

QUARTERLY REPORT MARCH 23

ASX ANNOUNCEMENT

28 APRIL 2023



Key Highlights

- Recent drill program confirms high grade pits for the flagship Wingellina Nickel-Cobalt Project (“**Wingellina**” or the “**Project**”) located in Western Australia (“**WA**”) which will provide a significant amount of feed for the first decade of production.
- The Reverse Circulation (“**RC**”) drilling program completed, consisting of 152 RC holes for 7,856m of drilling has confirmed the continuity within the identified high-grade nickel and cobalt domains.
- The company is incorporating these results into the geological database which will facilitate a re-estimation of the Project resource and reserve with the inclusion of the new data.
- Appointment of Peter Cook as Non-Executive Chairman and Jonathan Shellabear as Managing Director and CEO.

Nico Resources Limited (“**Nico**” or the “**Company**”) is pleased to present a summary of activities for the quarter ended 31 March 2023.

QUARTERLY ACTIVITIES

Exploration & Geology

Nico Confirms high grade pits for the first decade of production:

During the quarter Nico announced that it has received all the assay results from the infill reverse circulation (“RC”) drilling program completed in October 2022 at its 100% owned Wingellina Project. The program comprised 152 RC holes for 7,856m of drilling and was a continuation of work initiated in 2017 to infill 15 high-grade nickel-cobalt domains delineated from the resource model as potential high-grade starter pits. The results confirm the continuity within the identified high-grade nickel and cobalt domains and provides key inputs into future production scheduling. The observed correlation between the drilling results and the targeted 2016 model shows a high level of accuracy (see appendix 1 below and ASX announcement 19-1-23 “*Nico Confirms High Grade Pits for First Decade of Production*”). The strength of this correlation provides the Company with confidence that the modelling may produce high grade tonnage for the formative years of the mine production

Assay highlights from the 2022 drilling program included:

- WPRC0758: 74m @ 1.26% Ni and 0.09% Co (1.46% Ni_{eq}) from surface;
WPRC0759: 86m @ 1.25% Ni and 0.10% Co (1.47% Ni_{eq}) from surface;
WPRC0760: 90m @ 1.50% Ni and 0.12% Co (1.77% Ni_{eq}) from surface;
WPRC0761: 70m @ 1.45% Ni and 0.12% Co (1.71% Ni_{eq}) from 2m;
WPRC0766: 26m @ 1.81% Ni and 0.16% Co (2.16% Ni_{eq}) from 2m incl. 8m @ 3.73% Ni from 18m;
WPRC0798: 72m @ 1.30% Ni and 0.11% Co (1.54% Ni_{eq}) from surface;
WPRC0799: 64m @ 1.39% Ni and 0.07% Co (1.55% Ni_{eq}) from 2m;

ASX: NC1

Board

Jonathan Shellabear
Managing Director/CEO

Peter Cook
Non-Executive Chairman

Rod Corps
Non-Executive Director

Brett Smith
Non-Executive Director

Issued Capital

91.00M shares on issue
43.05M unlisted options
3.00M Perform shares

Market Capitalisation

\$43.22 million

Enterprise Value

\$37.46 million

Cash at Bank (31-Mar-23)

\$5.76 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

W: nicoresources.com.au

Nico Resources Limited
ASX: NC1
ABN 80 649 817 425

nicoresources.com.au
T: +61 (08) 9481 0389
E: info@nicoresources.com.au

Principle Business Address

Level 6, 190 St Georges Tce Perth WA 6000

Registered Address

Level 8, 216 St Georges Tce Perth WA 6000

WPRC0801: 12m @ 1.93% Ni and 0.04% Co (2.02% Ni_{eq}) from 26m incl. 4m @ 3.58% Ni from 32m;

WPRC0813: 92m @ 1.18% Ni and 0.10% Co (1.39% Ni_{eq}) from surface;

WPRC0822: 56m @ 1.47% Ni and 0.11% Co (1.70% Ni_{eq}) from 4m; and

WPRC0880: 50m @ 1.68% Ni and 0.08% Co (1.85% Ni_{eq}) from surface incl. 10m @ 2.29% Ni from 30m.

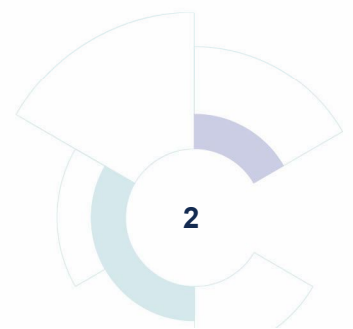
Results are reported with a weighted average grade of $\geq 0.5\%$ Ni with a maximum internal dilution of 6m. Higher-grade intercepts use a cut-off grade of $\geq 2.0\%$ Ni

All drilling results are referenced from ASX announcement 19-1-23 "Nico Confirms High Grade Pits for First Decade of Production".

Drill Program Overview

The 2022 infill RC drilling program was completed to better understand the volume and variability of the previously interpreted high-grade areas within the resource model. The 2022 RC program was undertaken to infill drill these areas and complete the outstanding drilling from the targets first identified in the 2017 technical studies.

The results returned strong correlation between the resource targets generated in the 2017 study, compared with the actual assay results returned from the infill RC drilling program, as seen in Figure 1. In addition, the high-grade zones extended much deeper than previous interpretations indicated, see Figures 2 & 3. The results provide Nico with confidence that the 15 high grade pits initially targeted in 2017 may provide a suitable source of higher grade mining inventory for the formative years of project production".



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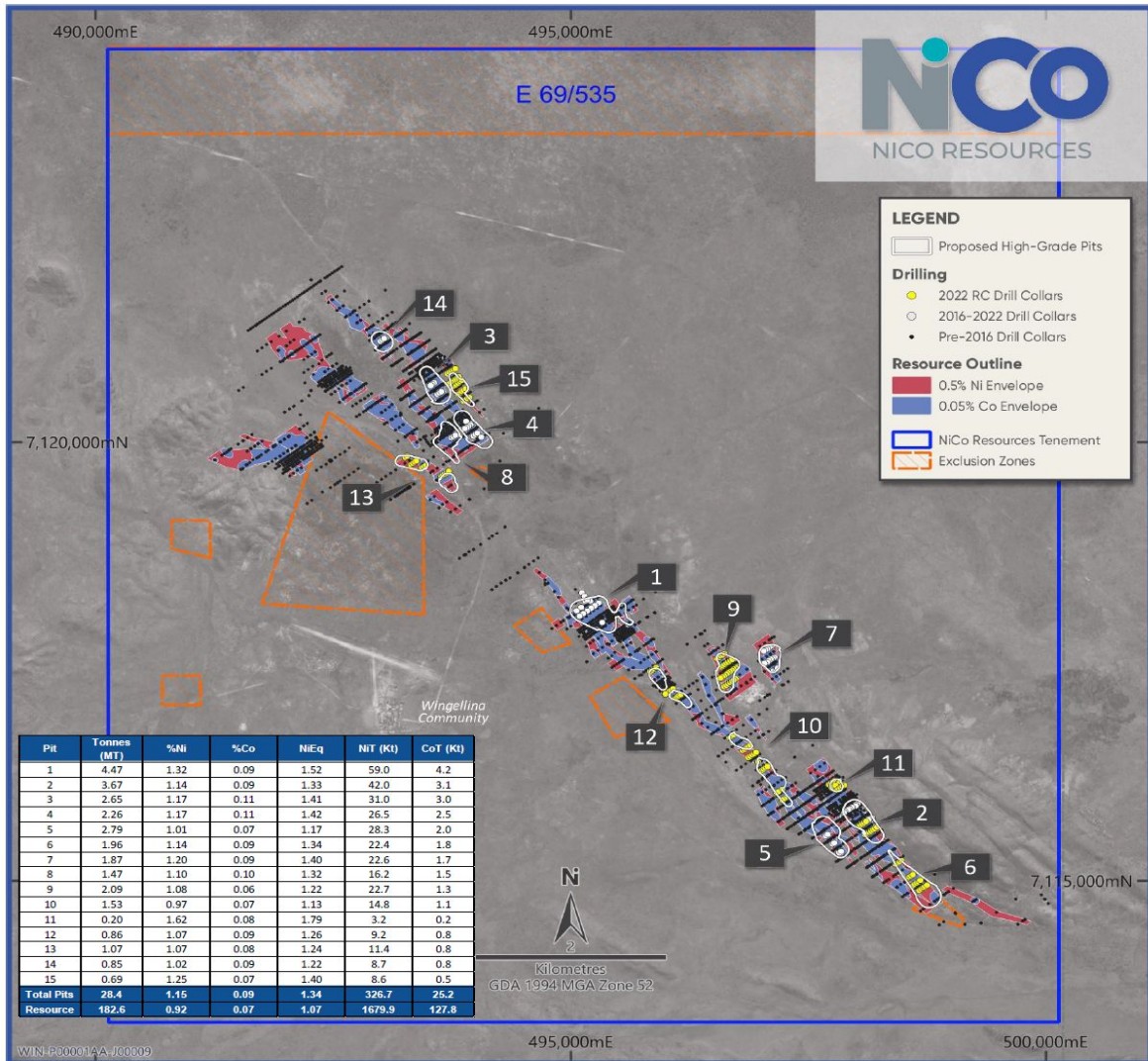
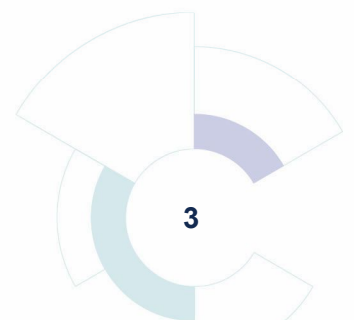


Figure 1. Wingellina 2022 RC Drill hole Collar locations with proposed high-grade starter pits

Assumptions for nickel equivalent results are derived from the JORC Table 1 presented in the 2022 PFS announcement (See Nico Announcement 22/12/22). The assumptions and recoveries are as follows:

Prices (in USD) \$20,000/t Ni, \$45,000/t Co. Recovery assumptions: 92% Ni, 89% Co $NIeq\% = Ni\% + ((Co\% * (89\%Co\ recovery / 92\%Ni\ recovery)) * (\$45,000/t\ Co / \$20,000/t\ Ni))$.



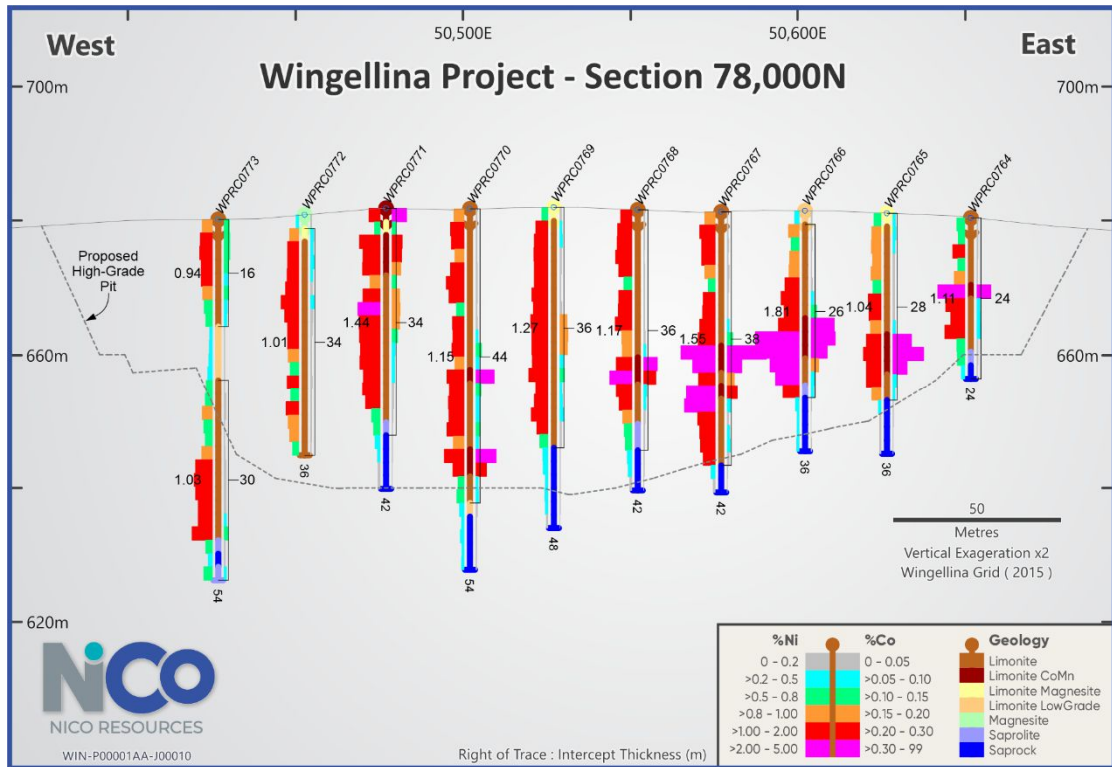


Figure 2. Drill cross section 78000mN (Wingellina 2015 local grid) showing grade continuity between drillholes.

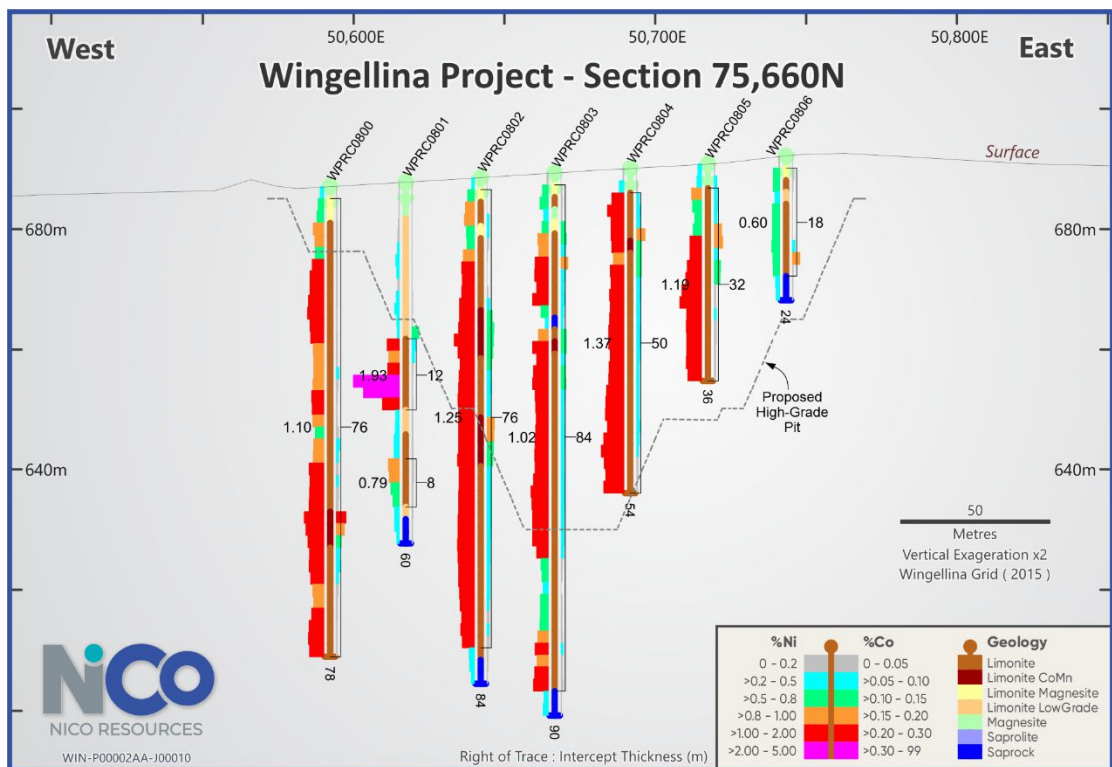


Figure 3. Drill cross section 75660mN (Wingellina 2015 local grid) showing high grade mineralisation extending well below 2016 proposed high-grade pit design.

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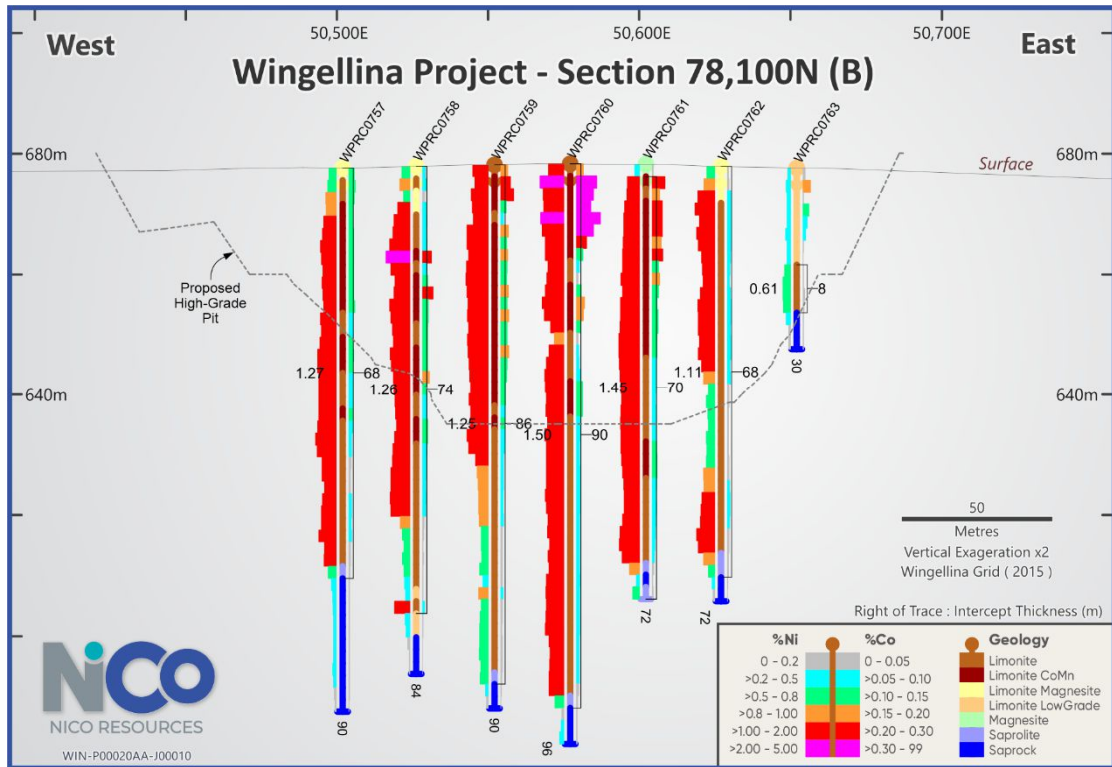


Figure 4. Drill cross section 78100mN (Wingellina 2015 local grid) showing high grade mineralisation extending well below 2016 proposed high-grade pit design.

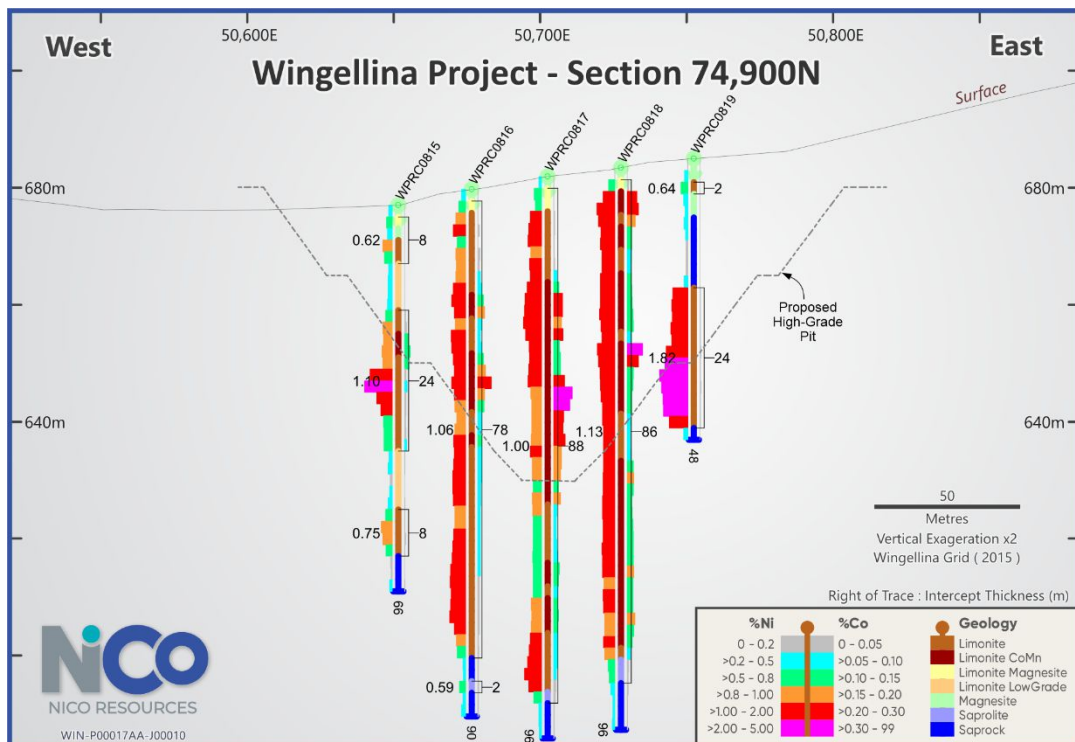


Figure 5. Drill cross section 74900mN (Wingellina 2015 local grid) showing high grade mineralisation extending well below 2016 proposed pit design.

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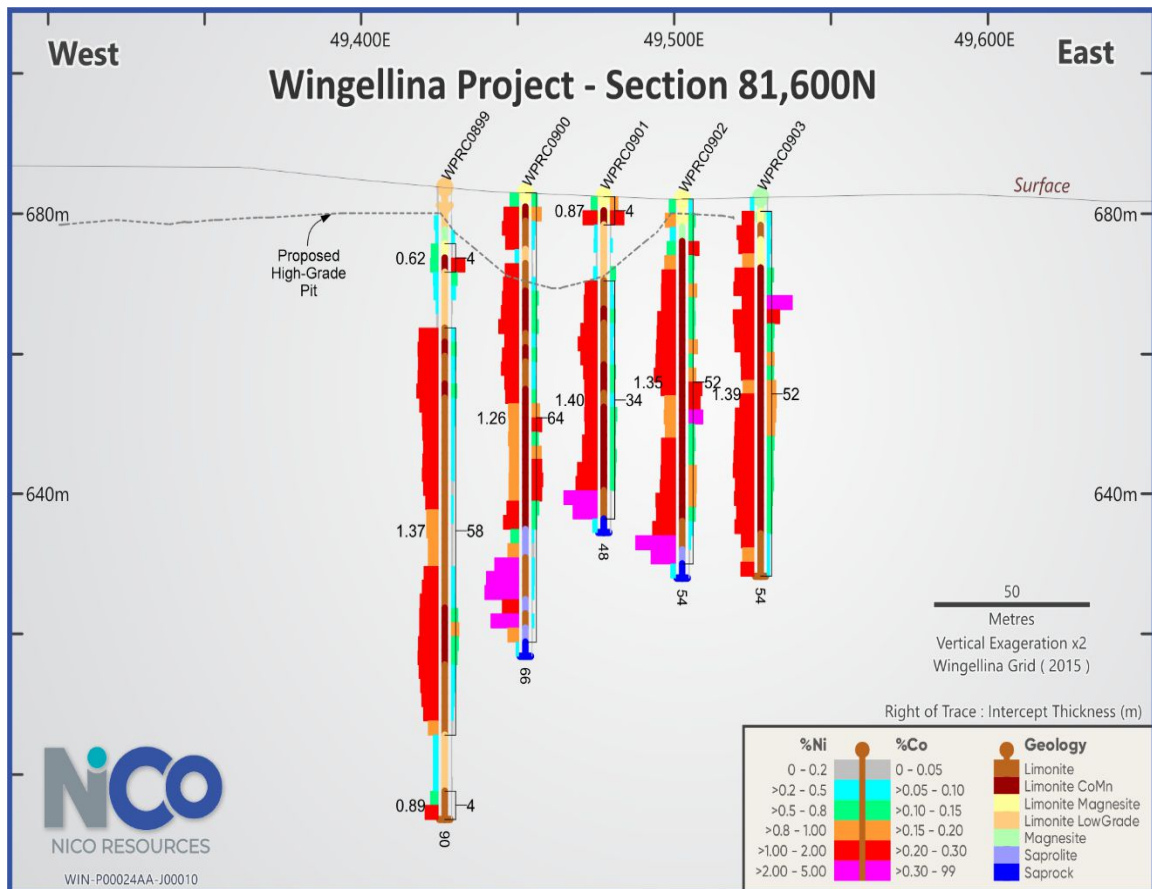


Figure 6. Drill cross section 81600mN (Wingellina 2015 local grid) showing high grade mineralisation extension via step-out beyond the 2016 pit design

Nico Resources has provided a complete list of detailed cross-sections accompanied by orientation plans for the results of the drilling program below in Appendix 1. The sections and plans displayed in the Appendix transect the Wingellina project from Southeast to Northwest. These maps have been provided to assist readers with interpretation of the results in relation to their overall location within the broader orebody.

Future Work Program

- Complete the consolidation of the Geological database and validation of all data including all previous drilling undertaken at the Project.
- Commence the update of the resource and reserves estimates.
- Commencement of a geometallurgical model to assist in identification of orebody variability and mine planning and scheduling.
- Commencement of the optimisation of the Mining Schedule in preparation towards the upcoming DFS.

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PLANNED ACTIVITIES AND EXPLORATION FOR QUARTER ENDING 30 JUNE 2023

During the June 23 quarter Nico will focus on the following activities:

- Commence a tender process for an initial piloting campaign to confirm the robust project flowsheet design. The company has obtained proposals from three market leading laboratories in Australia and Canada.
- Commence flora and fauna surveys in certain key Project areas, following the anticipated receipt of proposals to undertake the required scope of work.
- Continue to advance ancillary permits outstanding for the Project development.
- Continue to refine logistics studies and options for the Project.
- Further exploration and associated work on the Lewis calcrete deposit.
- Additional work on the potential water supply from the Cobb Embayment and the Mann Fault.
- Progress engagement with government agencies and other key stakeholders, including the local community.
- Commence scope and definition documentation for the DFS.
- Continue engagement with potential strategic partners that may assist in the development and funding of the Project.

CORPORATE AND FINANCIAL

CHANGES TO THE BOARD AND MANAGEMENT

Mr Peter Cook appointed Non-Executive Chairman

Peter Cook is a geologist BSc (App Geol 1983), mineral economist (MSc Min Econ 1995 WASM) with over 35 years of experience in the field of exploration, project, operational and corporate management of resource companies. He is currently the Non-Executive Chairman of Breaker Resources NL, Titan Minerals Ltd and Castile Resources Ltd. He was a joint founder of Metals X Limited and is a highly successful and accomplished Resource executive with a long history in executive management roles and more recently in various governance roles as the Chairman of the Board.

Over his distinguished career he has been recognised by industry, being awarded the GMJ Mining Executive of the Year in 2001, the Asia- Mining Executive of the Year in 2015 (Mines & Money), the Mining News CEO of the year in 2017 and received the Gavin Thomas Mining Award in 2019.

Mr Jonathan Shellabear appointed as Managing Director and CEO.

Jonathan Shellabear has over 30 years' experience in the Australian and International mining industry having worked as a geologist, resource analyst, senior corporate executive and investment banker with NM Rothschild & Sons, Deutsche Bank and Resource Finance Corporation. He has extensive global relationships within the industry developed over his career and with extensive experience spanning across technical, commercial and financial disciplines.

Jonathan has held senior corporate roles in the industry with Dominion Mining Ltd (Managing Director and Chief Executive Officer), Heron Resources Ltd (Managing Director and Chief Executive Officer), Portman Limited (General Manager, Business Development) and more recently as Chief Financial Officer of Capricorn Metals Ltd. Mr. Shellabear holds a Bachelor of Science with Honours in Geology and a Master of Business Administration from the University of Western Australia.

Mr Warren Hallam resigned as founding Non-Executive Chairman of Nico after successfully completing Nico's IPO and delivering the PFS late last year but will be available to consult to Nico as and when required.

Mr Rod Corps, currently Managing Director and CEO stepped back to Non-Executive Director.

During the quarter Mr Teck Lim resigned as CFO.

UNMARKETABLE PARCEL SHARE SALE FACILITY

During the quarter Nico announced that it had established a share sale facility (Facility) for small shareholders who hold parcels of fully paid ordinary shares in the Company (Shares) valued at less than A\$500. The facility was established in accordance with the Company's constitution and the ASX Listing Rules.

FINANCIAL

Nico closed the quarter with cash and working capital of \$5,766,718 .

MAJOR SHAREHOLDERS

The current major shareholders of the Company are:

• Blackstone Minerals Limited	15.11%
• Mr Rod Corps	11.27%
• Metals X Limited	8.46%
• Mr Peter Cook	7.09%

Related party payments for the quarter, are as outlined in the attached Appendix 5B at section 6.1, total \$81,954 and includes amounts paid to directors including director's fees and statutory superannuation.

Exploration and Evaluation expenditure during the quarter was \$569,031.

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CAPITAL STRUCTURE AS AT 31 MARCH 2023

Description	Number
Fully paid ordinary shares	91,000,002
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 exercisable at \$0.30 on or before 17 January 2025	800,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2022 on or before 22 Mar 2025	1,000,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2023 on or before 22 Mar 2025	1,000,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 22 Mar 2025	1,000,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Oct 2025	400,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Oct 2025	400,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Oct 2025	400,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Nov 2025	300,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Nov 2025	300,000
Unlisted options priced at 5-day VWAP prior to vesting on 22 March 2024 on or before 6 Nov 2025	300,000
Unlisted options exercisable at \$0.644 on or before 23 March 2026	3,000,000

RESTRICTED SECURITIES TO BE RELEASED FROM ESCROW

Pursuant to ASX Listing Rule 3.10A, the following shares were released from ASX escrow:

Security Description	Release Date	Number
Ordinary fully paid	18 Jan 2023	15,000,000

USE OF FUNDS¹

Nico provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 19 January 2022 against the 'use of funds' statement in its prospectus dated 23 November 2021.

Expenditure	Funds allocated under Prospectus	Actual to 31 March 2023	Variance
Exploration Expenses	\$4,023,000	\$2,640,937	(\$1,382,063)
Studies and Reviews	\$622,000	\$230,083	(\$391,917)
Directors Fees	\$800,000	\$530,659	(\$269,341)
Working Capital	\$1,396,000	\$2,163,733	767,733
Costs of offer	\$1,063,000	\$1,148,764	\$85,764
Future acquisition costs	\$1,350,000	-	(1,350,000)
Total	\$9,254,000	\$6,714,176	(\$2,539,825)

1. The Use of Funds table is a statement of current intentions, investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

This announcement has been authorised for release by the Board.

CONTACTS

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

Jonathan Shellabear
Managing Director/CEO

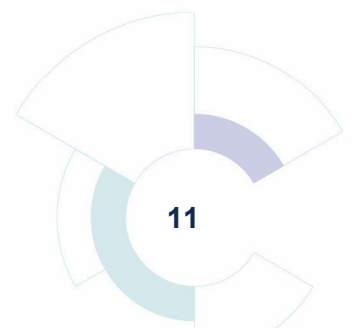
Amanda Burgess
Company Secretary

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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

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APPENDIX 1 – Wingellina 2022 RC drilling collar plans and cross sections.

In the figures below, plans and cross sections for the Wingellina orebody are shown from southeast to northwest.

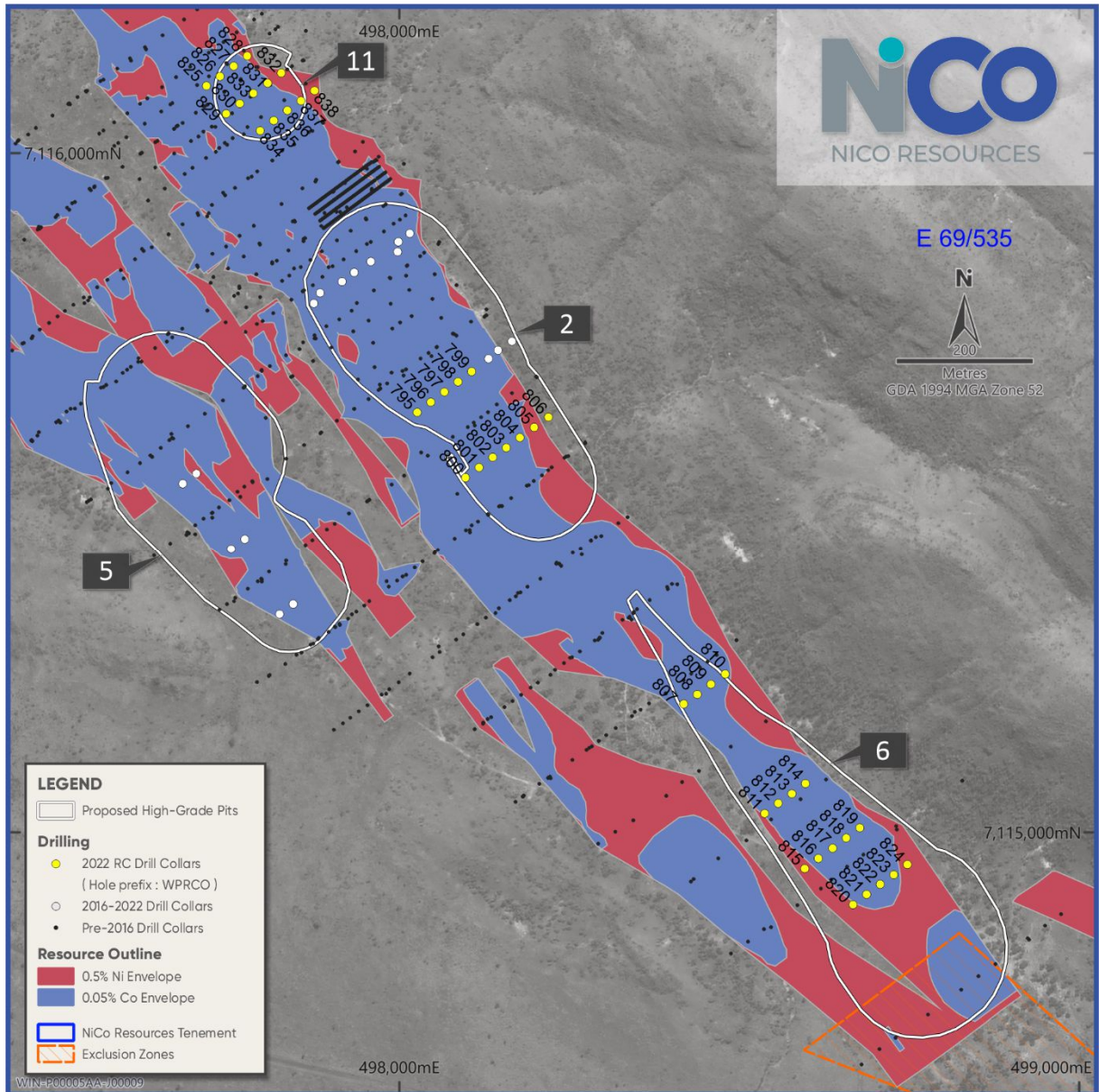


Figure 6: 2022 Drill hole collars in starter pits 2 and 6. The prefix WPRCO applies before the hole number on the map.

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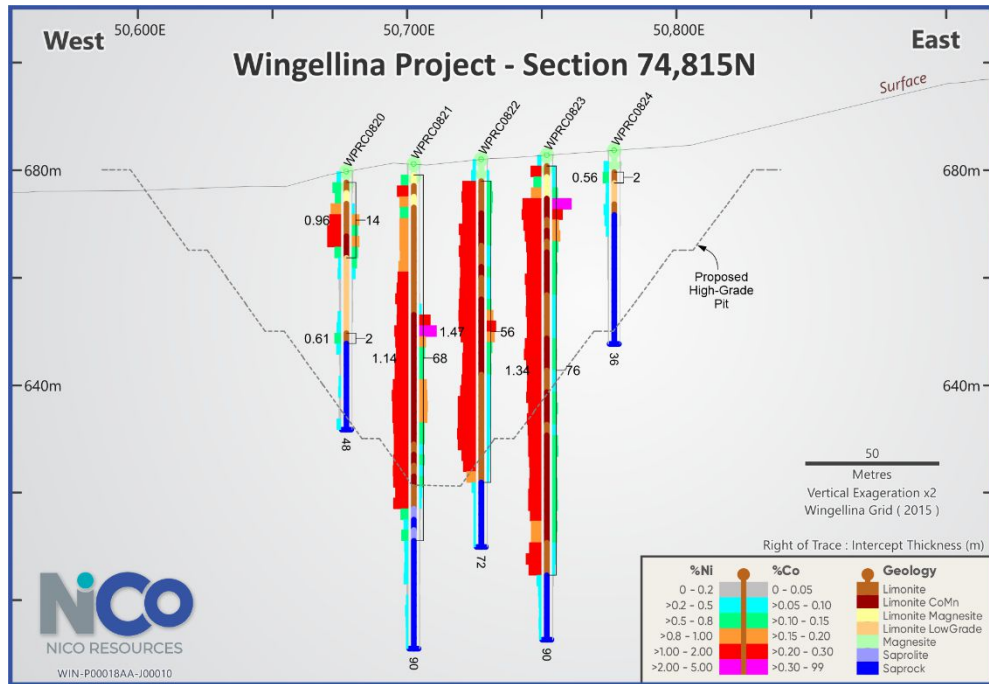


Figure 7: Cross Section 74815mN (Pit 6)

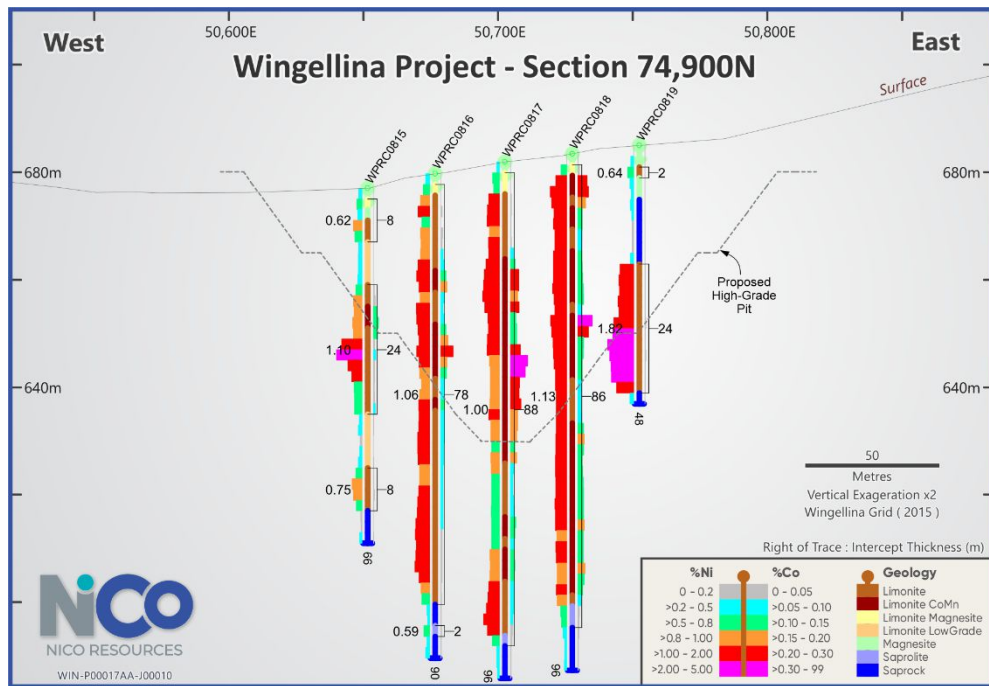
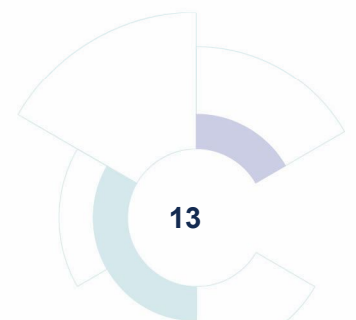


Figure 8: Cross Section 74900mN (Pit 6)



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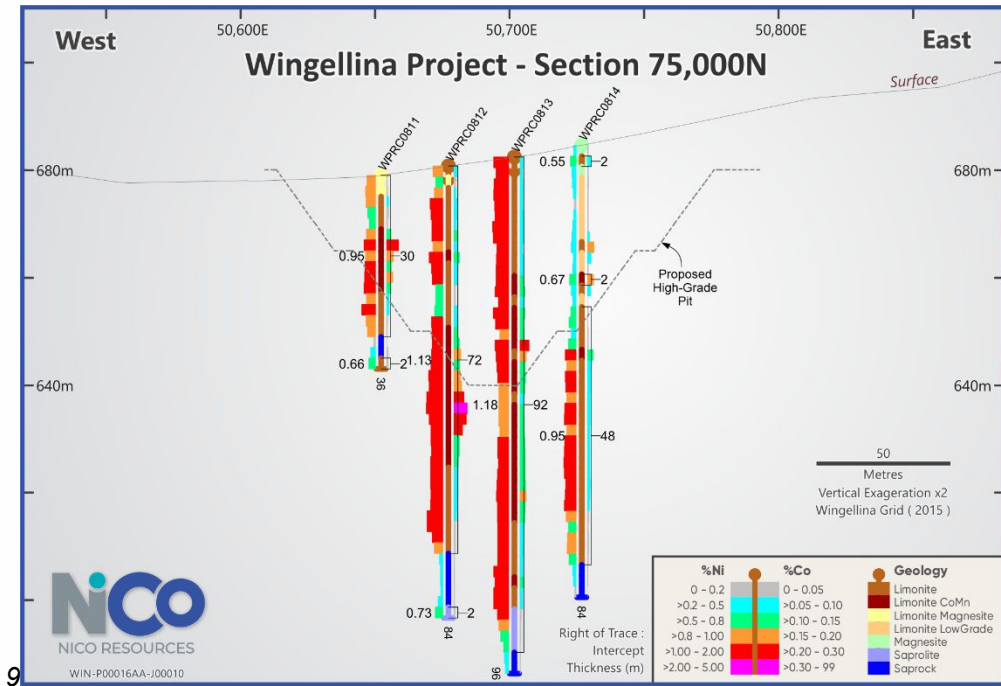


Figure 9: Cross Section 75000mN (Pit 6)

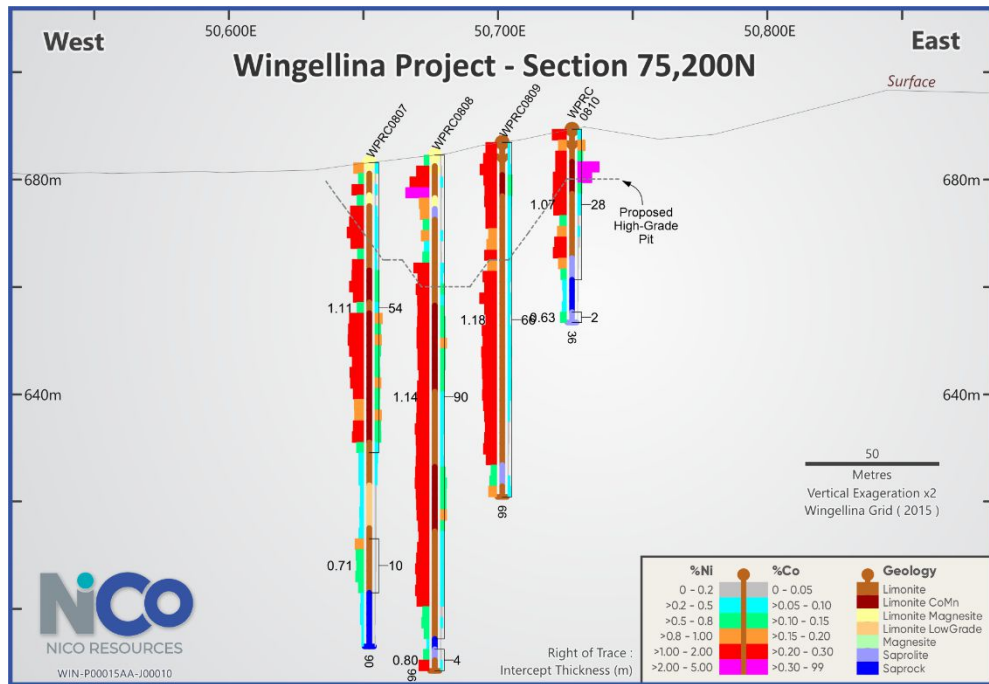
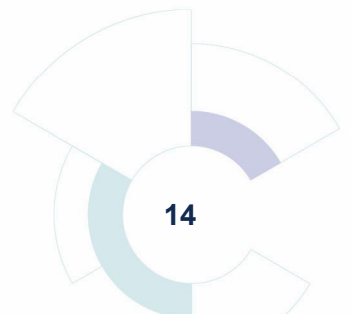


Figure 10: Cross Section 75200mN (Pit 6)



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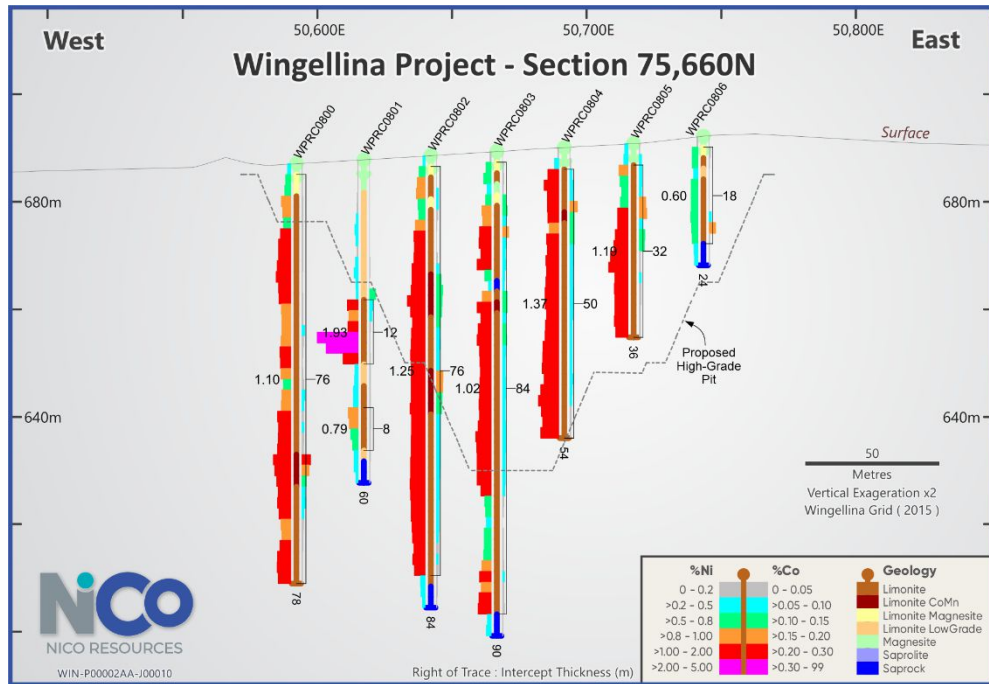


Figure 11: Cross Section 75660mN (Pit 2)

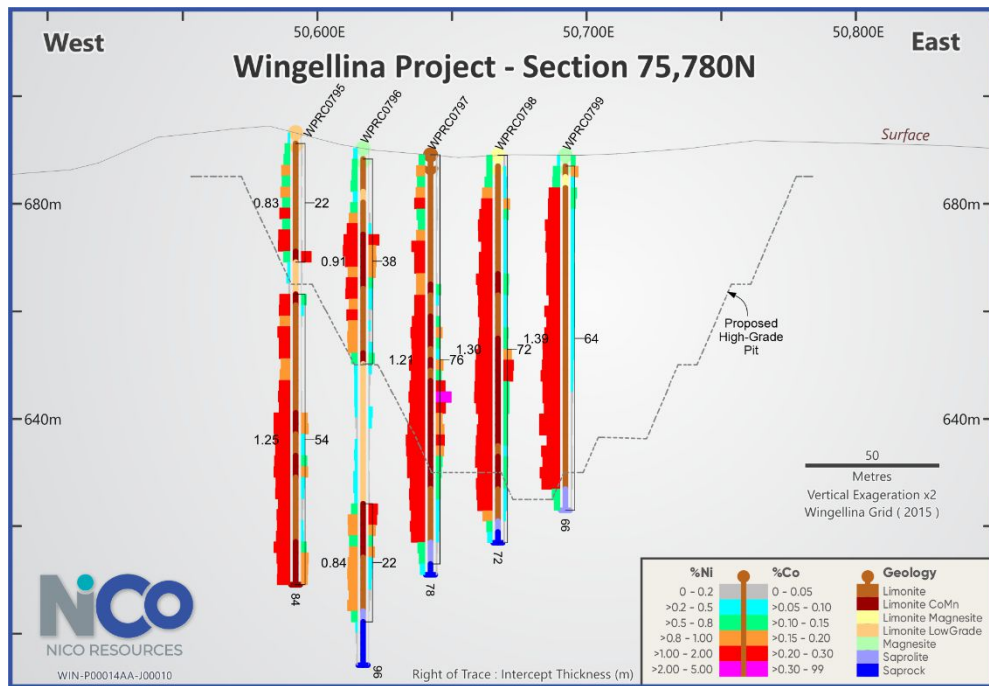
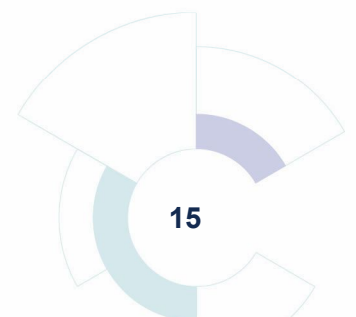


Figure 12: Cross Section 75780mN (Pit 2)



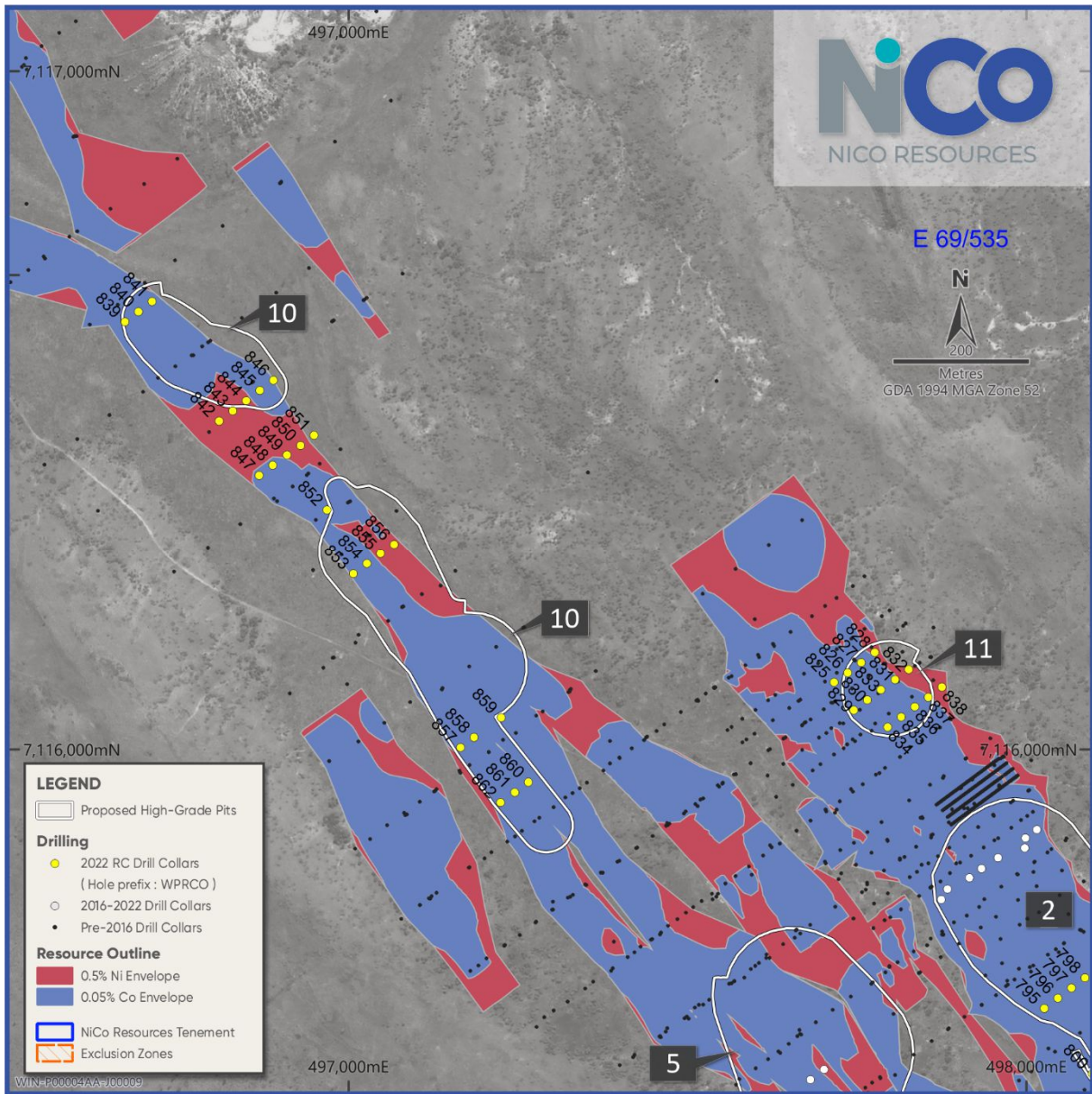


Figure 13. 2022 Drill hole collars in starter pits 10 and 11. The prefix WPRC0 applies before the hole number on the map.

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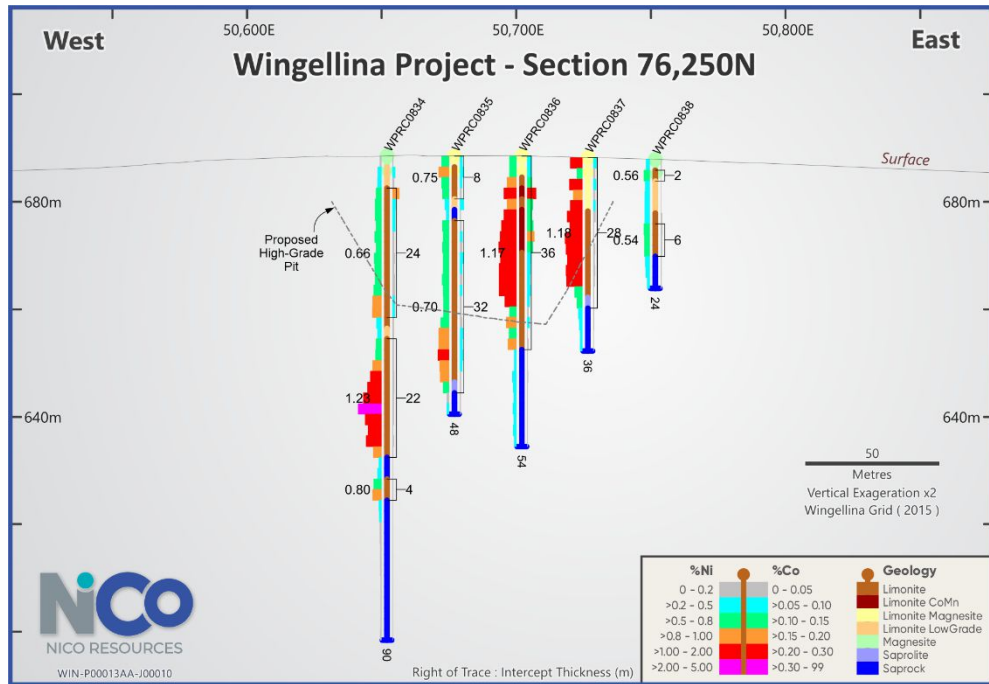


Figure 14. Cross Section 76250mN (Pit 11)

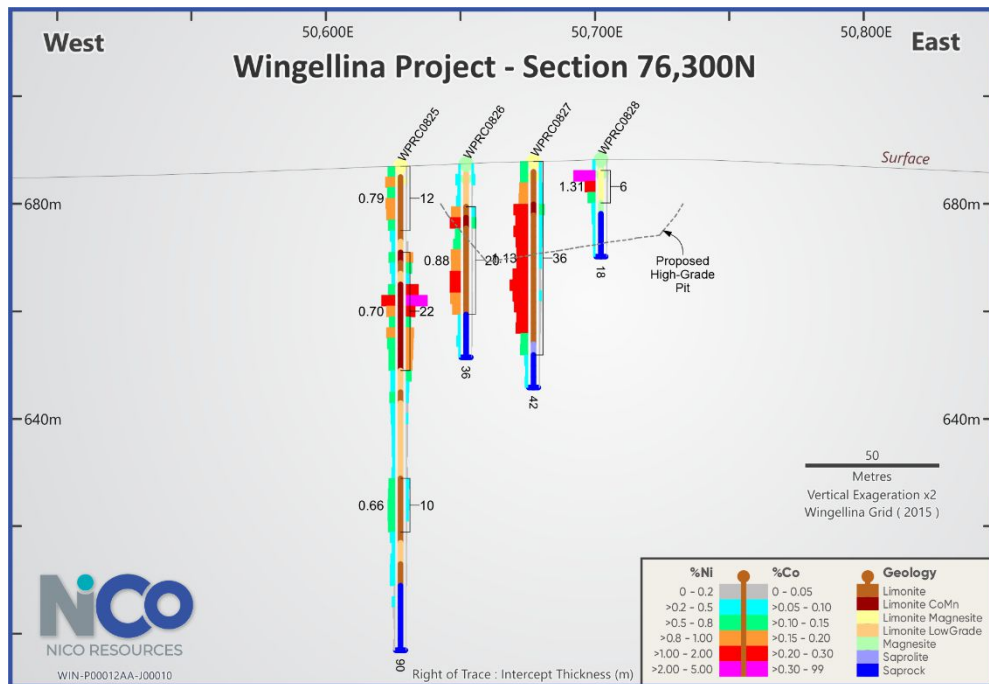
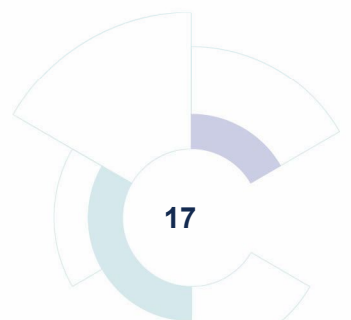


Figure 15. Cross Section 76300mN (Pit 11)



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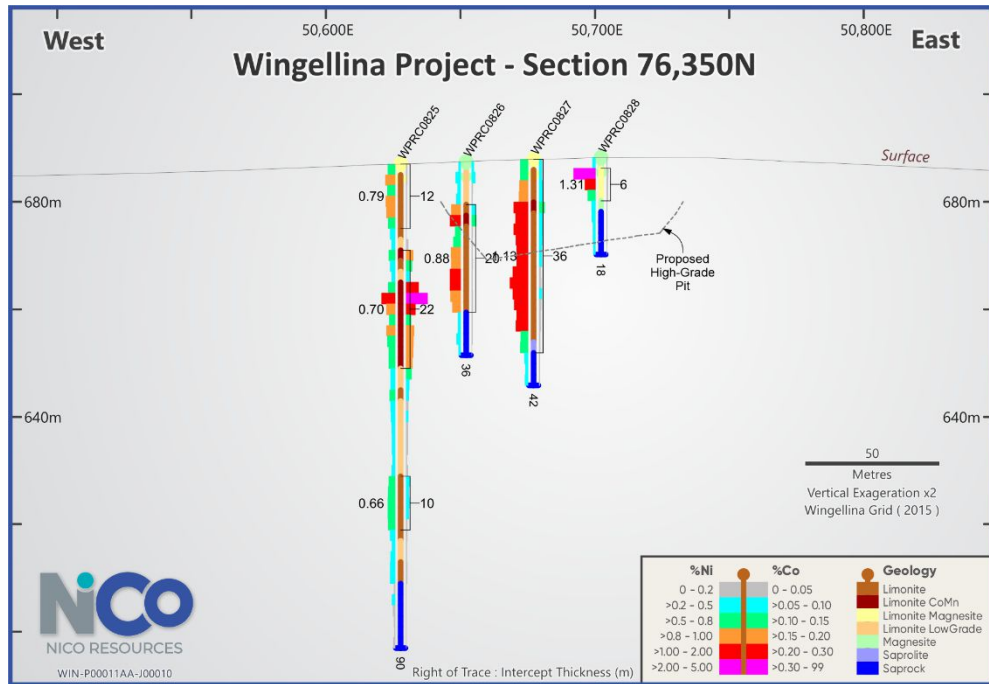


Figure 16. Cross Section 76350mN (Pit 11)

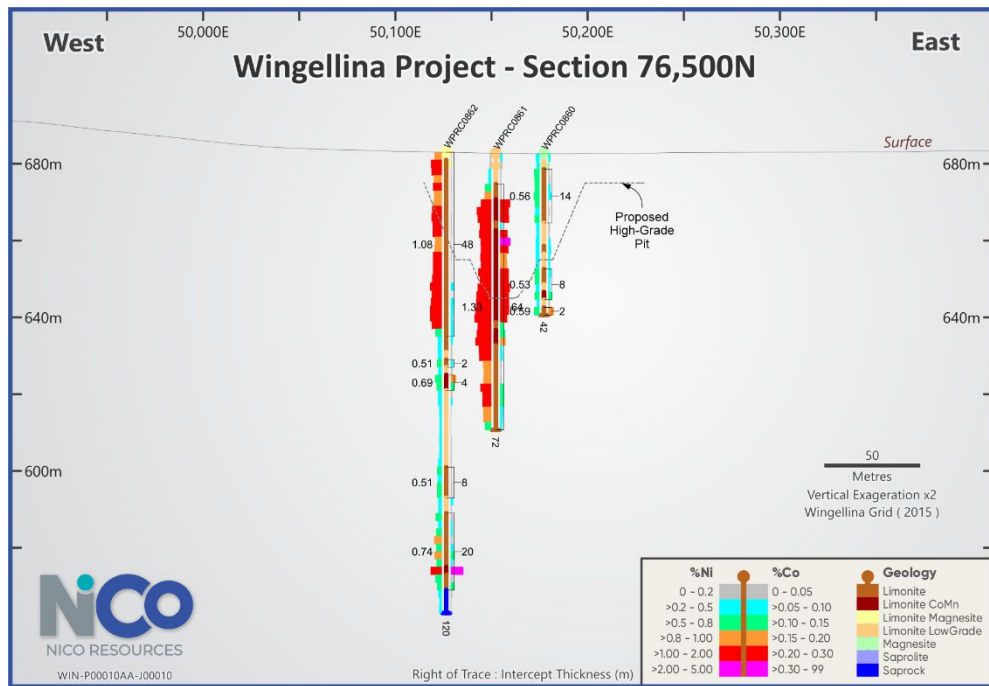
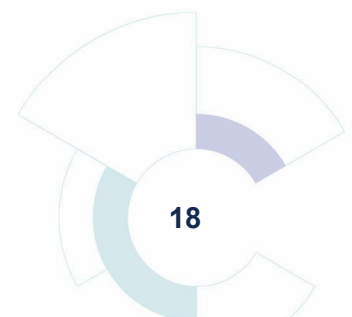


Figure 17. Cross Section 76500mN (Pit 10)



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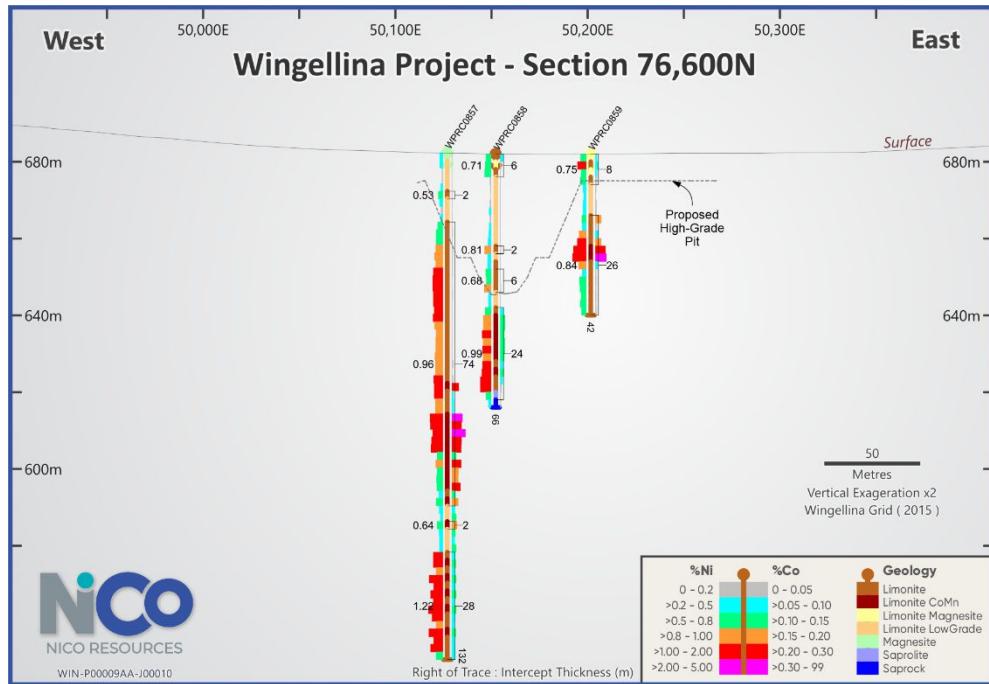


Figure 18. Cross Section 76600mN (Pit 10)

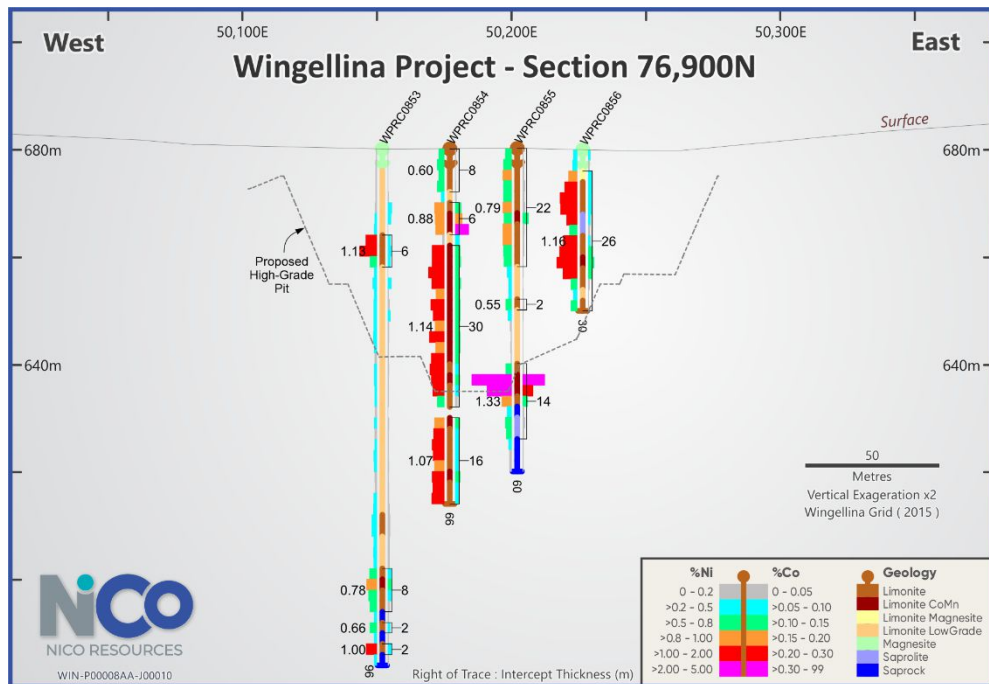
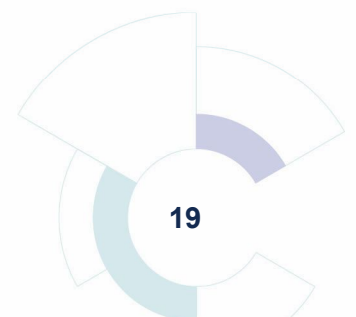


Figure 19. Cross Section 76900mN (Pit 10)



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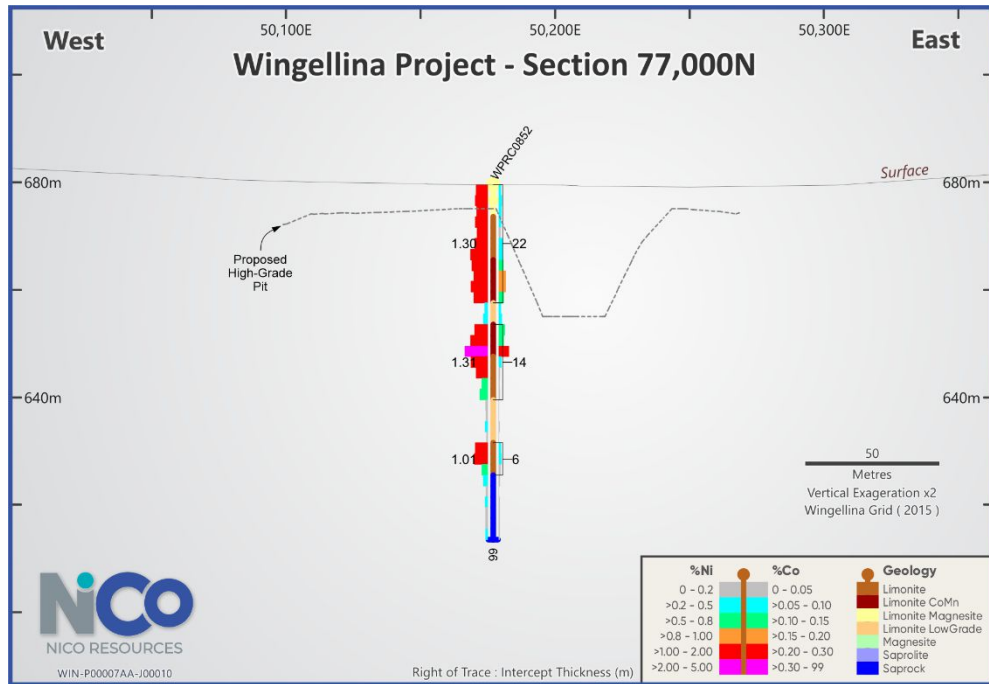


Figure 20. Cross Section 77000mN (Pit 10)

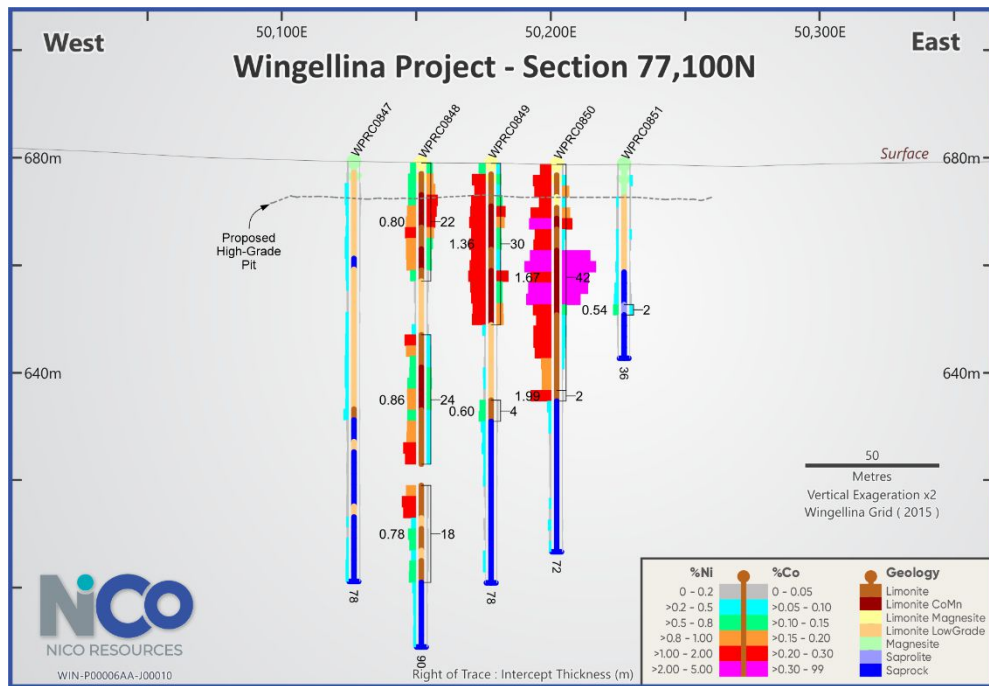
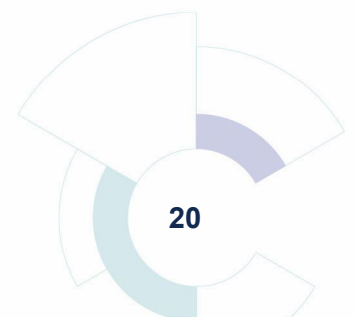


Figure 21. Cross Section 77100mN (Pit 10)



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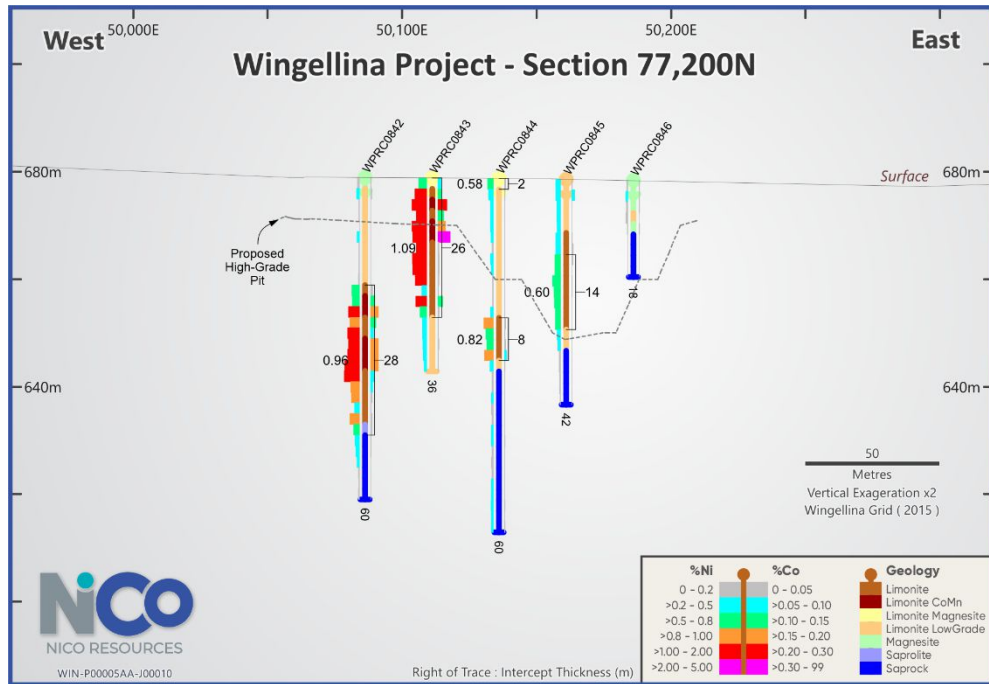


Figure 22. Cross Section 77200mN (Pit 10)

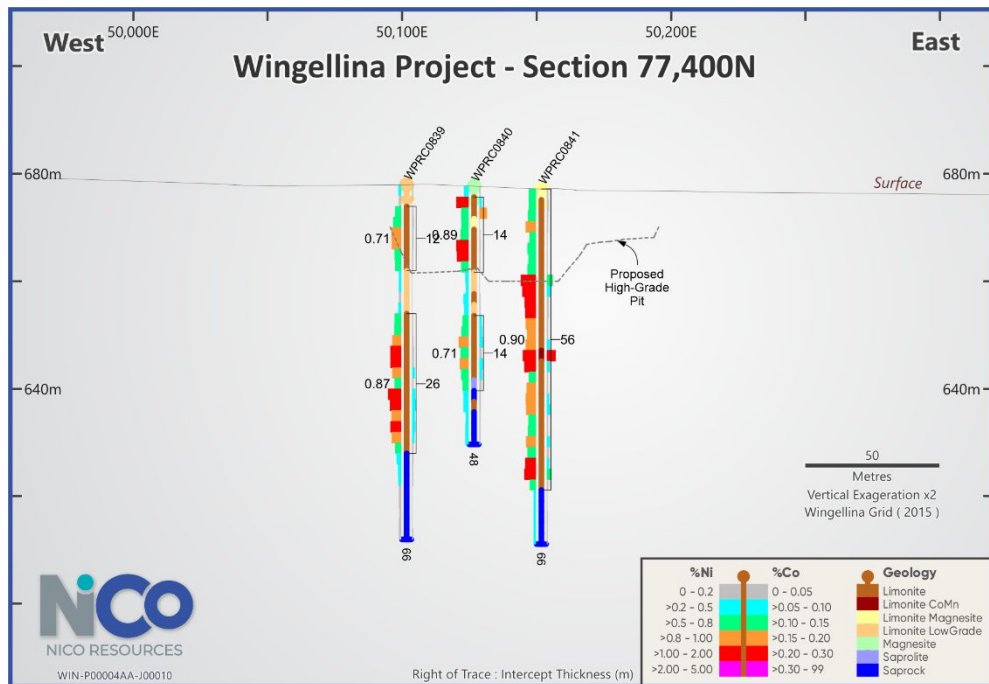
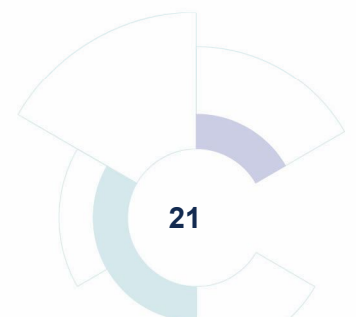


Figure 23. Cross Section 77400mN (Pit 10)



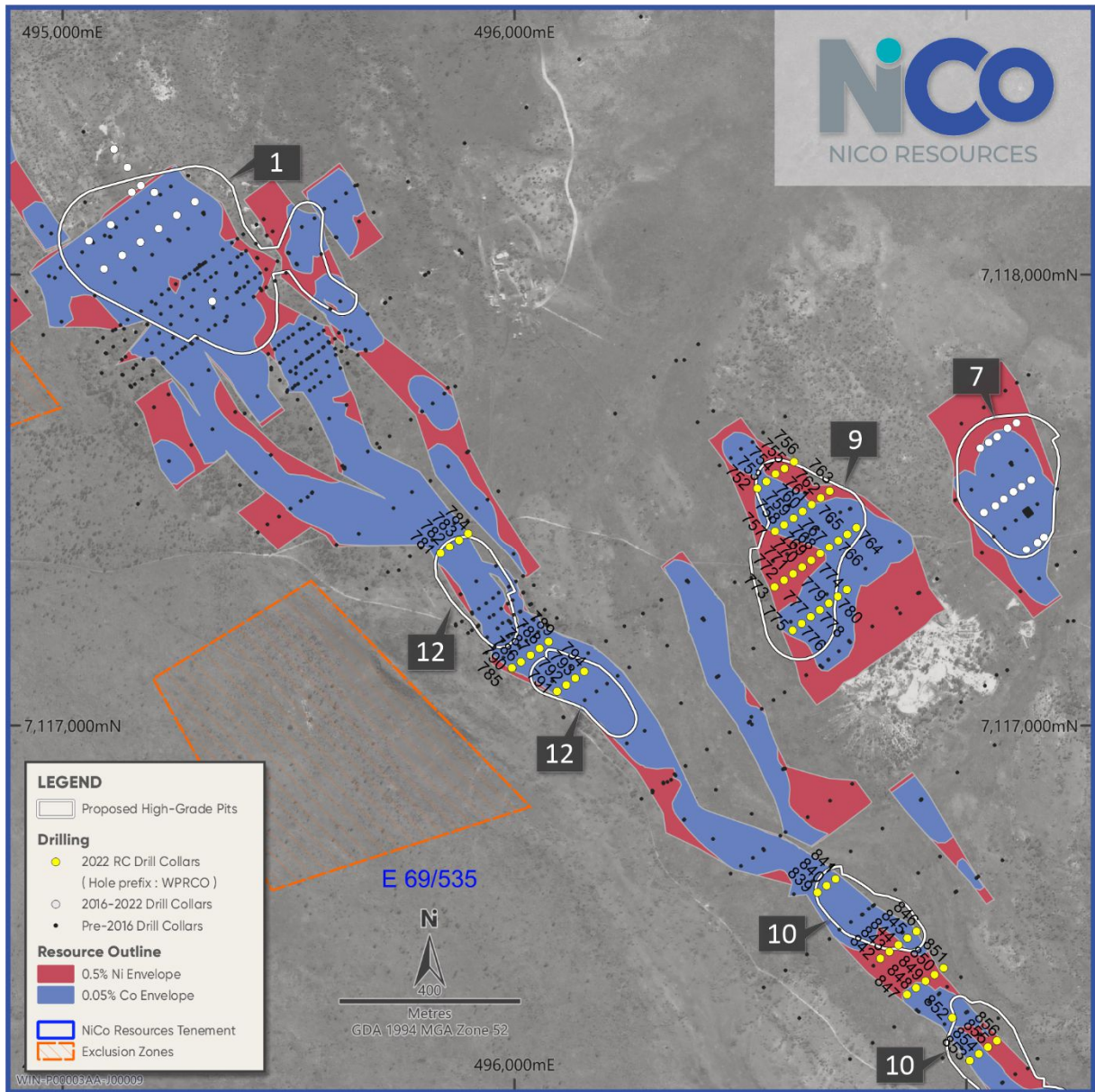


Figure 24. 2022 Drill hole collars in starter pits 1, 7, 9 and 12. The prefix WPRCO applies before the hole number on the map.

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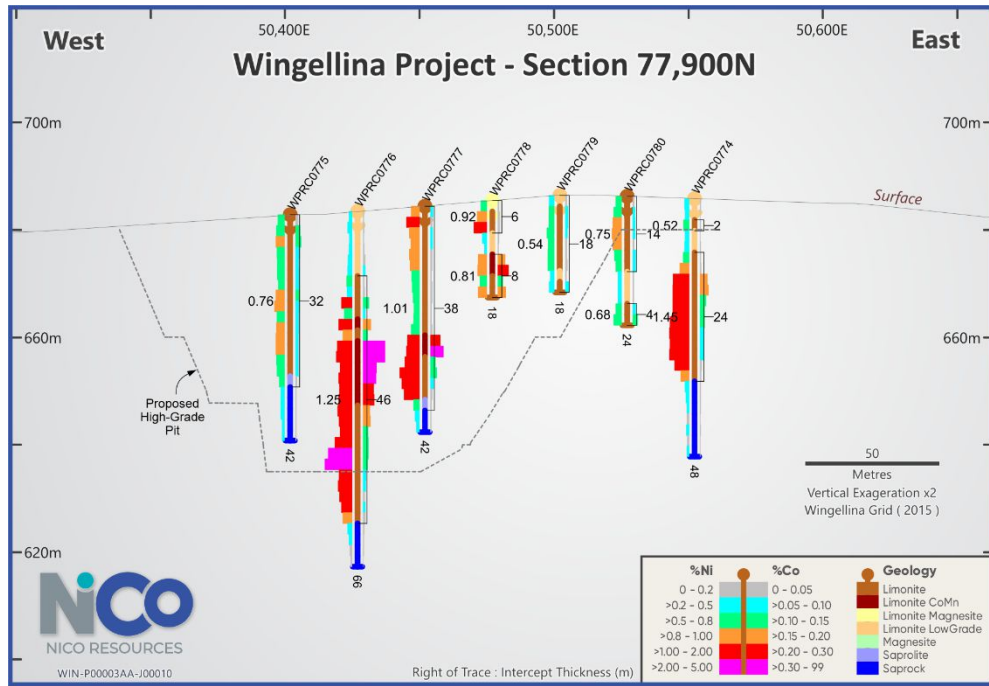


Figure 25. Cross Section 77900mN (Pit 9)

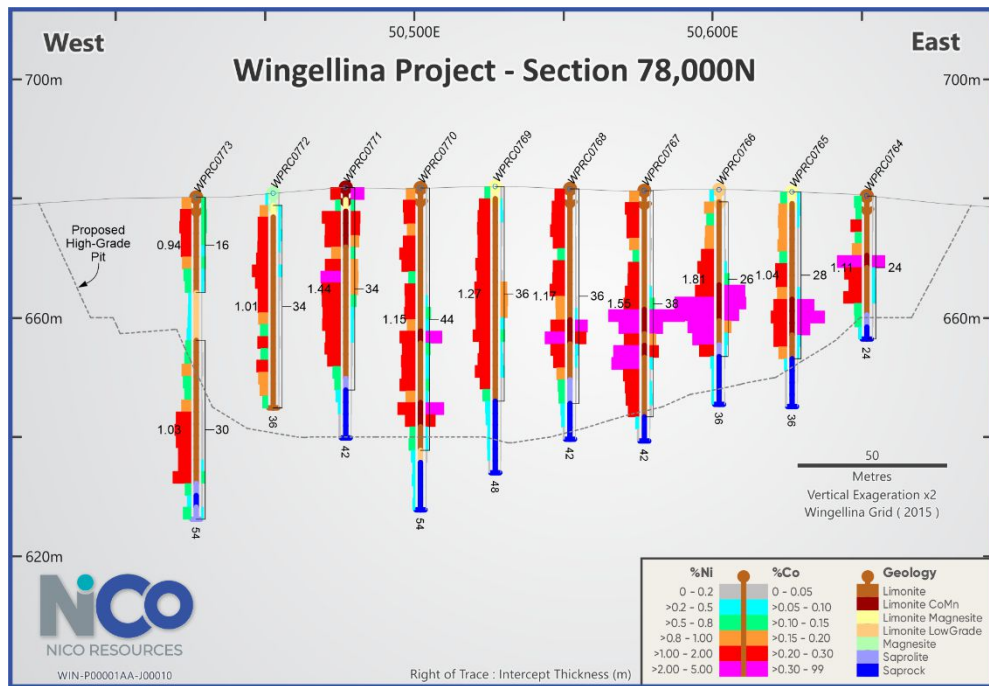
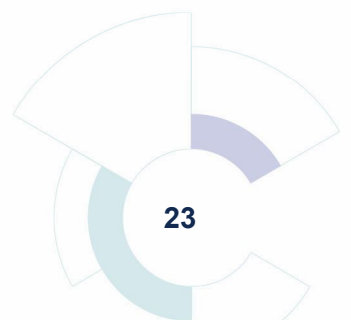


Figure 26. Cross Section 78000mN (Pit 9)



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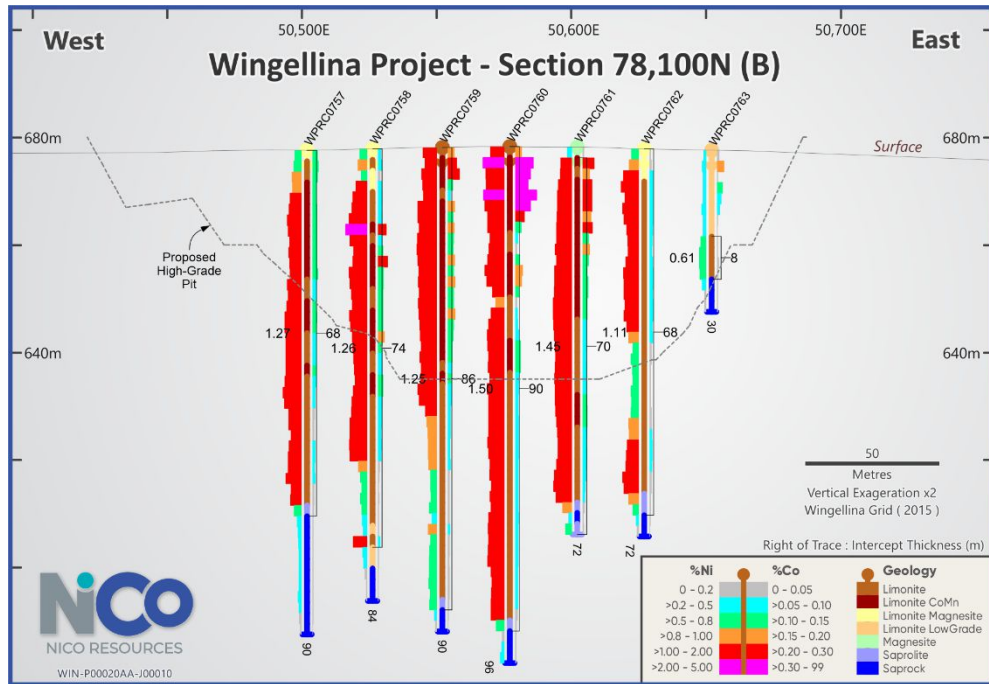


Figure 27. Cross Section 78100mN (Pit 9)

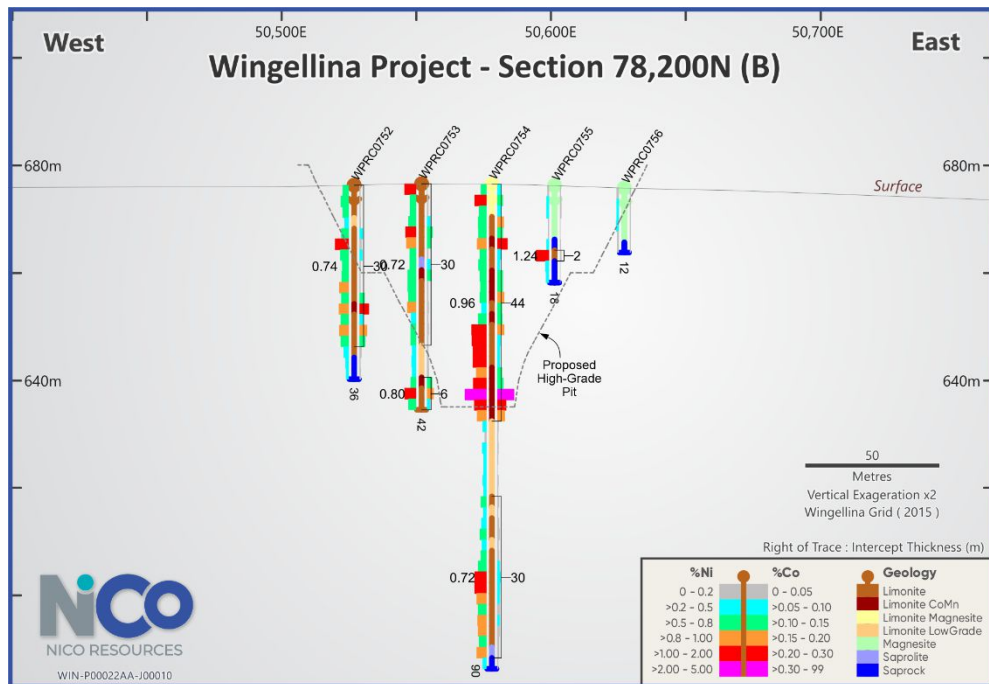
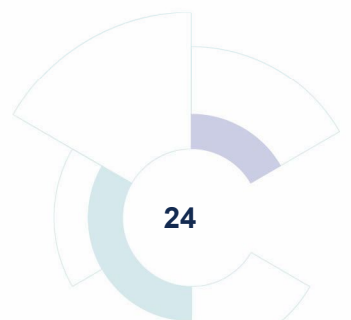


Figure 28. Cross Section 78200mN (Pit 9)



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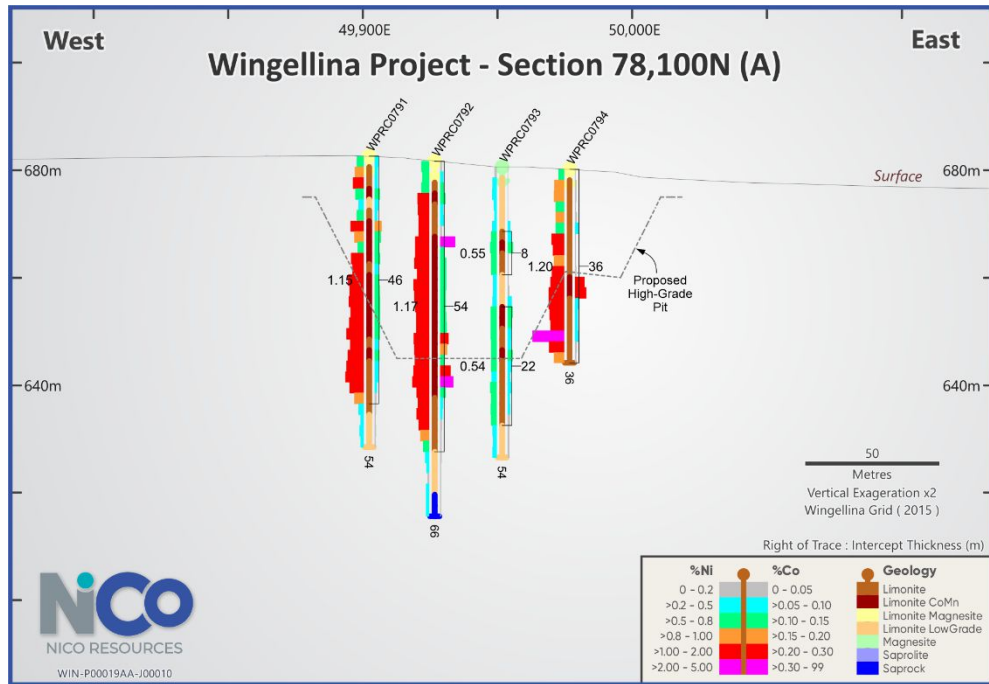


Figure 29. Cross Section 78100mN (Pit 12)

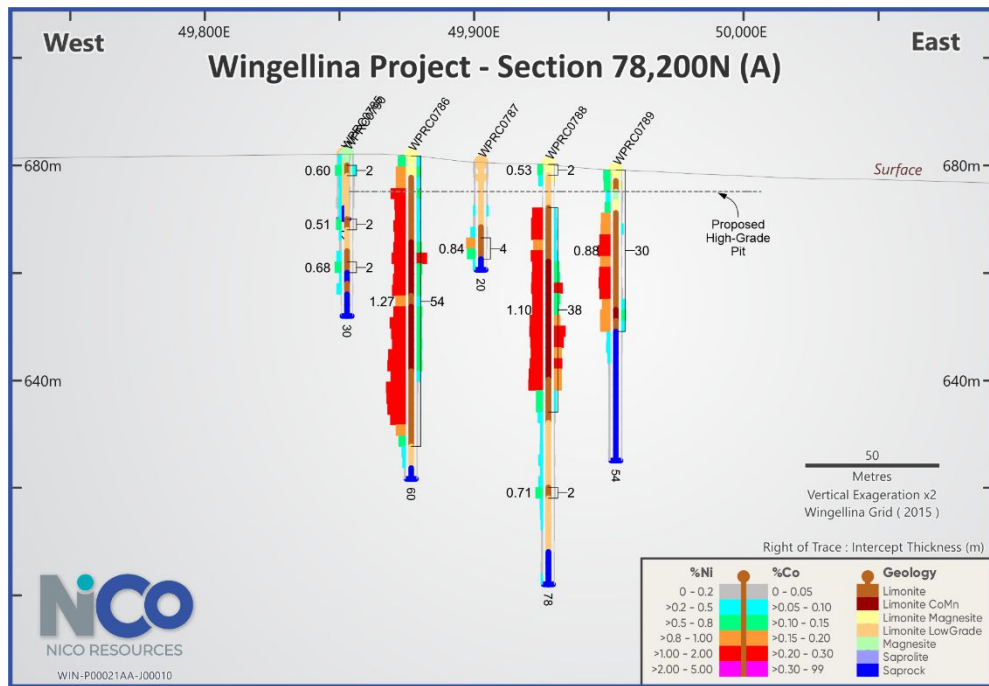
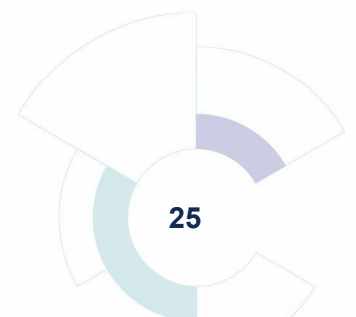


Figure 30. Cross Section 78200mN (Pit 12)



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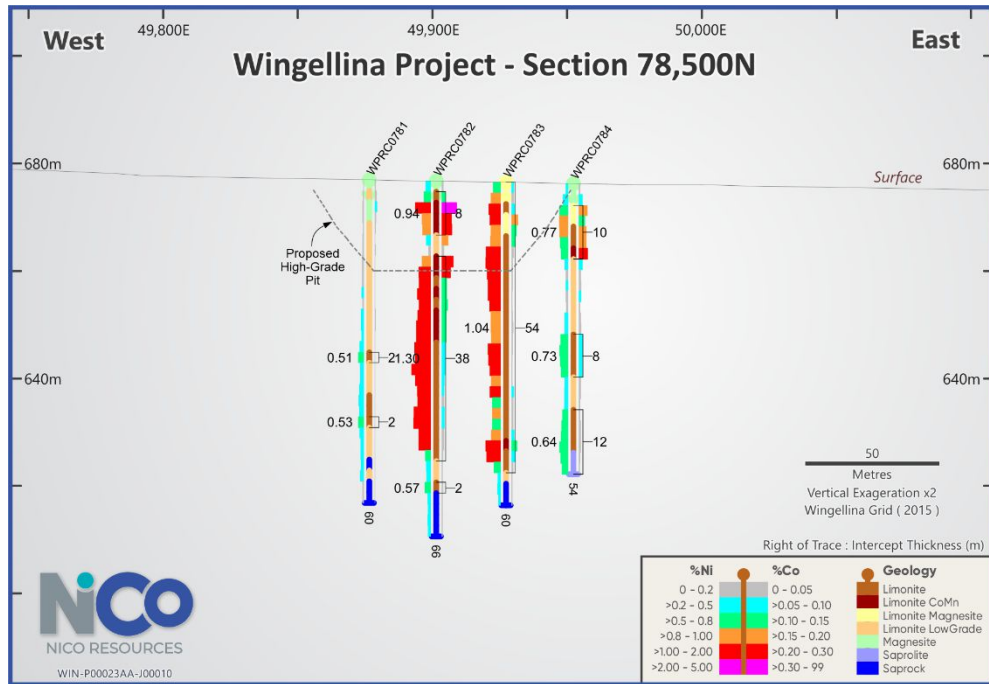
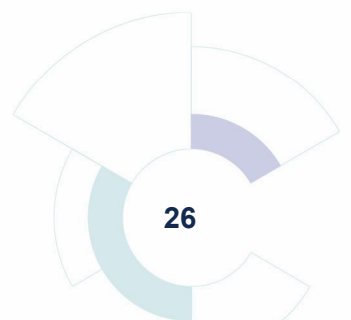


Figure 31 Cross Section 78500mN (Pit 12)



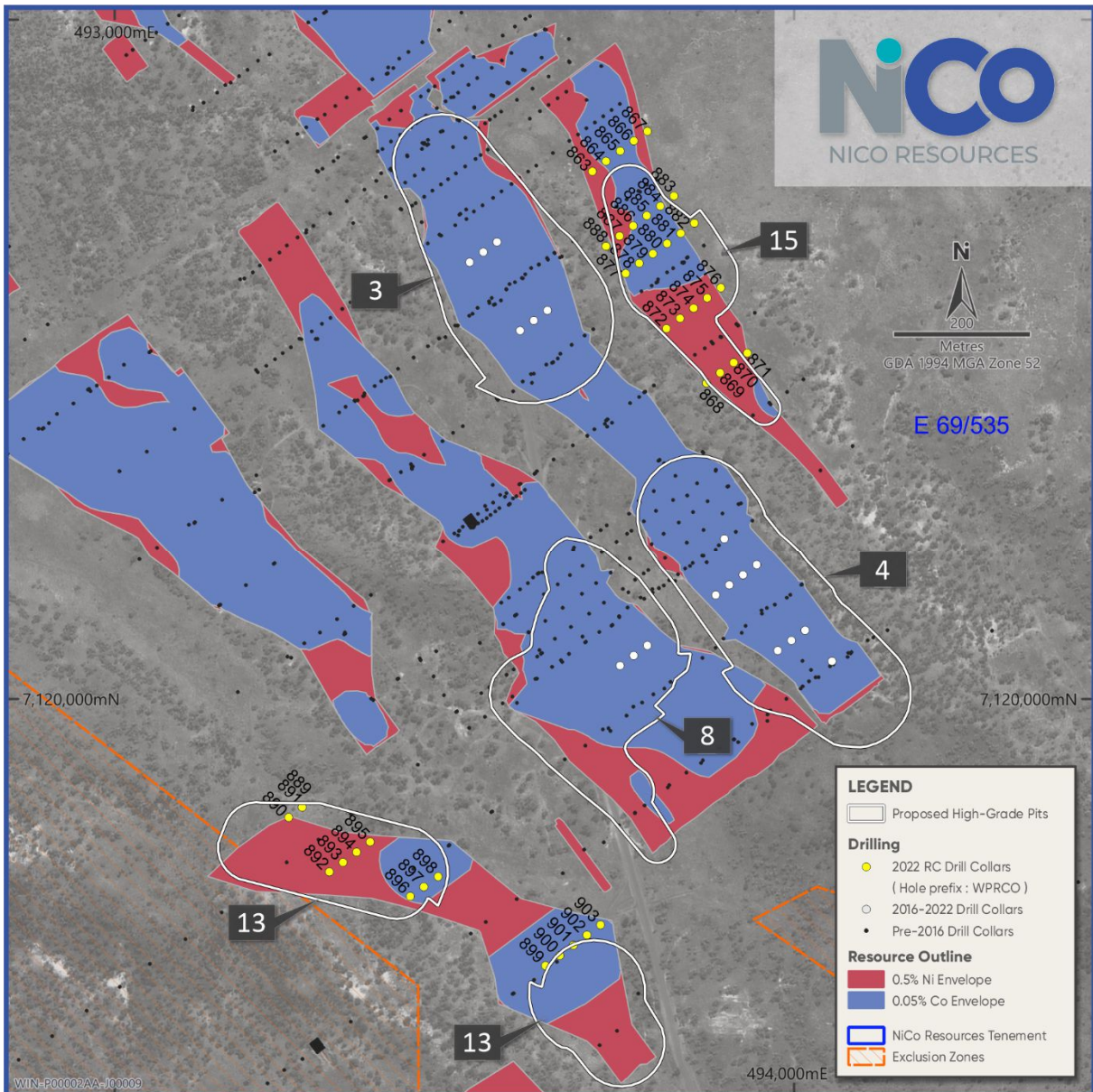


Figure 32. 2022 Drill hole collars in starter pits 3, 4, 8, 13 and 15. The prefix WPRC0 applies before the hole number on the map.

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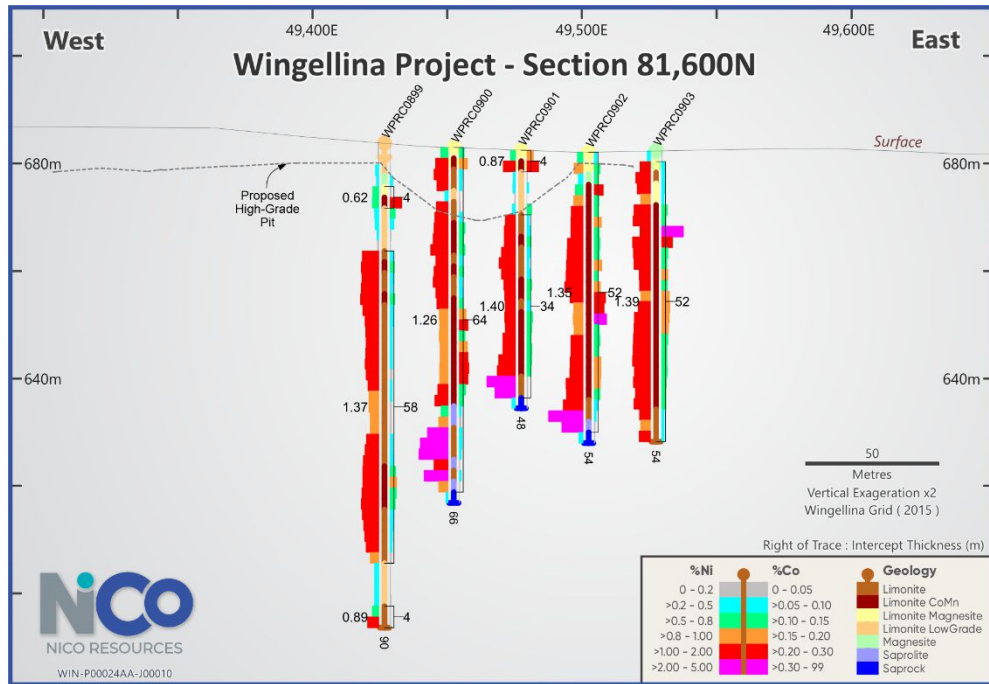


Figure 33. Cross Section 81600mN (Pit 13)

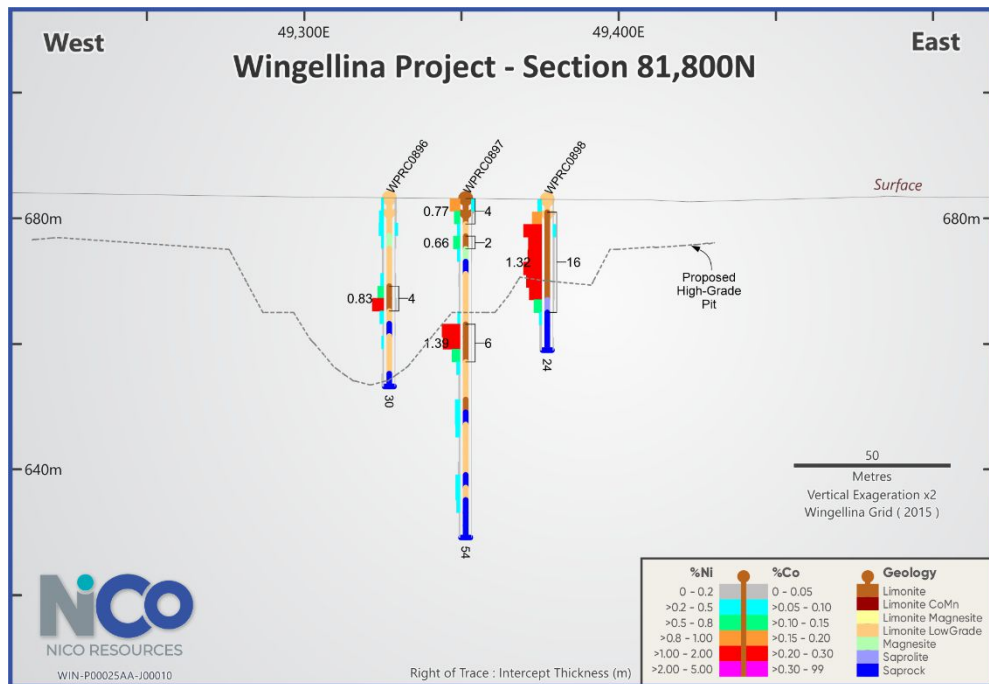
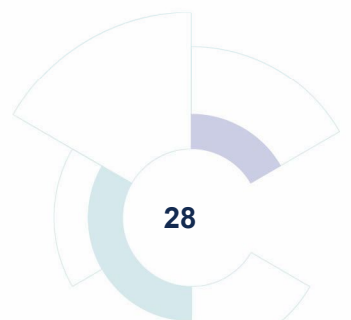


Figure 34. Cross Section 81800mN (Pit 13)



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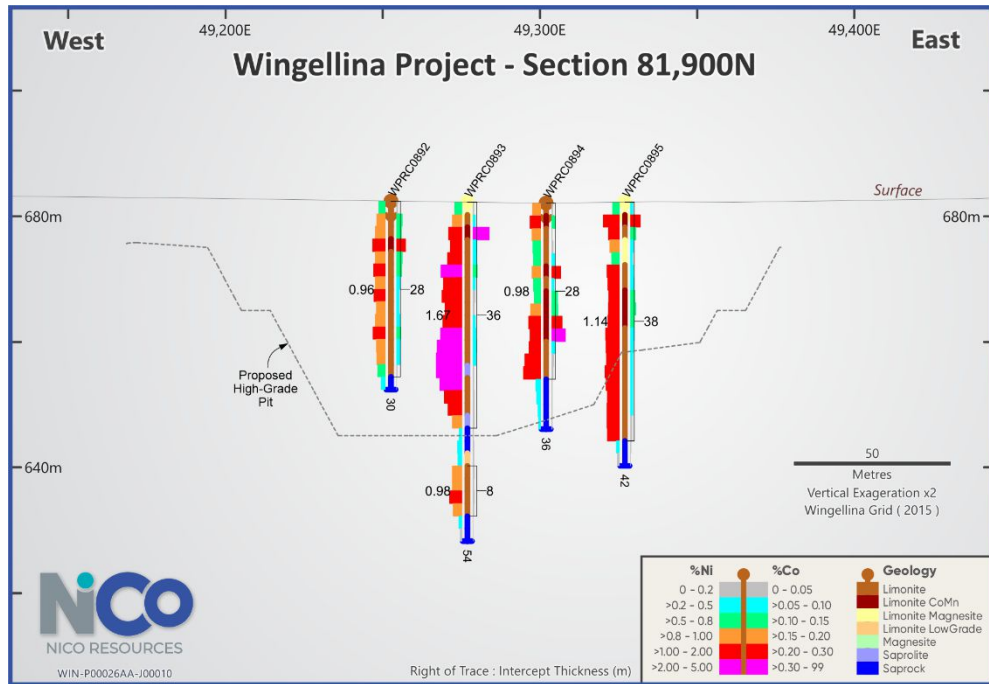


Figure 35. Cross Section 81900mN (Pit 13)

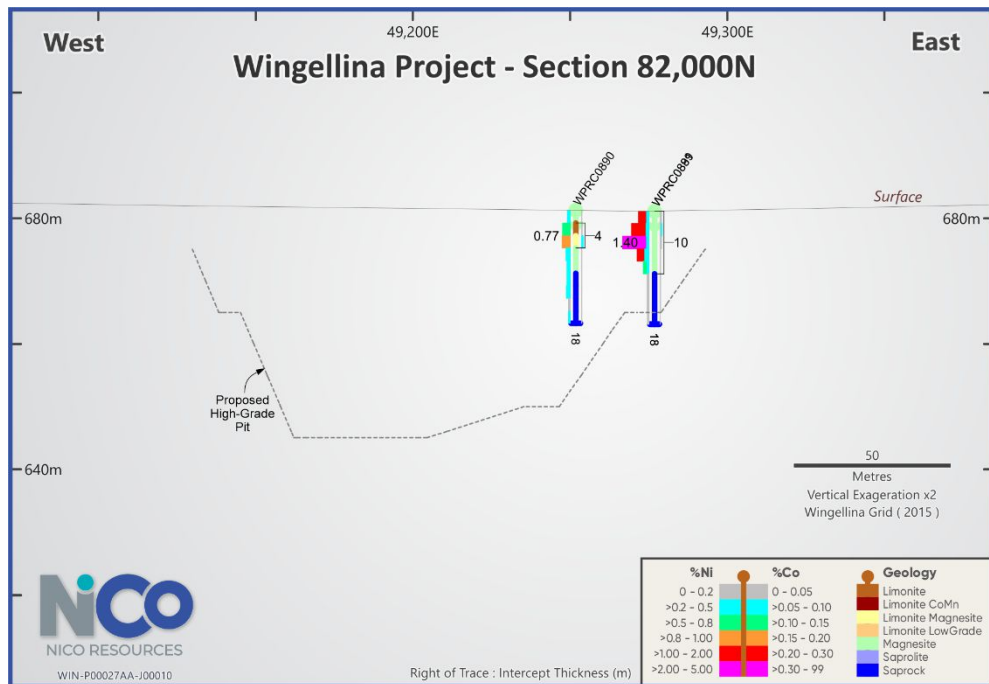
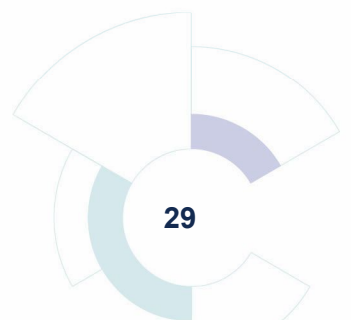


Figure 36. Cross Section 82000mN (Pit 13)



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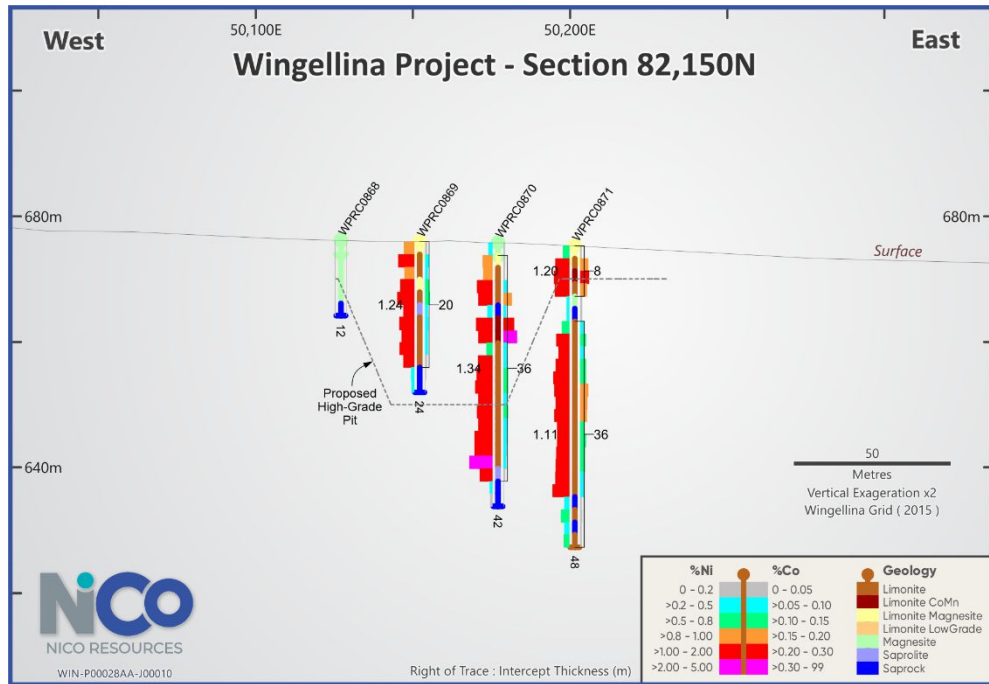


Figure 37. Cross Section 82150mN (Pit 15)

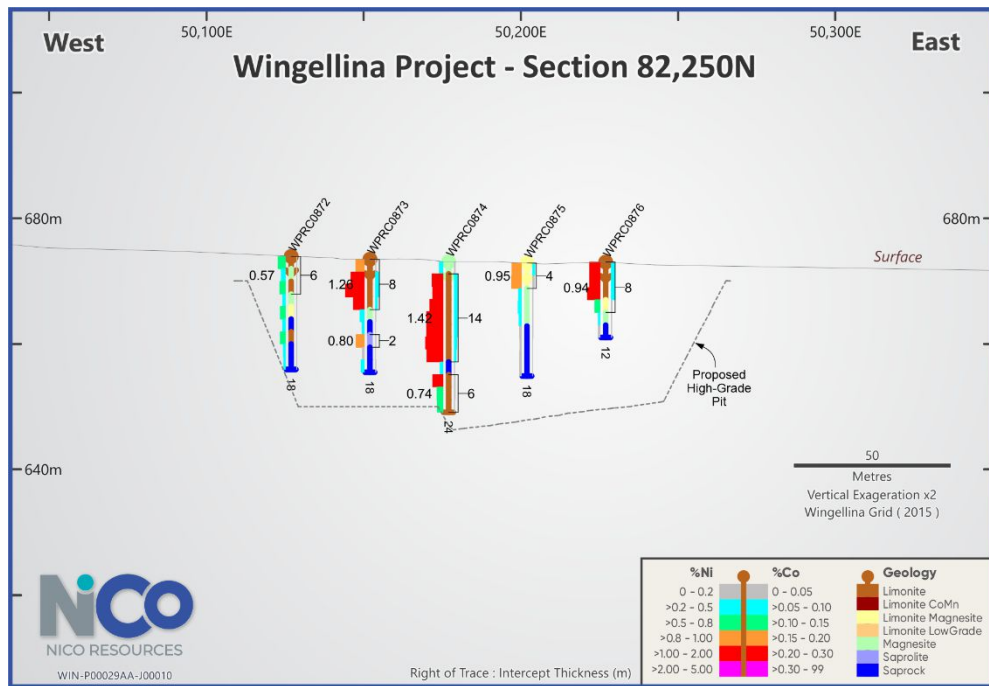
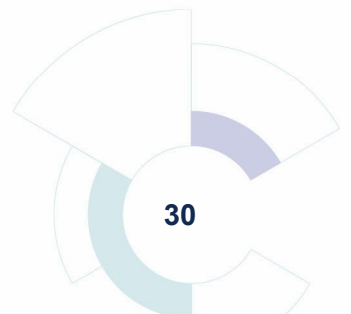


Figure 38. Cross Section 82250mN (Pit 15)



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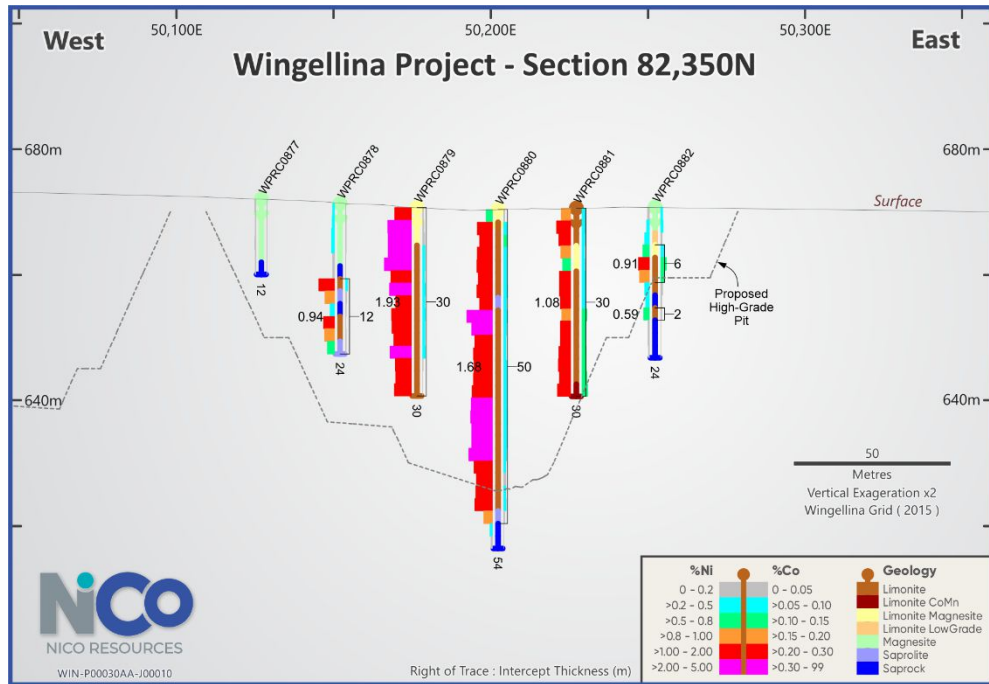


Figure 39. Cross Section 82350mN (Pit 15)

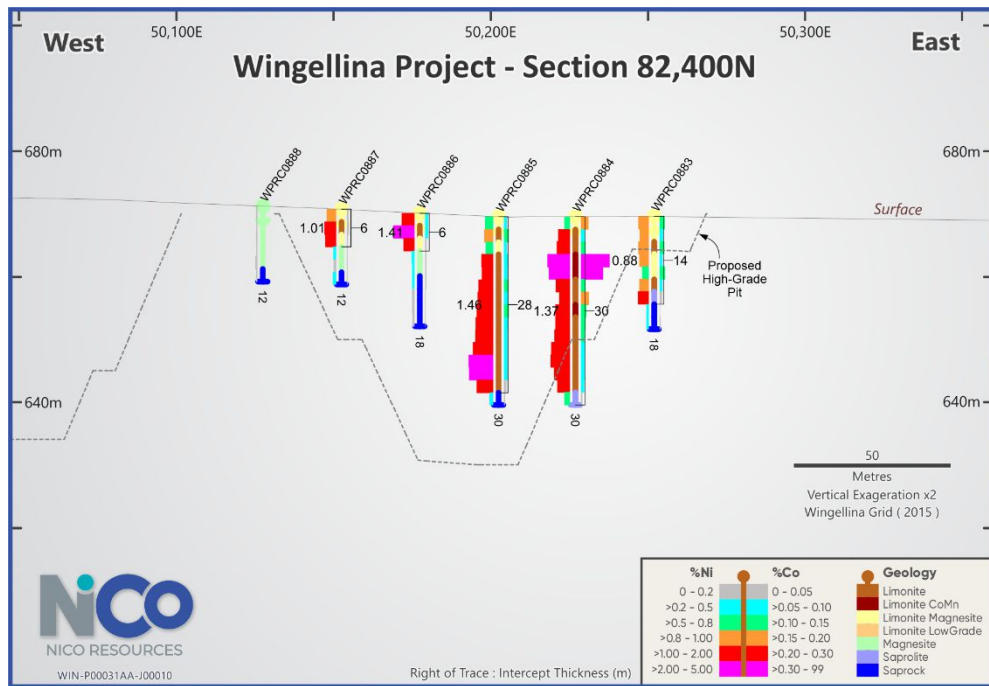
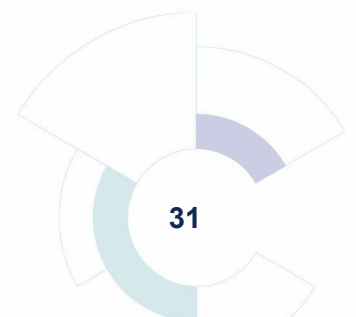


Figure 40. Cross Section 82400mN (Pit 15)



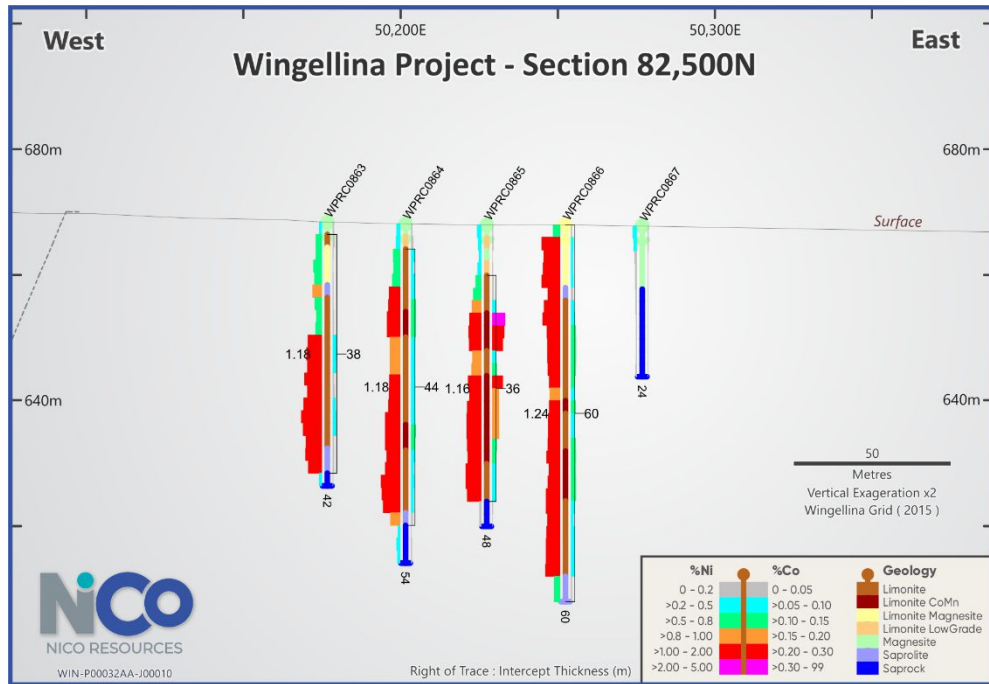


Figure 41. Cross Section 82500mN (Pit 15)

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ABOUT NICO REOSURCES LIMITED

Nico Resources Limited is an Australian company focusing on Australian nickel projects.

Nico owns a 100% legal and beneficial interest in nickel assets consisting of the Wingellina (WA) and Claude Hills (SA) nickel projects.

Central Musgrave Project (CMP)

The CMP comprising of three main exploration tenements - Wingellina (WA), Claude Hill (SA) and Mt Davies (SA) along with an Exploration Licence covering the Lewis calcrete resource and three Miscellaneous Licences covering the defined water resources.

The CMP consists of a package of tenements hosting nickel-cobalt-scandium lateritic Mineral Resources in excess of 200 million tonnes, containing 1.95 million tonnes of Nickel and 150 thousand tonnes of Cobalt along with a Probable Ore Reserve of 164.8 million tonnes containing 1.56 million tonnes of Nickel and 123,000 tonnes of cobalt.

The project tenure is approximately 1,469km² located within Western Australia and South Australia adjoining the Surveyor Generals Corner (the junction between Western Australia, the Northern Territory and South Australia).

Wingellina is one of the largest undeveloped nickel resources / reserves globally to underpin an independent Australian nickel producer

The Wingellina deposit hosts a JORC (2012) defined Measured, Indicated and Inferred Resources of 182.6Mt at 0.92% Ni & 0.07% Co for 1.68Mt of contained nickel and 132Kt of contained cobalt, and hosts a JORC (2012) defined Probable Reserves of 168.4Mt at 0.93% Ni & 0.07% Co for 1.56Mt of contained nickel and 123Kt of contained cobalt).

The Claude Hills deposit located less than 20km from Wingellina hosts a JORC (2004) defined Inferred Resources of 33.3 Mt at 0.81% Ni and 0.07% Co for 270Kt of contained nickel and 23Kt of contained cobalt.

COMPETENT PERSON'S STATEMENT

Exploration

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

Resources

The information in this report that relates to mineral resources, exploration targets or exploration results is based on information compiled by Mr Jake (Jacob) Russell, who was previously an employee of Metals X, and a "Competent Person" who is a Member of the Australian Institute of Geoscientists (AIG). Mr Russell has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a "Competent Person" as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell consents to the inclusion in this announcement of the matters based on his information and in the form and context in which it appears.

Ore Reserves

The information in this report that relates to ore reserves is based on information compiled by Mr Michael Poepjes, who was a previous employee of Metals X in 2016, a member of the AusIMM at the time and a "Competent Person". Mr Poepjes has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to Qualify as a "Competent Person"

as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Poepjes consents to the inclusion in this announcement of the matters based on his information and in the form and context in which it appears.

PFS CAUTIONARY STATEMENT

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

FORWARD-LOOKING STATEMENTS:

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

PREVIOUS DISCLOSURE

The information in this quarterly activities report is based on the Nico Resources Limited Prospectus and Pre-feasibility study, which are available from the Nico Resources Limited website www.nicoresources.com.au and the ASX website www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the Prospectus continue to apply and have not materially changed.

Appendix 5B

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

Name of entity

Nico Resources Limited

ABN

80 649 817 425

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development		
(c) production		
(d) staff costs	(572)	(1,077)
(e) administration and corporate costs	(571)	(1,149)
1.3 Dividends received (see note 3)		
1.4 Interest received	40	67
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	14	61
1.9 Net cash from / (used in) operating activities	(1,089)	(2,098)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(9)	(18)
(d) exploration & evaluation	(569)	(2,343)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(578)	(2,361)

3.	Cash flows from financing activities		
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		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,434	10,226
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,089)	(2,098)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(578)	(2,361)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,767	5,767

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	35	767
5.2	Call deposits	5,732	6,668
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,767	7,435

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,089)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(578)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,667)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,767
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,767
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3
<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:	

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

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:

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.

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 April 2023

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.