Pre Feasibility Study

January 2023

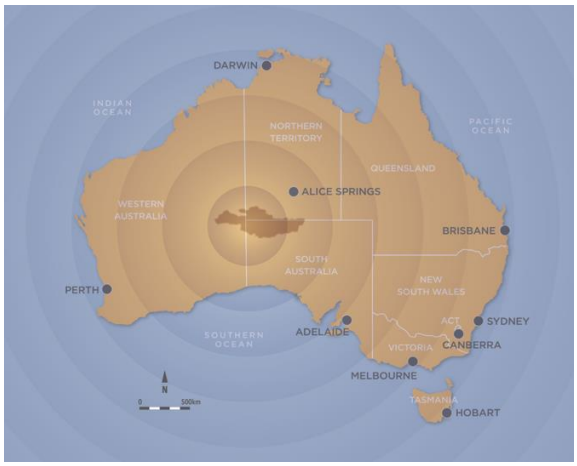
NICO RESOURCES LTD

Wingellina Nickel-Cobalt Project

NICO RESOURCES LIMITED (NC1) is an Australian mining company that is developing the Wingellina Nickel-Cobalt Project and promoting Australia's critical mineral policy agenda.

Nico released the results of their Wingellina Pre Feasibility Study (PFS) in December 2022.

The Wingellina Project is the largest single asset undeveloped nickel-cobalt project in Australia and part of Nico Resources' Central Musgrave Project (CMP) which straddles the triple junction point of the Western Australian, Northern Territory and South Australian borders (Surveyor Generals Corner).



Location, Wingellina Project, Australia

PRE FEASIBILITY STUDY confirms Wingellina to be a globally significant Tier 1 critical mineral asset with a multi-generational 42 year life of mine with production of approximately 40,000tpa of nickel and 3,000tpa of cobalt. Wingellina is characterised by its long life, low cost and high operating margins.

When operational, at a PFS capital cost of A$2.9B, Wingellina will produce sustainable green nickel and cobalt for the electric vehicle and energy storage industries.

Wingellina Project Overview

Wingellina, a high-grade mining & processing nickel and cobalt project covers approximately 110square km in the Central Musgrave Ranges in Australia's Central Desert and is located 450km south-west of Uluru.

The nickel will be sourced from oxidized nickeliferous limonite ore at an average of 0.93% nickel grade, over 40-year life of mine and 1.15% in the first 10 years. Nico's current ore reserves are 168Mt. The Wingellina Project comprises:

- Production of the nickel-cobalt limonite mining operation
- Construction and operation of the proposed process plant

  Construction and operation of the proposed infrastructure associated with the mining operation

The Project will involve traditional free dig open pit mining. The mined ore will be crushed, screened and processed on-site into a Mixed Hydroxide Precipitant (MHP).

The MHP comprising 33% nickel, 3% cobalt and 4.5% manganese will be transported to port for shipping to global customers. Due to the geographical location of the Wingellina Project the product could either be exported through Adelaide, Darwin or Esperance.

Delegation from major Japanese trading house undertakes recent site visit to Wingellina.

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Next Steps

The focus of activity during 2023 & 2024 will be the Definitive (Bankable) Feasibility Study, funding, and finalisation of required approvals.

- Make application to Environmental Protection Authority (EPA) for extension of previously secured environmental approval, inclusive of secured water resources. (Ministerial Statement 1043)
- Revise and update previously (2016) assessed economic impacts
- Review social influences of the project.
- Preparation of all permits and ancillary approvals documentation.
- Recruitment of project development team.
- Continuation of the CMP drilling program.

Progress Strategic Partnership opportunities with aligned countries including Japan, South Korea, Europe and North America.

Based on the outcomes of the BFS, a two year construction period is anticipated to commence in 2025, with mining and production planned to commence in 2027.

Benefits

The PFS confirms Wingellina will generate A$100 – A$150B in revenues over 42 year years.

The two year construction period for the plant and the transport infrastructure will support around 1250 construction jobs, with around 300 steady state jobs over 42 years.

Good local jobs over decades will significantly contribute to upward mobility in WA, NT and SA.

Nickel and Cobalt are used in the production of batteries, with most lithium-ion batteries relying on Nickel. The Wingellina project will assist the transition to a low-carbon economy.

Renewable energy at 95% (wind turbines, solar PV and battery storage) would provide most of the power for the operation offering a significant reduction in greenhouse gas emissions.

Native Title holders, the Ngaanyatjarra People, shall receive payments, royalties, training, jobs; and upgrades to facilities, health and education services, over the life of the mine.

Nico's Li-Ion battery strategy enables value adding downstream processing, dependent upon strategic partnership requirements.

The Project will generate over A$10B in Federal taxes and over A$2B in WA State Royalties.

Policy Alignment

The development of Wingellina will help to grow Australia's critical mineral sector and make a substantial contribution to WA's future battery strategy, with very strong alignment to Australia's greenhouse gas emissions commitments.

The Wingellina Project is aligned to the Western Australian Government's Future Battery Industry Strategy which aims to grow WA's future battery industry and transform it into a significant source of economic development, diversification, jobs and skills. Electric vehicle and battery manufacturers are securing sources of minerals, materials, and components to meet demand created by the global uptake of electric vehicles and battery-based energy storage systems, representing an opportunity for WA.

The Australian Government's Critical Minerals Strategy *will grow Australia's critical minerals sector, expand downstream processing and envisions Australia as central to meeting the growing global demand for critical minerals. A critical mineral is an element essential for the functioning of modern technologies (such as EVs, phones, turbines, rechargeable batteries), economies or national security and that is at some risk of supply.*

The Federal Government has pledged to reduce greenhouse gas emissions by 43 per cent below 2005 levels by 2030 and *will put Australia on track to achieve net zero emissions by 2050.*