# ASX Announcement

19 September 2023

NICO RESOURCES

# Underwritten Pro-Rata Non-Renounceable Entitlement Offer

## Key Details

- Fully underwritten 1 for 5 pro rata non-renounceable entitlement offer to raise approximately $7.3 million (before costs).
- Offer Price of $0.40 per New Share represents a 13% discount to last closing share price of $0.46.

Nico Resources Limited ("**Nico**" or the "**Company**") (ASX: NC1) is offering eligible shareholders the opportunity to acquire New Shares through a fully underwritten pro-rata non-renounceable entitlement offer of one (1) new Share for every five (5) Shares ("**Entitlement Offer")** to eligible shareholders on the Record Date, which under the current indicative timetable is Monday, 25 September 2023, at an issue price of $0.40 per New Share to raise approximately $7.3 million (before costs).

As at the date of the Entitlement Offer, MetalsX Limited, Mr Peter Cook (Non-Executive Chairman) and Mr Jonathan Shellabear (Managing Director), have committed to take up the whole of their pro-rata entitlement under the Entitlement Offer totalling 3.13 million shares amounting to approximately $1.25 million. In addition, Mr Peter Cook, Mr Jonathan Shellabear and Non-Executive Director, Mr Stewart Findlay, have also provided general sub-underwriting for a further 2.5 million shares with a value of $1 million.

The Issue Price of $0.40 per New Share represents:

- A discount of 13.0% to the last closing price of $0.46 on 14th September 2023;
- A discount of 17.3% to the 5-day VWAP up to an including the 14th September 2023;
- A discount of 18.5% to the 20-day VWAP up to and including the 14th September 2023; and
- A discount of 11.1% to the theoretical ex-rights price[1] ("**TERP**").

## Use of Funds

The proceeds of the Entitlement Offer will be used to provide working capital to further advance the Central Musgrave Project following its successful Pre-feasibility Study (Refer to ASX announcement released on 22 December 2022) toward the completion of a Definitive Feasibility Study for the project's development. Key components include the following[2]:

- Approximately $3.8 million for the Company's metallurgical testwork program which includes a continuous piloting program at ALS to produce a nickel and cobalt Mixed hydroxide Precipitant (MHP);
- Approximately $1.0 million for a passive seismic survey and subsequent drilling of additional water bores to more accurately model defined aquifers and water extraction quality and processes;
- Continue to refine and update the project's operating parameters prior to the commencement of a definitive feasibility study including transport logistics (road re-alignments) and preparatory works;
- For the generation of a geo-metallurgical model and grade control simulation modelling to enhance cashflow in the early years of the project;
- Regional exploration to continue to expand the overall resource base and continue to assess the layered intrusive complex for primary nickel and PGM potential within the Giles Complex; and,
- General working capital purposes.

[1] The TERP is the theoretical price at which Nico should trade immediately following the ex-entitlement date for the Entitlement Offer assuming 100% take up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Nico shares trade immediately following the ex-entitlement date is dependent on many factors and may not approximate TERP.
[2] The Company reserves the right to change its intentions in relation to the anticipated allocation of funds.

## Underwriting

The Entitlement Offer is fully underwritten by Blue Ocean Equities Pty Limited ("**Blue Ocean"**) on the terms and conditions of an Underwriting Agreement with the Company. The Underwriter has entered into sub-underwriting agreements with Mr Peter Cook, Mr Jonathan Shellabear and Mr Stewart Findlay ("**Director Sub-Underwriters"**) for sub-underwriting of up to 2.5 million New Shares for a total sub-underwriting commitment of $1 million ("**Director Sub-Underwriting Commitment"**). The Director Sub-Underwriters have waived their respective sub-underwriting fees and will therefore not receive a fee for the Director Sub-Underwriting Commitment.

## Eligible Shareholders

Participation in the Entitlement Offer will be open to Nico shareholders who are registered holders of shares on the Record Date and who have a registered address in Australia or New Zealand and investors in other jurisdictions who Nico determines are eligible to participate, subject to restrictions under and in accordance with the applicable securities laws ("**Eligible Shareholders"**). The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Eligible shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value for the entitlements they would have received had they been eligible.

## Indicative Timetable

The table below outlines the key dates for the Entitlement Offer[3].

| Event | Date |
|---|---|
| Announcement of Entitlement Offer | Tuesday, 19 September 2023 |
| Lodge Appendix 3B and s708AA cleansing notice with ASX | Tuesday, 19 September 2023 |
| Ex entitlement date | Friday, 22 September 2023 |
| Record Date for the Entitlement Offer (5.00pm (WST time)) | Monday, 25 September 2023 |
| Despatch of Offer Document and Entitlement and Acceptance Forms | Tuesday, 26 September 2023 |
| Opening Date | Tuesday, 26 September 2023 |
| Last day to extend Entitlement Offer close date | Thursday, 5 October 2023 |
| Entitlement Closing Date (5.00pm (WST time)) | Tuesday, 10 October 2023 |
| New Shares quoted on a deferred settlement basis | Wednesday, 11 October 2023 |
| Announcement of Entitlement Offer results (including shortfall (if any)) | Friday, 13 October 2023 |
| Issue and allotment of New Shares | Tuesday, 17 October 2023 |
| Quotation of New Shares under Entitlement Offer | Wednesday, 18 October 2023 |

An Appendix 3B for the Shares to be issued pursuant to the Entitlement Offer, Investor Presentation and Cleansing Statement follows this announcement.

This announcement has been authorised for release by the board.

[3] The Entitlement Offer timetable is subject to variation. The Company reserves the right to alter the timetable at its discretion and without notice, subject to ASX listing rules and the Corporations Act and other applicable laws. In particular, Nico in conjunction with the Underwriter reserves the right to either generally or in particular cases extend the closing date of the Entitlement Offer, to accept late or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from the ASX.

## Contacts

For more information, please visit our website www.nicoresources.com.au or contact:


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## About Nico Resources

Nico Resources Limited is an Australian listed company which owns a 100% legal and beneficial interest in nickel assets which comprise the Wingellina project in Western Australia and the Claude Hills project in South Australia that together comprise the Central Musgrave Project ("CMP" or the "Project"). The Project tenure is approximately 1,469km$^2$ located within Western Australia and South Australia adjoining the Surveyor Generals Corner (the junction between Western Australia, the Northern Territory and South Australia).

The CMP comprises 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 at the CMP.

The CMP consists of a package of tenements in the Musgrave Block that host nickel-cobalt lateritic Mineral Resources in excess of 200 million tonnes, containing 1.95 million tonnes of contained nickel and 150 thousand tonnes of contained cobalt along with a Probable Ore Reserve of 164.8 million tonnes containing 1.56 million tonnes of contained nickel and 123,000 tonnes of contained cobalt. The Project is the largest undeveloped nickel project in Australia (by reserves) and is one of the world's largest undeveloped nickel reserves.

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 Reserve 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 Resource of 33.3 Mt at 0.81% Ni and 0.07% Co for 270Kt of contained nickel and 23Kt of contained cobalt.

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## Important Information

**No offer within U.S.**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold directly or indirectly within the United States unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.

**Forward-looking statements**

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. 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-looking 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-looking 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-looking statements are based and not place undue reliance on such statements.

**Ore reserves, mineral resources and exploration results**

This announcement contains references to ore reserve estimates, mineral resource estimates and exploration results, all of which have been extracted from the Company's replacement prospectus dated 23 November 2021 released to ASX on 17 January 2022 (**Prospectus**) and the Company's announcement to the ASX on 22nd December 2022 "PFS confirms Wingellina as a Tier 1 Nickel Cobalt Project" (**PFS Release**) both of which are available for view at the https://www.nicoresources.com.au/ and the ASX website at https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements using the ASX code 'NC1'. The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement about the Company's ore reserves, mineral resources and exploration results and that all material assumptions and technical parameters underpinning the ore reserve and mineral resource estimates in the Prospectus and the PFS Release continue to apply and have not materially changed.