

Wingellina Project

Project Update 2

March 2024



WINGELLINA NICKEL COBALT PROJECT

NICO RESOURCES is developing Australia's largest (by reserves) nickel-cobalt project. Nico's Wingellina Project is world-class, globally significant and characterised by its long life and high operating margins.

Part of Nico's Central Musgrave Project which straddles the triple junction point of the NT, WA and SA borders, the Wingellina Project in the Central Desert is approximately 450kms south-west of Uluru.

The Project comprises a high-grade deposit with integrated mining and processing of ore to produce nickel and cobalt.

The Project will feature open pit mining. The mined ore will be crushed, screened and processed on-site (using proven hydrometallurgical technology), into a Mixed Hydroxide Precipitant (MHP) which will be transported to port for shipping to global customers. The Wingellina Project entails:

- Development of the nickel-cobalt limonite mining operation;
- Construction and operation of the process plant;
- Construction and operation of the associated infrastructure; &
- Transportation of goods to the mine and of MHP from mine to port for export to customers.

NICO released the results of the Wingellina Pre-Feasibility Study (PFS) in December 2022 confirming Wingellina to be a globally significant critical mineral asset with a 42-year life of mine and production of approximately 40,000tpa of nickel and 3,000tpa of cobalt.

STATUS

NICO recognizes the inherent and unrealised value in the Wingellina Nickel-Cobalt Project and judiciously continues to progress its development, notwithstanding current conditions.

Nico is advancing the Wingellina Project to be ready to take advantage of an improvement in market conditions when they occur. Our current work program addresses:

- Geology and hydrology;
- Process engineering and metallurgy;
- Non-process engineering (transport, logistics, power, water);
- Environment, heritage and culture; and
- Engagement with all stakeholders.

Nico is seeking to source a strategic partner to invest in the A\$3B project and is focused on completing the work program in advance of the commencement of a Definitive Feasibility Study.

Nico is buoyed by the recent addition of nickel to the [AUSTRALIAN CRITICAL MINERALS](#) list which signals Commonwealth Government intent to support the sector.

Critical minerals, essential for the functioning of modern technologies (such as EVs, turbines, rechargeable batteries), economies or national security, are considered at some risk of supply.

Having nickel added to the list opens access to funding opportunities for companies via the Critical Minerals Facility, created to finance Australian critical minerals mining and processing projects.

The Government's Critical Minerals Strategy 2023–2030 is a framework to grow Australia's critical minerals sector. The strategy seeks to build sovereign capability in critical minerals processing, use our critical minerals to help become a renewable energy superpower and extract more value onshore from our resources, creating jobs and economic opportunity.

NICKEL currently in global surplus following an increase in supply from Indonesia, has multiple applications in stainless steel, electronic devices and energy systems with growth expected to come from increasing use in batteries which will play a key role in the energy transition.

The consequence of the global oversupply of nickel has seen a decline in the price of nickel, and the suspension of some nickel operations in Australia.

Currently, many analysts expect nickel supply to exceed demand over the short term and forecast that the longer-term outlook for nickel is strong.

LOGISTICS

Combined sea, rail and road transport provides the best option for inbound and outbound freight for the Project.

Current studies support the use of the Central Australian Railway to rail freight and sulphur from Darwin south to a siding, where it would be offloaded, stored, reloaded to quad road trains, and then hauled on the upgraded Lasseter Highway (Outback Way) to the Giles-Mulga Park (Irrunytju) Road and on to Wingellina.

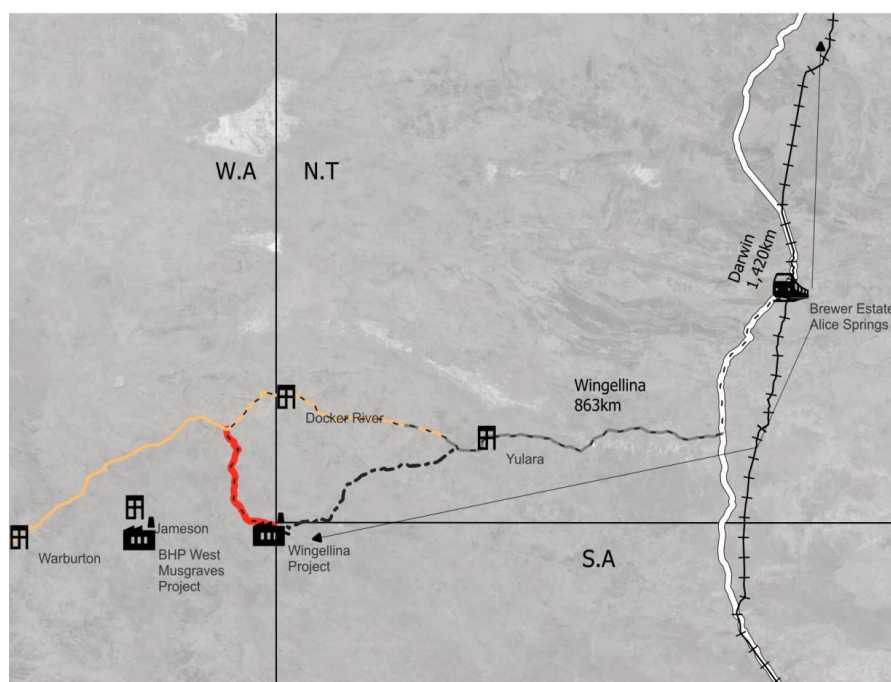
Nico's current planning points toward the development of a siding and logistics hub at Brewer Industrial Estate 25 kilometres south of Alice Springs, rail transport north and export of product through Darwin Port over the 42-year life of mine, underpinning jobs and economic growth in Northern Australia.

The road haulage distance between Brewer Industrial Estate and Wingellina is 863 kilometres.

Over the past several years Nico Resources, rail freight operator Aurizon, Infrastructure NT and Darwin Ports have engaged to develop a business case for the import and export of commodities through Darwin Port.

Nico is also reviewing the logistics and the route west to the Geraldton Port.

The Project is located 1,800 kilometres by road from Geraldton and 2,300 kilometres from Darwin (of which 1,420 kms is rail).



Government Invests in Northern Australia

The Federal Government's commitment of \$2.5B for vital infrastructure projects in the Northern Territory enhances Nico's considerations to utilise the Northern Territory for inbound and outbound logistics for the Wingellina Project.

Infrastructure is an important driver of economic growth. For Nico, this would be evident in government funded infrastructure that would open new export opportunities for commodities such as critical minerals, development of regional logistics hubs and substantial road funding.

Federal, State and Territory Governments have committed expenditure of A\$1.2 billion to upgrade the "Outback Way" to a sealed road, considerably strengthening Project logistics.

PROJECT BENEFITS

The Wingellina Project will be intergenerational, for your children's children, providing long term employment, and stimulating regional and economic development across WA, SA, NT.

Wingellina will generate A\$100B – A\$150B in revenues over 42 years.

The two-year construction period for the plant and transport infrastructure will support more than 1250 construction jobs with around 400 operational jobs for the life of mine.

The Project will contribute to development, business growth, training and jobs, shared infrastructure, services and community upgrades.

Renewable energy will power up to 95% of the operation, whilst producing a commodity that contributes to decarbonisation.

Estimated (Sept 23) total tax payable over life of operations is more than \$4.2B; and Western Australian State royalties more than \$1B.