Limited

ABN 80 649 817 425

Level 6, 190 St Georges Tce

Perth WA 6000

GPO Box 2517

Perth, WA 6831

T: +61 (08) 9481 0389

E: [info@nicoresources.com.au](mailto:info@nicoresources.com.au)

W: [nicoresources.com.au](http://nicoresources.com.au)

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

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

The September 2024 quarter was a period of continued progress for the Company notwithstanding the weak market conditions. Significant advancements were achieved with the completion of the updated Mineral Resource Estimate<sup>2</sup>, metallurgical testwork and continued engagement with key stakeholders that reinforced the strategic direction and potential of the Wingellina Project.

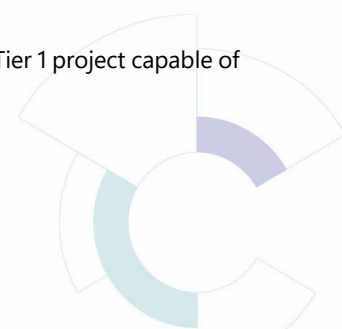
The developments during the September quarter are discussed in more detail below.

## KEY HIGHLIGHTS

- The updated Wingellina Mineral Resource Estimate ("MRE") was completed during the September quarter 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.
- The bench scale metallurgical testwork was completed during the September quarter which delivered improved results and the production of a saleable nickel-cobalt product from Wingellina ore. Some follow-up High Pressure acid Leach ("**HPAL**") testwork was completed during the current quarter on different size distributions and its impact on metallurgical recoveries, acid consumption and slurry feed densities.
- Nico continued its review of logistics options for the development of the Wingellina Project which has highlighted a potentially lower cost alternative option by accessing the Outback Way through to Leonora and thereafter by rail to Kwinana or Esperance.
- 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 of the bench scale metallurgical testwork program.
- Ongoing engagement with key stakeholders continued throughout the quarter including Federal, State and Territory Governments.

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

<sup>2</sup> See ASX Announcement 28 August 2024 "



## QUARTERLY ACTIVITIES

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

### UPDATED MINERAL RESOURCE ESTIMATE

#### Introduction

The Company requested ERM to undertake a phased program of work to facilitate an updated MRE for the Wingellina Project designed to facilitate completion of a DFS for the Project.

An initial gap analysis was undertaken to establish criteria required for an update of the MRE including:

- A review of past QA/QC assessments and statistical assessments of the previous and recent drilling undertaken at Wingellina;
- Remodelling of the resource to include detailed and more appropriately defined regolith surfaces, more detailed geological modelling of the main lithologies and geochemical modelling. The aim was to gain a greater understanding of the distribution of the mineralisation to enable definition of specific material types for optimal processing and metal extraction;
- An assessment of the geometallurgical properties to define the various material an ore types. Nickel laterite orebodies are composed of diverse material types that have specific properties directly related to metal recovery through the process plant. A review of all available small-scale and large-scale geometallurgical testwork will, together with the resource block model, form the foundation for developing a predictive ore control development model for mine planning and production, ore preparation and ore delivery and processing.
- The efficiency of mining and processing of nickel laterites is defined by an understanding of their mineralogical composition. Physical and rheological responses to processing operations are directly correlated to the specific geochemistry of the minerals contained within the orebody.

#### Mineral Resource Estimate Summary

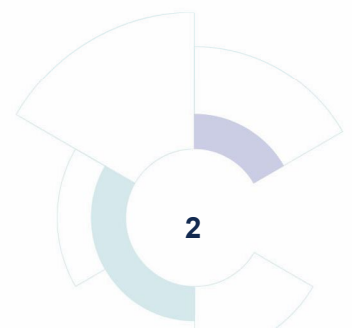
The 2024 Wingellina MRE within the limits of drilling information, and within the envelope of nickel mineralisation at a cut-off of 0.4% Ni, is **187.3Mt at 0.91% Ni and 0.06% Co for 1.7Mt** of contained nickel metal (Table 1).

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
<b>Total</b>	<b>187.3</b>	<b>0.91</b>	<b>1,698</b>	<b>0.06</b>	<b>106</b>

Note:

1. Heritage Exclusion areas have been excluded from the MRE.
2. Minor discrepancies may occur due to rounding of appropriate significant figures.

**Table 1. 2024 Wingellina Nickel-Cobalt Project MRE**



- 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.
- Results of the 2024 Independent MRE for the Wingellina deposit correspond closely with the previous in-house 2016 Resource Estimate of 182.6 Mt at 0.92% Ni and 0.07% Co completed by MetalsX Limited, which confirms the robustness of the global resource.
- 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.
- 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 testwork<sup>3</sup> nearing completion at ALS laboratories will be incorporated into the updated model to develop a working geo-metallurgical model.

### 2024 Resource by Regolith

#### Classified Resource for Wingellina Nickel-Cobalt Project, 0.4% Ni cut-off, by Regolith Zone

Regolith Zone	Tonnes (Mt)	Ni (%)	Co (%)	MgO (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	MnO <sub>2</sub> (%)	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
<b>Total</b>	<b>187.3</b>	<b>0.91</b>	<b>0.06</b>	<b>4.0</b>	<b>40.3</b>	<b>22.5</b>	<b>11.7</b>	<b>1.0</b>	<b>1.7</b>	<b>14.5</b>	<b>49</b>

Note:

1. Heritage Exclusion areas have been excluded 2. Minor discrepancies may occur due to rounding of appropriate significant figures.

**Table 2. 2016 and 2024 Wingellina Nickel-Cobalt Project MRE comparison by Regolith**

### 2016 and 2024 MRE Resource Comparison

The results of the 2024 Independent MRE for the Wingellina deposit correspond closely with the previous in-house 2016 Resource Estimate of 182.6 Mt at 0.92% Ni and 0.07% Co completed by MetalsX Limited, with only a 2.6% difference in tonnes and a 1% difference in global Ni grade. This supports the conclusion that Wingellina has a robust global resource which confirms the robustness of the global resource (Table 3).

<sup>3</sup> 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".

Year	Classification	Tonnes (Mt)	Ni (%)	Ni Metal (t)	Co (%)	Co Metal (t)
2016 MRE	Measured	37.6	0.98	367,960	0.08	28,016
	Indicated	130.9	0.91	1,193,482	0.07	94,605
	Inferred	14.1	0.87	122,367	0.07	9,127
	<b>Total</b>	<b>182.6</b>	<b>0.92</b>	<b>1,683,810</b>	<b>0.07</b>	<b>131,749</b>
2024 MRE	Measured	-	-	-	-	-
	Indicated	164.1	0.93	1,531,100	0.06	98,449.0
	Inferred	23.3	0.72	166,405	0.03	7,304.0
	<b>Total</b>	<b>187.3</b>	<b>0.91</b>	<b>1,697,505</b>	<b>0.06</b>	<b>105,753</b>

Note:

1. Heritage Exclusion areas have been excluded from the MRE 2. Minor discrepancies may occur due to rounding of appropriate significant figures.

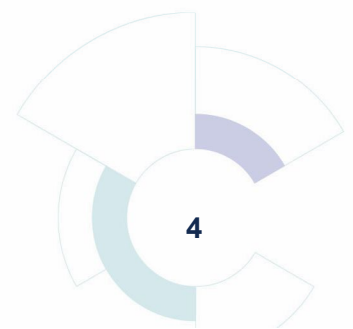
**Table 3. 2016 and 2024 Wingellina Nickel-Cobalt Project MRE comparison**

The key differences between the two MRE estimates are:

- In the 2016 MRE, grades were estimated within a Ni mineralisation envelope without further domaining of geology and regolith. The 2024 MRE included additional geology and regolith domains. This was considered an important addition to achieve the best linear unbiased estimate of grade. Particularly with regards to elements critical to understand in the HPAL process such as MgO, Fe<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub> and CaO. The additional domaining will also be used for the definition of material types. These will allow for optimised mine planning, particularly with respect to providing consistent feed to the proposed HPAL plant.
- The 2016 MRE classified approximately 20% of the resource in the Measured category. ERM Australia who conducted the 2024 MRE update, deemed that additional density data was required before any material could be classified as Measured and satisfy the requirements of the 2012 JORC code. As such previously Measured material has been reclassified as Indicated in the 2024 MRE.
- Cobalt grades of Indicated Resources are 16% lower in the 2024 MRE compared to the 2016 MRE (0.07% Co in 2016 compared to 0.06% Co in 2024). This is a result of employing greater constraints on high grade Co mineralisation in the 2024 MRE estimation methodology. The outcome is a more conservative estimate of high-grade Co within the Ni mineralisation envelope.

### Next Steps

- The updated Wingellina Resource Model along with the results from recent metallurgical testwork will be used to create a geo-metallurgical model incorporating material types and geo-metallurgical parameters including beneficiation, mass rejection, upgrade, nickel and cobalt recovery and consumption of consumables (sulphuric acid, calcrete and magnesia).



- The geo-metallurgical model will serve to identify knowledge gaps with regards to the processing characteristics of less studied material types. This will drive future bench-scale testwork programs, with an aim to further derisk the project.
- The geo-metallurgical model will also be used to develop a mine plan and schedule to facilitate scenario planning and optimisation of the orebody to maximise value from the resources at Wingellina under various macro-economic assumptions.
- Work programs will be developed to infill and extend existing drilling where required, including the collection of additional density data so Indicated Resources can be upgraded to Measured status in future MRE estimates.

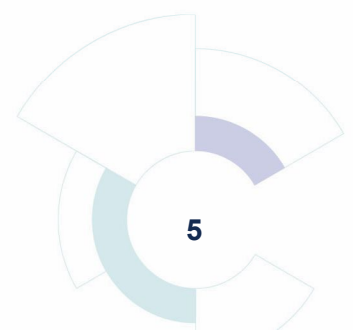
## PROCESSING AND METALLURGY

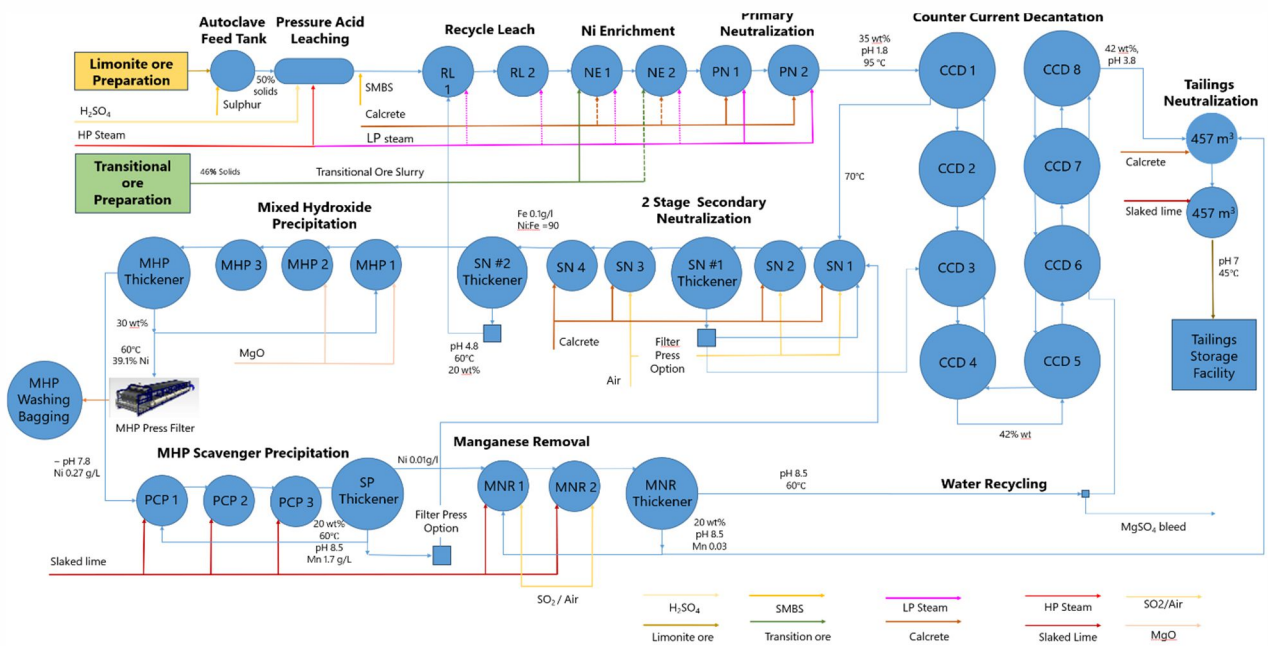
During the September quarter, ALS Laboratories finalised the bench scale metallurgical testwork program which commenced in the September 2023 quarter. These metallurgical programs will significantly contribute to the ongoing development of the Project and are an important component of the preparatory 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 generated 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.

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

During the quarter the company advanced its ore preparation testwork activities including additional ore preparation and beneficiation test work. Various ore preparation sizing and scrubbing test work continued to generate data to develop the process flow sheet design. The Wingellina HPAL 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.

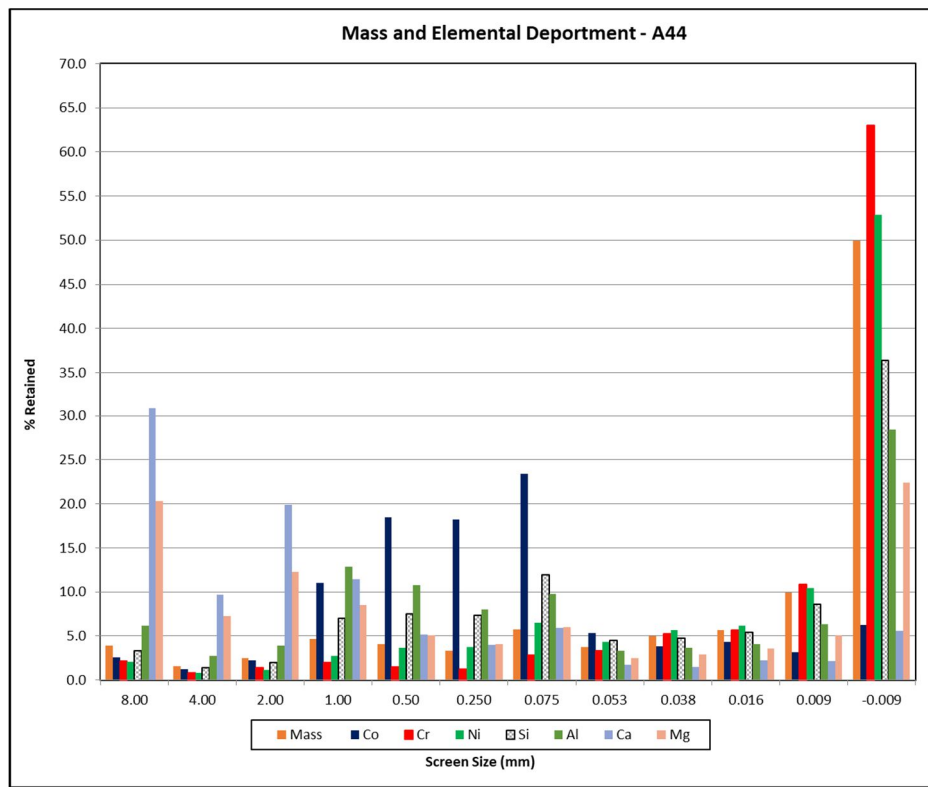




**Figure 1. Wingellina HPAL flowsheet**

In previous testwork the Company completed ore characterisation and elemental distribution by size fractions (see Figure 2 below). 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 quarter Nico completed investigative testwork to quantify the impact of larger particle sizes on HPAL nickel extraction yields. A summary of the testwork is provided below.



**Figure 2. Mass and Elemental Distribution by Size Fraction**

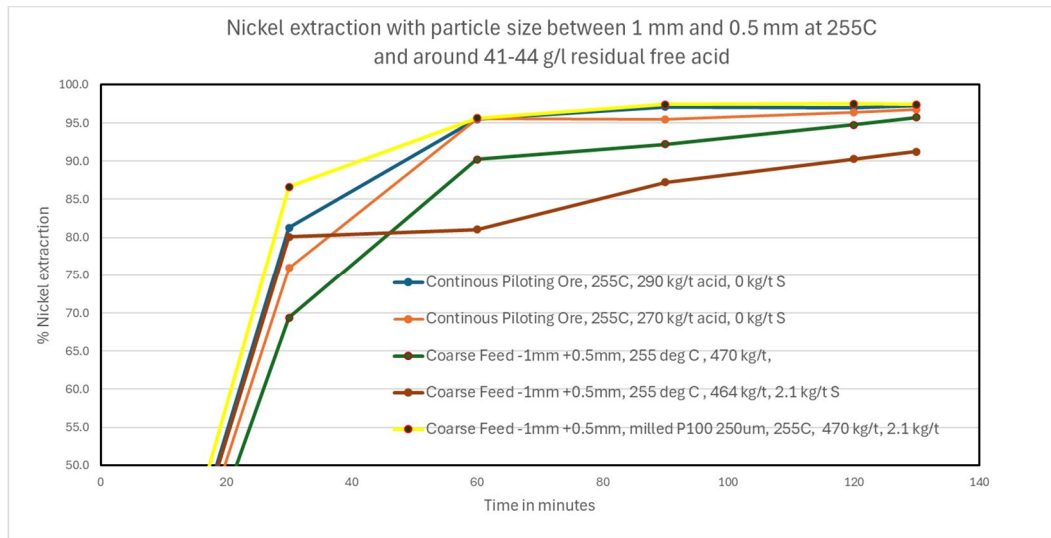
Two different particle size ranges were initially studied and compared to the ore selected for future continuous piloting. Although these larger particles came from the same ore samples, their composition differed significantly. The bulk sample was separated using a sieve, removing particle sizes greater than 0.25 mm (250 µm) from the ore sample intended for continuous piloting (“Continuous Piloting Ore”). Particle sizes above 1mm were not studied in detail, as their nickel concentration was mostly found to be below 0.5%. The composition of these different ore fractions used in the analysis is detailed below in Table 4 below. As detailed the size fraction between 0.25 mm to 1 mm is rich in cobalt and nickel, lower in iron but somewhat elevated in the acid consumers aluminium and magnesium.

Different size ores	Al %	Ca %	Co %	Cr %	Cu %	Fe %	Mg %	Mn %	Ni %	S %	Si %
Coarse Feed -1mm +0.5mm	9.78	1.58	0.19	0.58	0.02	19.30	2.81	1.36	0.98	0.04	11.50
Coarse Feed -0.5mm - 0.25mm	9.50	0.87	0.27	0.57	0.02	20.80	2.17	1.97	1.26	0.02	12.00
Continuous piloting ore	5.73	0.72	0.08	1.33	0.02	37.45	0.76	0.65	1.21	0.04	6.79

**Table 4. Composition Analysis of Particle Size Samples**

### High Pressure Acid Leaching results for 1mm-0.5mm Particle Size

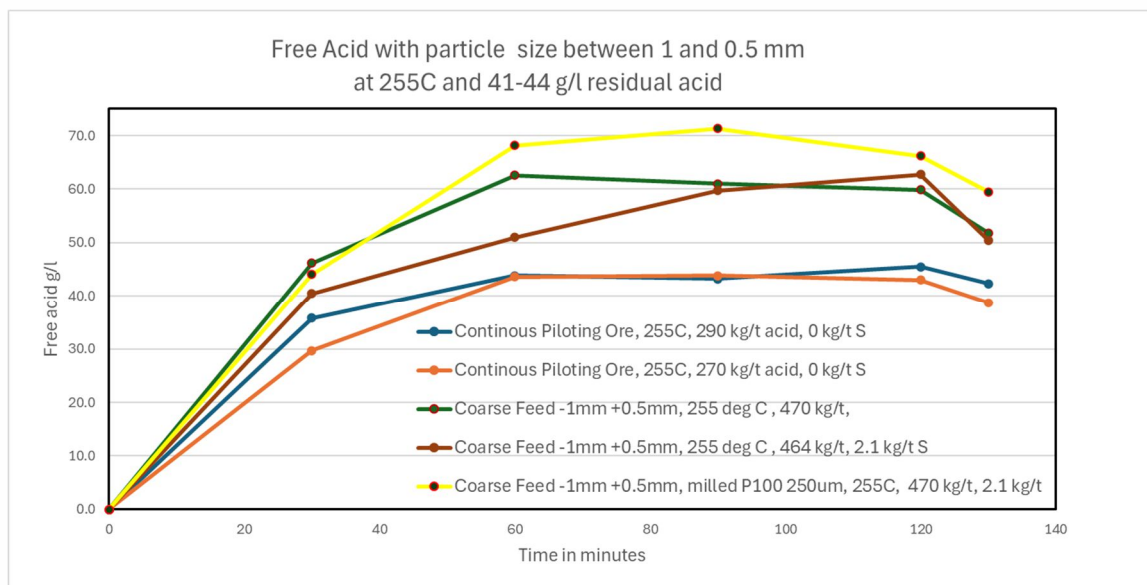
The 1mm - 0.5mm size fraction was compared to the Continuous Piloting Ore sample, and then ground further to assess improvements in nickel and cobalt extraction. The goal was to determine whether grinding to a finer fraction below 0.25 mm (250 µm) would enhance metal recovery and leaching kinetics.



**Figure 3. Nickel extraction kinetics for PSD between 0.5mm to 1mm**

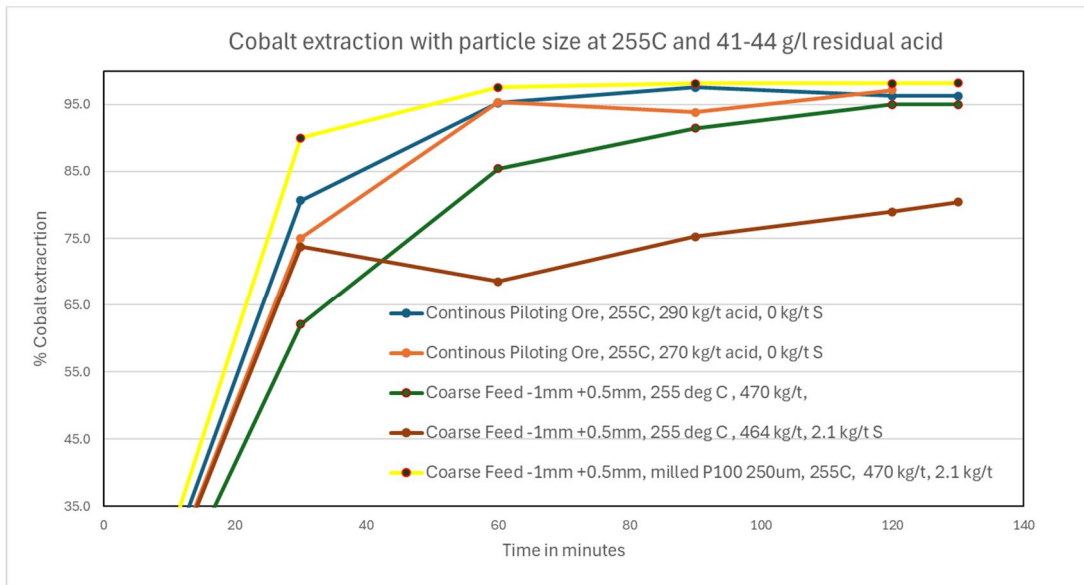
Figure 3 above demonstrates that coarser particle sizes (dark green and dark brown lines) require significantly more acid (470 kg/t compared to 270 - 290 kg/t), at similar residence times to achieve nickel recoveries which are materially lower than the Continuous Piloting Ore sample. The higher acid injection increased free acid levels but was insufficient to achieve nickel extraction rates comparable to those of the Continuous Piloting Ore.

Adding sulphur to particle sizes larger than 0.5mm reduced the kinetics of the nickel extraction process considerably (comparison of the brown curve to the green curve). However, grinding the particles from a size of 1mm to 0.5mm to below 0.25 mm (250 µm) (as seen in the yellow line) had a marked improvement on nickel extraction and the release of free acid (see Figure 4 below). From these results it is concluded that all particle sizes from 1 mm to 0.5mm (500 µm) should be milled to below 250 µm to optimize nickel extraction and kinetics.



**Figure 4. Free acid concentration for PSD between 0.5 to 1 mm**

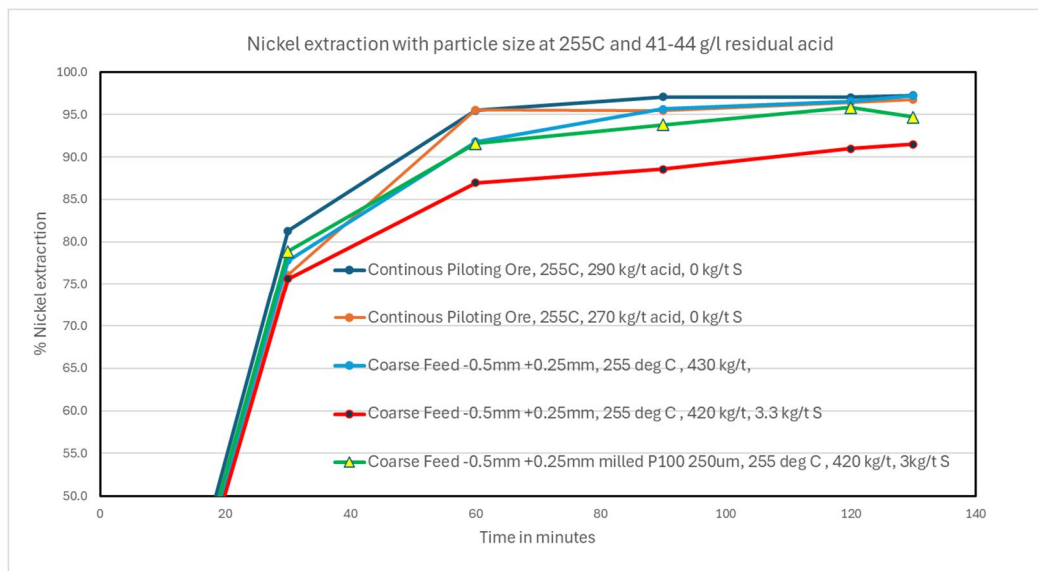
Free acid levels are seen to be a major contributor to nickel and cobalt extraction levels. Cobalt extraction follows a similar pattern to nickel extraction (see Figure 5 below).



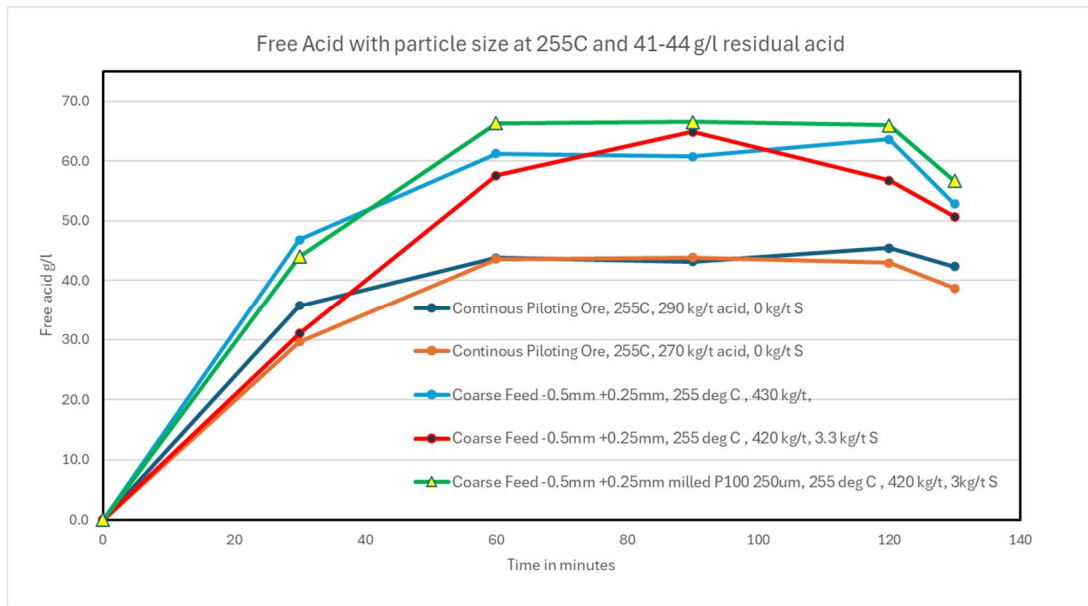
**Figure 5. Cobalt extraction kinetics for PSD between 0.5 to 1 mm**

### High Pressure Acid Leaching results for 0.5mm-0.25mm Particle Size

The 0.5mm - 0.25mm (250µm) particles were compared to the Continuous Piloting Ore sample, and further grinding was completed to evaluate improvements in nickel and cobalt extraction. In this case, 430 kg/t of acid was injected, compared to 470 kg/t for the 1mm – 0.5mm particle size sample. This resulted in approximately 65g/l of free acid, which is similar to what was observed in the larger particle size (1 mm to 0.5 mm) range.



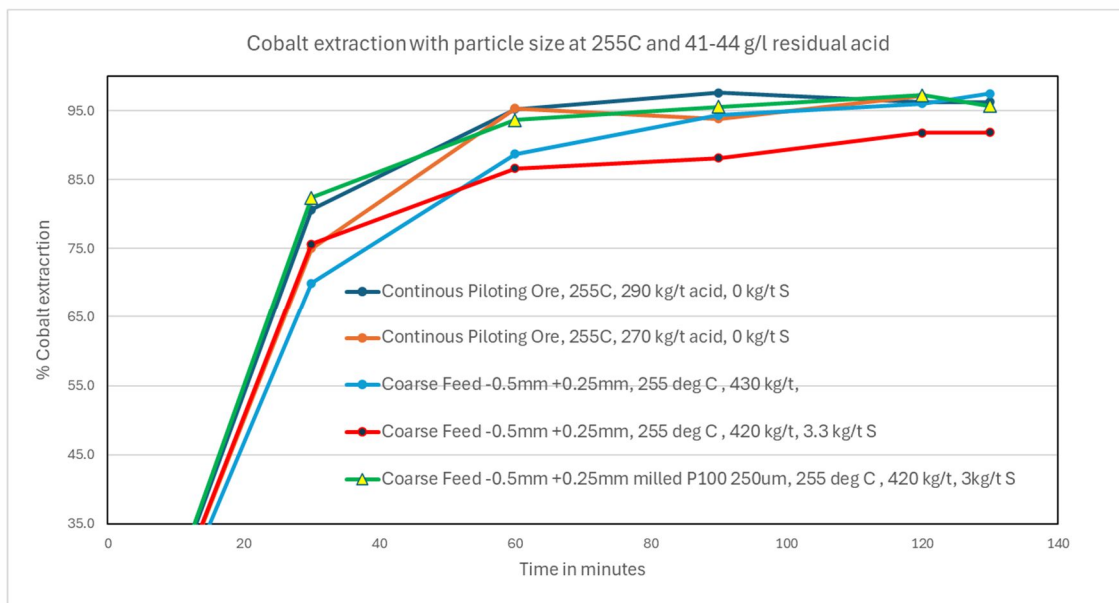
**Figure 6. Nickel extraction kinetics at 255°C for PSD between 0.5 to 0.25 mm**



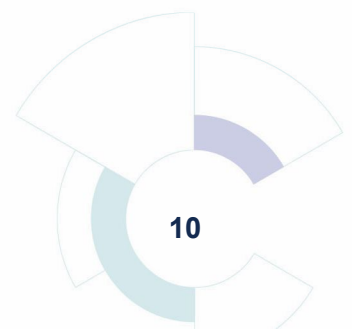
**Figure 7. Free acid generation at 255°C for PSD between 0.5 mm to 0.25 mm**

The nickel extraction rate for the 0.5mm – 0.25 mm particle size after one hour was 92%, compared to 95% for the Continuous Piloting Ore sample. Sulphur injection continued to slow down the nickel leaching kinetics in the 0.5 – 0.25 mm particle size range. Even with higher free acid levels, the ground ore could not achieve a higher nickel extraction rate than the Continuous Piloting Ore sample. This result further confirms that all ore with particle sizes larger than 0.25 mm (250 µm) should be ground to below 250 µm to optimize nickel extraction.

Once again, cobalt extraction followed similar trends as the nickel extraction under similar conditions.

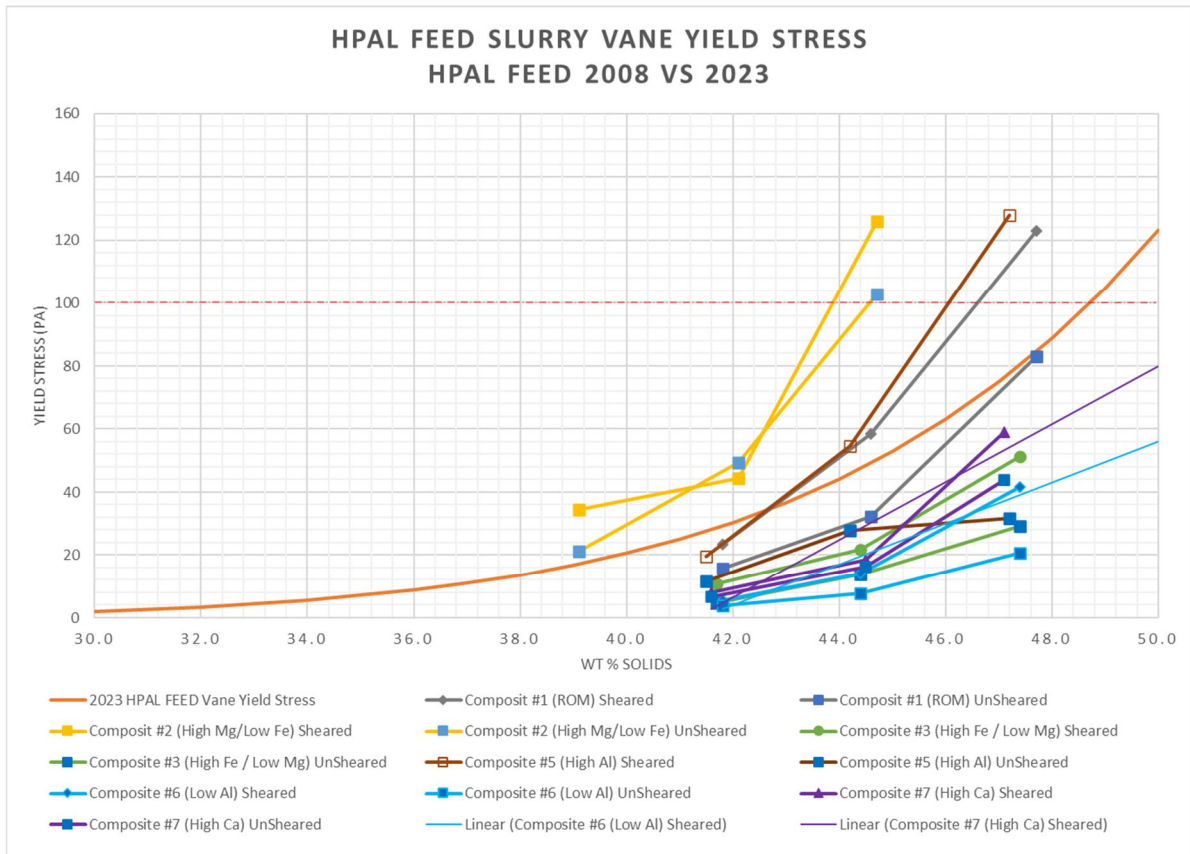


**Figure 8. Cobalt extraction kinetics at 255°C and 41-44g/l residual acid**



### Preliminary results from Rheological Testwork

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.

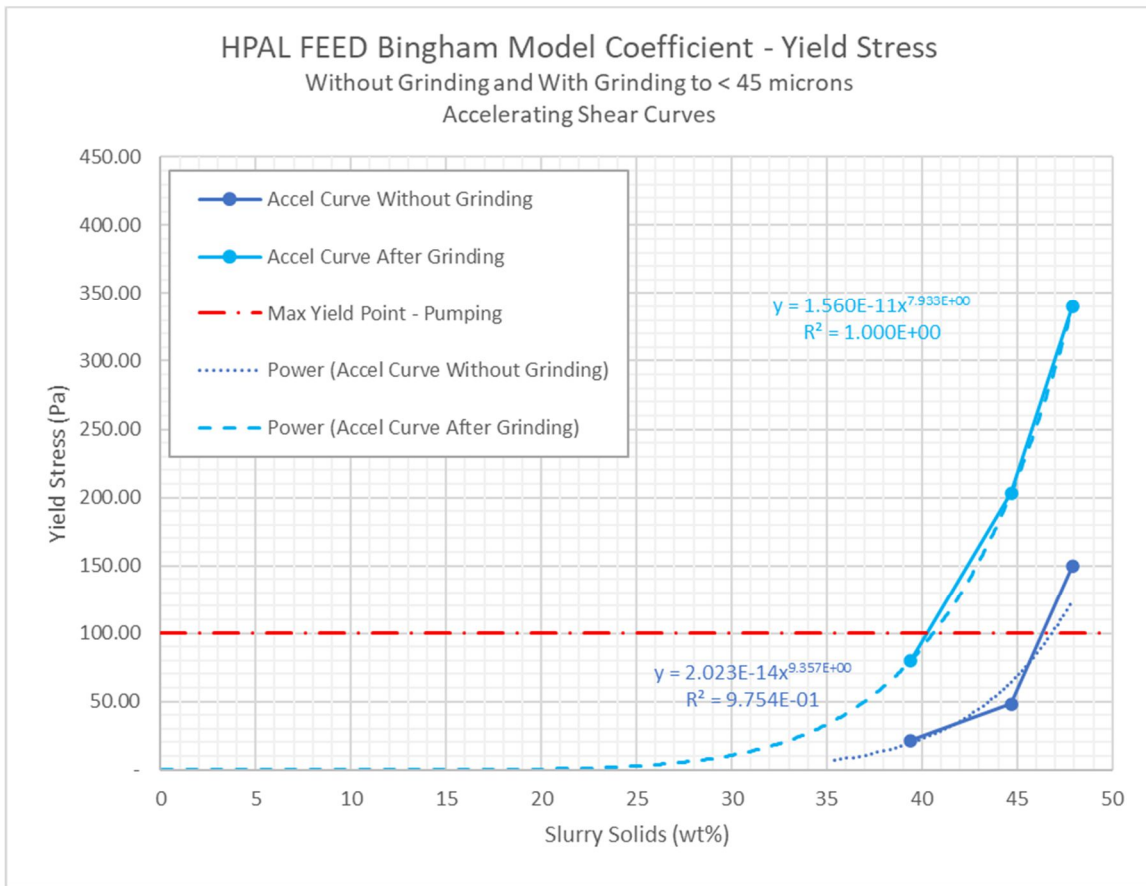


**Figure 9. Vane Yield Stress of Various Wingellina Ore Types**

The Vane yield Stress chart above (Figure 9) compares rheological properties from the 2008 testwork to the 2024 HPAL extraction testwork. The 2024 HPAL feed sample was a composite of four samples from Bauer Hole 3 and Bauer Hole 4 which produced rheology results at the upper end of the 2009 results for Vane and flow curve parameter values.

As shown the sample with High Mg/Low Fe (the yellow curve) reach the limit of 100 Pa Yield stress at around 44wt% solids and the next highest yield curves represent the High Al sample (the brown curve on Figure 9). The samples able to achieve the highest solids content before reaching the 100 kPa limit of pumpability are the Low Al/High Fe and Low Mg/High Fe (the light blue and light green curves). In terms of operation of the HPAL autoclave, ore types with higher Mg and Al are expected to lower the solids content of the slurry entering the autoclave.

Particle Size Distribution also has a significant effect on rheology. Grinding the HPAL ore feed sample used for metallurgical testing from 96% passing 127 micron to 96% passing 45 micron caused the Bingham Model flow curve parameters to increase substantially.

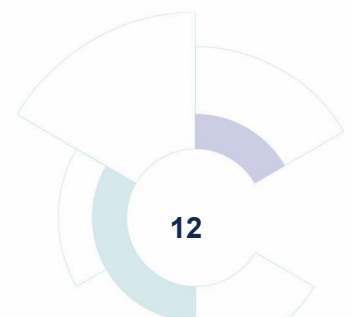


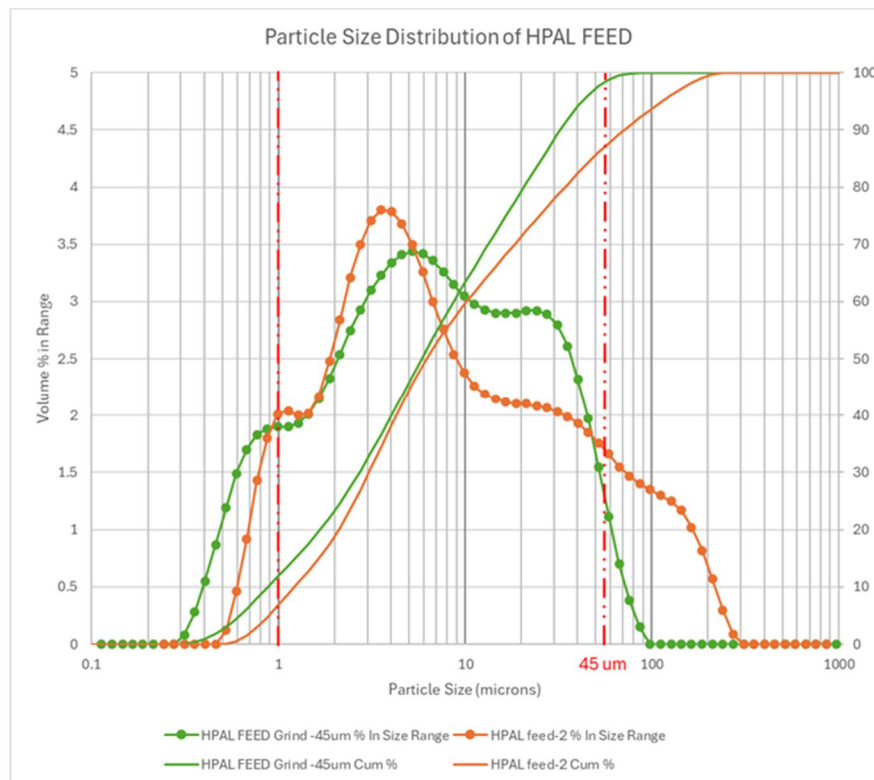
**Figure 10. Grinding impact on Yield Stress**

Figure 10 above 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 (see Figure 11 for PSD of sample before and after grinding).

With laterite slurries 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 rod mills are preferable over ball mills to prevent overgrinding.





**Figure 11. Particle Size Distribution of HPAL Ore Sample before and after grinding**

### Summary Conclusion

- 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  $\mu\text{m}$  to facilitate nickel and cobalt extraction. Additional testwork will be undertaken to refine the parameters further.
- Previous comminution testwork on bulk samples has shown a relatively low rod mill work index of between 9.36 kwh/tonne and 16.91 kwh/tonne for Wingellina ore.
- In the milling process it will be important to minimise the generation of ultrafine material (below 1  $\mu\text{m}$ ) as this will have a significant impact on slurry densities (and therefore throughput rates) to the autoclave. The use of rod mills are preferable over ball mills to reduce the creation of ultrafines.

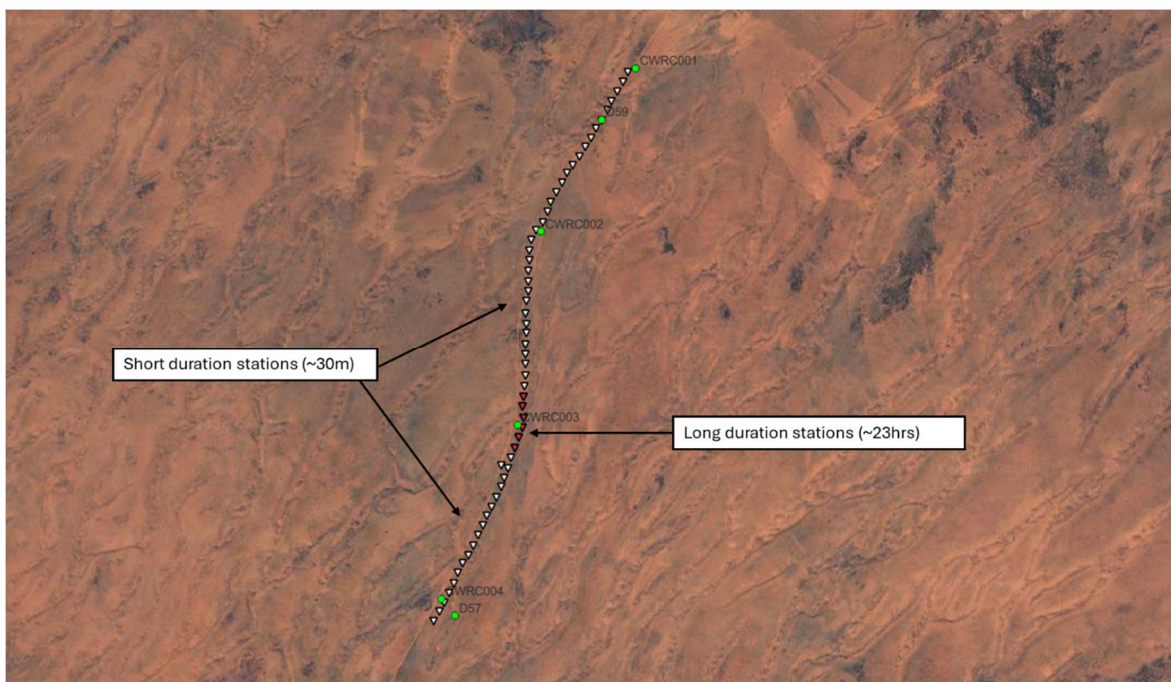
### NON-PROCESS INFRASTRUCTURE

The logistics report was completed during the September quarter and is now undergoing an internal review. 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 are being 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.

## EXPLORATION & GEOLOGY

### Water Resources

Exploration efforts during this quarter focused primarily on water drilling activities in the Cobb Embayment. The company completed another Passive seismic survey in the region to build on and refine the results from the 2023 survey (see Figure 12). Southern Geoscience reviewed the results of the passive seismic survey conducted in 2023 with a subsequent survey planned to improve on the data captured by varying the survey duration timeframe and trialing some alternative data collection techniques. This work was completed with the intention of better defining the paleo horizon within the Cobb embayment sediments.

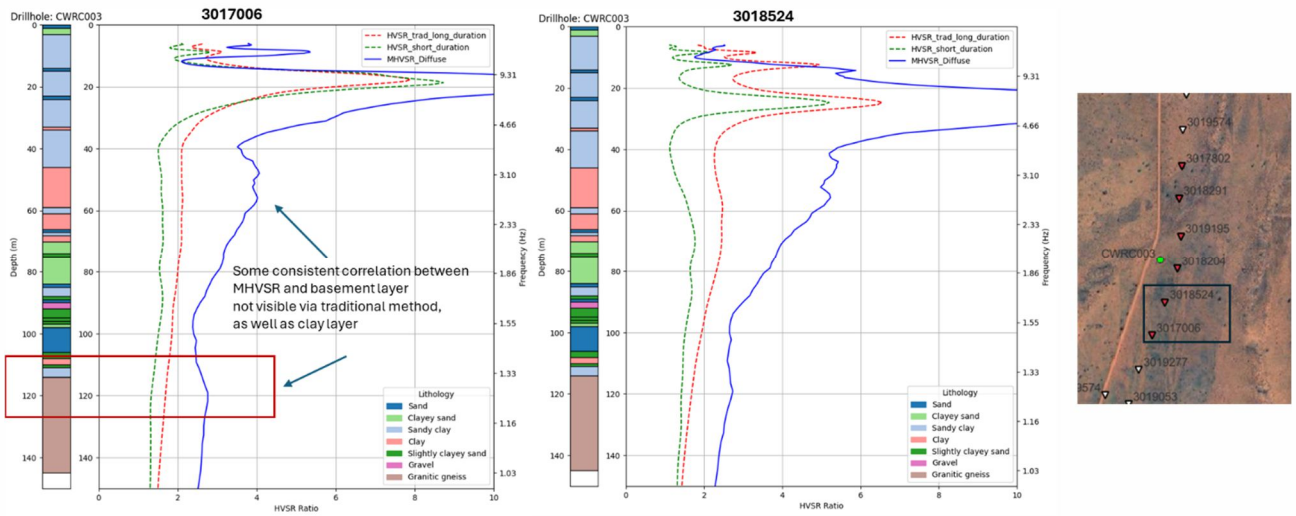


**Figure 12: Cobb Embayment Passive Seismic Survey line**

Southern Geoscience in conjunction with the Company trialed a longer duration survey timeframe along with a new data reprocessing technique and the results are shown in Figure 13. While the data did suggest some potential for further investigation over a longer period, the conclusion was that other, more cost-effective geophysical techniques should be explored to aid in refining future drilling plans.

A revised drill plan comprising 16 exploratory holes was proposed to advance the understanding of the Cobb aquifer, with ground-truthing of these sites well underway. The positions and access to the six westernmost lines are still being worked on, and this process is expected to continue into the next quarter.

In parallel, work on the APY Works Program for the eastern extension of the Mann Fault Palaeovalley into EL5860 at Nyikukura Homelands continued. Although heritage, archaeological, and environmental surveys have been completed and submitted to the APY, water usage agreements remain under discussion. Nico is awaiting clarification from the APY Council regarding the consultation process, which is critical to the advancement of this project.



**Figure 13: Long duration HSVR Processing results**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### *Environmental and Social Management System*

Nico has continued to develop its Environmental and Social Management System (ESMS) to align with international standards (ISO 14001).

### *Health and Safety*

Health and safety remain of paramount importance for the company. 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 completed the Archaeological Reports for the Lewis Calcrete area, Cobb Embayment area and the Giles-Mulga Park Road in the June quarter which have been provided to the Ngaanyatjarra Council ("NGC") for review. The Company is yet to receive a copy of these reports from the NGC.

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 March quarter 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.

A key outcome from these discussions was the recognition that, while Government seem to be focused on downstream activities, there is strong interest in supporting upstream projects. 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.

During the previous 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 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.

### **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).

Nico's is focussed on maintaining high standards of governance and transparency and a summary of Nico's sustainable development activities is also provided in its Sustainability Report (<https://nicoresources.com.au/sustainability/>).

### **Future Work Program**

As previously stated, Nico has determined that it is prudent in the current market conditions to reduce discretionary expenditure until market conditions improve. During the December 2024 quarter Nico plans to focus on the following activities:

- Review and analysis of the bench scale testwork results.
- 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.
- Planning for an infill drilling program on the Wingellina resource to facilitate the upgrading of the indicated resource to measured category.
- Continue the required planning 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.
- Progress engagement with other key stakeholders, including State and Federal Governments, the local community and the Ngaanyatjarra Council.
- Continue the scope and definition documentation for the DFS.

## CORPORATE AND FINANCIAL

### Financial

Nico closed the quarter with cash and working capital of \$3,713,517. Exploration and Evaluation expenditure during the quarter was \$358,242.

### Capital Structure<sup>4</sup> as at 30 September 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 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

### Major Shareholders

The current major shareholders of the Company (as at 30 Sept 2024) are:

- Mr Peter Cook 10.86%
- Mr Rod Corps 8.59%
- 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 \$139,600 and includes amounts paid to directors including director's fees and statutory superannuation.

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

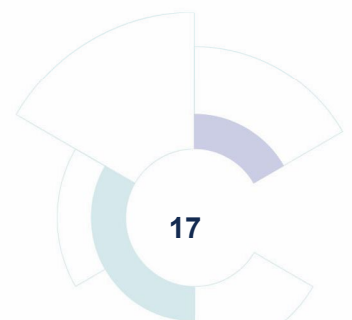
## CONTACTS

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**

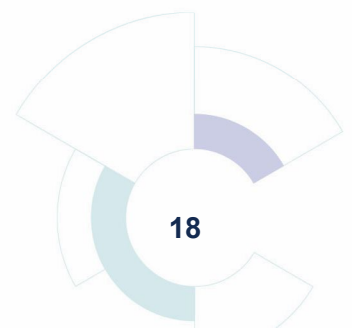
Amanda Burgess  
**Company Secretary**

<sup>4</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 187.3Mt at 0.91% Ni & 0.06% Co for 1.7Mt of contained nickel and 106Kt 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 is based on information compiled by Felicity Hughes. Ms Hughes is a Principal Consultant of ERM and is a Member of the Australasian Institute of Mining and Metallurgy. She has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which Ms Hughes is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Ms Hughes consents to the disclosure of information in this report 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 Sept 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(487)	(487)
(e) administration and corporate costs	(279)	(279)
1.3 Dividends received (see note 3)		
1.4 Interest received	56	56
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	23	23
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(687)</b>	<b>(687)</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	-	-
(d) exploration & evaluation	(358)	(358)
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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 Net cash from / (used in) investing activities</b>	<b>(358)</b>	<b>(358)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,759	4,759
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(687)	(687)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(358)	(358)

## 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 (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
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>3,714</b>	<b>3,714</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	246	591
5.2	Call deposits	3,468	4,168
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>3,714</b>	<b>4,759</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)		(687)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))		(358)
8.3 Total relevant outgoings (item 8.1 + item 8.2)		(1,045)
8.4 Cash and cash equivalents at quarter end (item 4.6)		3,714
8.5 Unused finance facilities available at quarter end (item 7.5)		-
8.6 Total available funding (item 8.4 + item 8.5)		3,714
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>		3.55
<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: 28 October 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.