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NICO RESOURCES

ACN: 649 817 425

Consolidated Annual Report for the Year Ended 30 June 2022

NICO RESOURCES

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NICO RESOURCES LIMITED
CORPORATE DIRECTORY

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Directors
Non-Executive Chairman
Mr Warren Hallam

Managing Director
Mr Roderick Corps

Non-Executive Director
Mr Brett Smith

Company Secretary
Ms Amanda Burgess

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Legal Advisers
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PERTH WA 6000

Bankers
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Perth Western Australia 6000

Share Registry
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Level 11,172 St Georges Terrace
Perth WA 6000

Telephone 1300 787 272

The Directors present their report together with the financial statements of Nico Resources Limited ("the Company") and its controlled entities (referred to hereafter as "the Group" or "Nico" or "NC1") for the financial year ending 30 June 2022.

Review of Operations

During the year ended 30 June 2022 the Company successfully completed the acquisition of Metals Exploration Pty Ltd and associated subsidiaries, including the Wingellina project, one of the largest undeveloped nickel deposits in the world, from Metals X Limited on 7 January 2022.

The initial public offer to raise $12 Million was finalised and Nico was admitted to the ASX (ASX:NC1) on 17 January 2022, commencing trading on 19 January 2022.

The Company Issued 25 million shares to Metals X Limited, which were subsequently distributed to eligible Metals X Limited Shareholders via an in specie distribution on 13 January, along with 25 million options to Metals X Limited as an incentive for the sale of Metals Exploration as per the agreement signed on 3 November 2021.

The Company issued 60 million shares at $0.20 per share to raise $12 million in share capital on 13 January 2022 from the initial public offering.

Upon listing on the ASX in January 2022 Nico commenced the formal review of the proposed project originally scoped and designed for the Wingellina project based on the 2008-12 Phase 1 Feasibility Study (P1FS) and among other studies commenced an updated P1FS in April 2022.

Nico Resources in addition to the review of the production of traditional refinery feedstock of Mixed Hydroxide Precipitants (MHP) and Mixed Sulphide Precipitants (MSP) is currently undertaking a review of additional metal refining options as a value addition to the Wingellina base case prefeasibility study. This review will include the refining of mid and downstream products for the precursor Cathode Active Material (pCAM) and nickel and cobalt sulphates for lithium-ion and other battery markets.

Nico has also commenced additional value add studies including the production of High Purity Alumina (HPA), production of Scandium and a review of the power infrastructure.

The advancement of renewable power technology, including competitive capital and operational cost forf such infrastructure has encouraged the company to undertake various analysis to determine the most viable alternative power sources for the life of the operation.

Over the last several years there has also been significant advancements in the production of High Purity Alumina with several pilot and demonstration plants underway. Given the current proposed processing route for Wingellina it is feasible to produce a HPA product.

Previous metallurgical testwork undertaken on the Wingellina ore has also shown a high level of extraction of scandium which is a high valued metal primarily used to harden aluminium for aviation applications.

Should these studies prove environmentally and economically feasible for the Wingellina development they will be included in a detailed feasibility and engineering study for the project moving forward. This work has not been incorporated into the current PFS in order to expediate the completion of the PFS. It is anticipated that each of these additional studies could add significant value to the current PFS.

CENTRAL MUSGRAVE PROJECT (CMP)

The world-class Wingellina Nickel-Cobalt Project (Wingellina) is the largest undeveloped nickel-cobalt deposit in Australia and part of Nico Resources Central Musgrave Project (CMP) which straddles the triple-point of the Western Australia, Northern Territory and South Australia borders.

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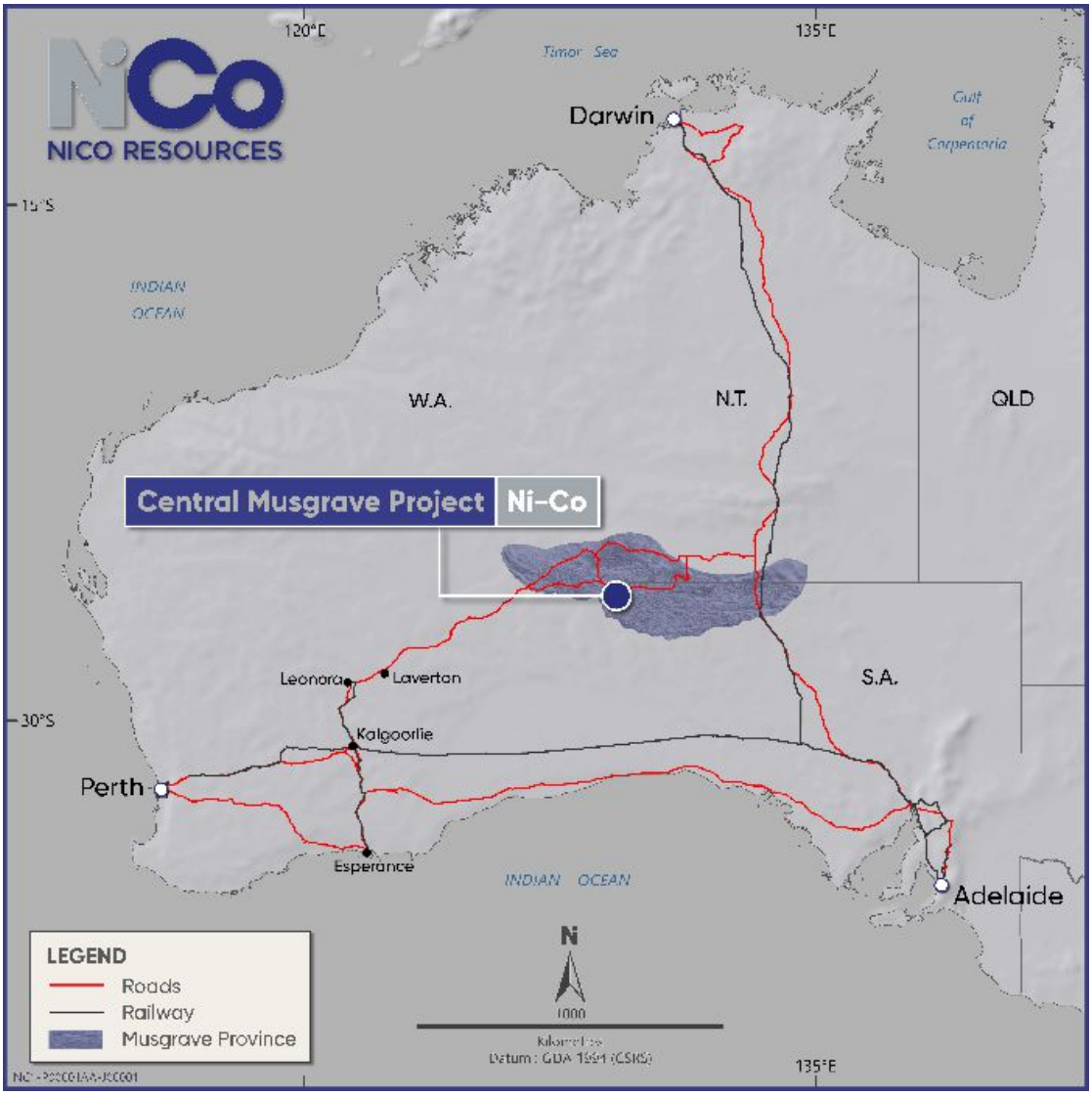

Figure 1: Central Musgraves location map

The Central Musgrave Project (**CMP**) tenement portfolio comprises of 3 main exploration licences, known as - Wingellina (WA), Claude Hill (SA) and Mt Davies (SA), an exploration licence covering the Lewis calcrete resource and three miscellaneous licences covering the defined water resources.

The Wingellina deposit, a world class orebody specifically hosts a measured, indicated and inferred Mineral Resources of 182.6Mt at 0.92% Ni & 0.07% Co for 1.68Mt of contained nickel and 132Kt of contained cobalt, and hosts probable Ore Reserves of 168.4Mt at 0.93% Ni & 0.07% Co for 1.56Mt of contained nickel and 123Kt of contained cobalt (Please refer to the resource tables at the end of this operations report). This makes Wingellina the seventh largest Nickel equivalent ore reserve globally and the third largest undeveloped reserve in the world.

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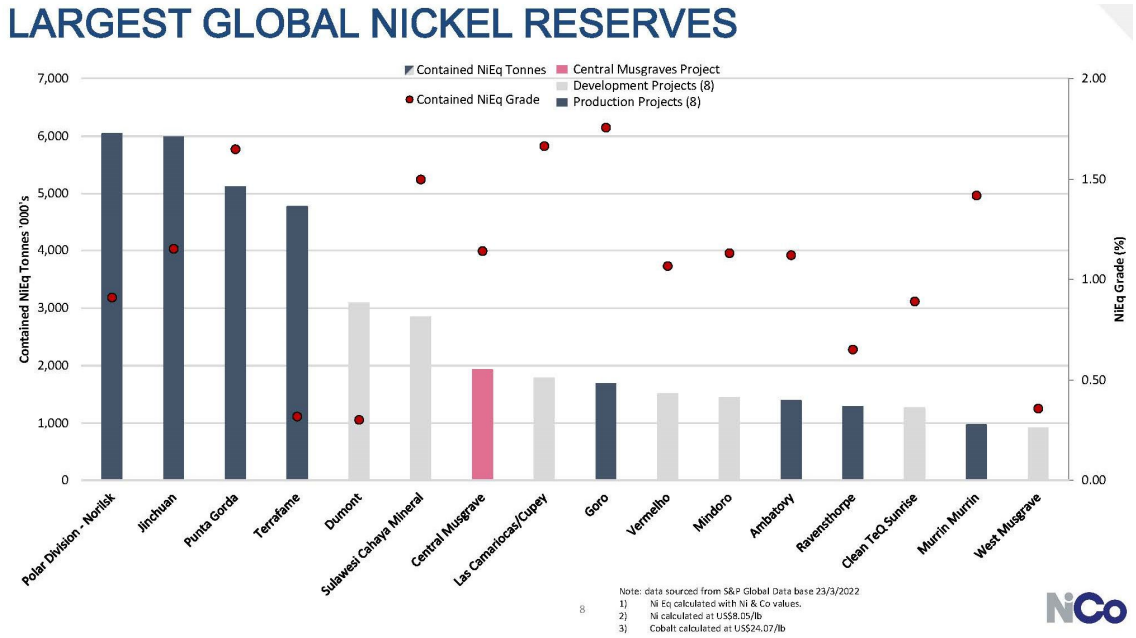

Figure 3: 16 Largest nickel equivalent reserves globally

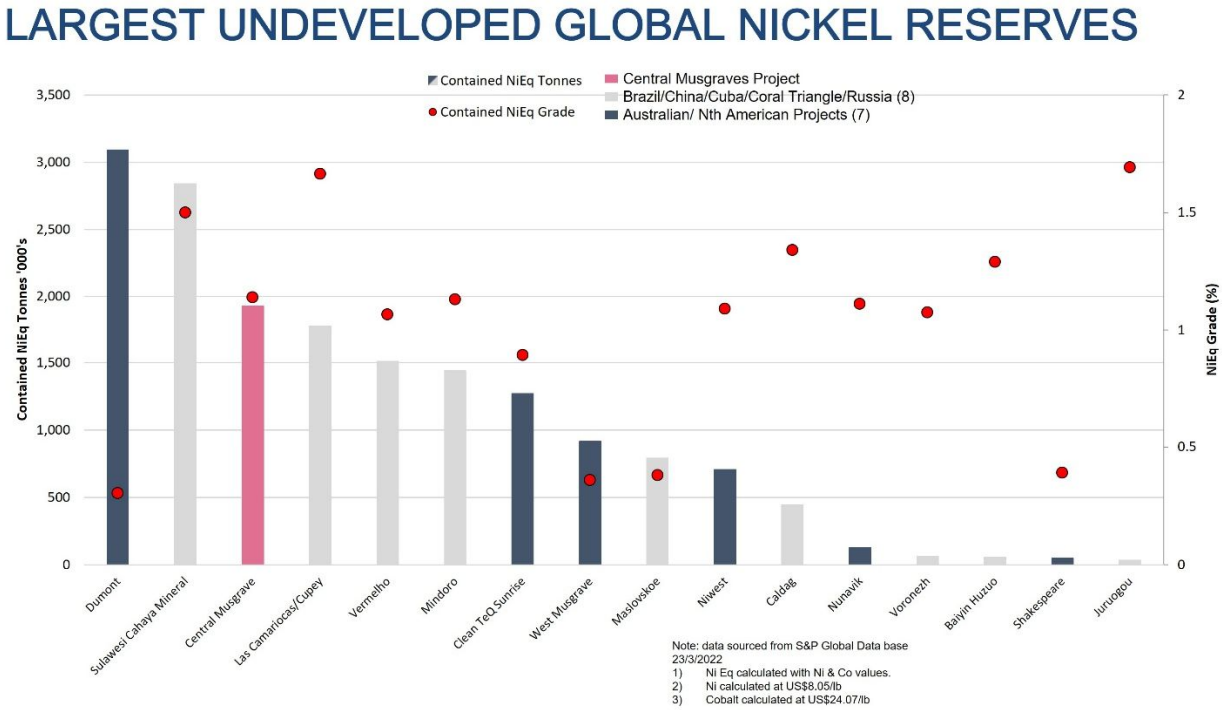

Figure 4: 16 Largest undeveloped nickel equivalent reserves globally

In addition, the 100% owned Claude Hills deposit is located less than 25km from Wingellina and hosts an Inferred Resources of 33.3 Mt at 0.81% Ni and 0.07% Co for 270Kt of contained nickel and 23Kt of contained cobalt. Both Mineral Resources and Ore Reserves in respect of the CMP Project were declared in 2016 (Please refer to the resource tables in appendix 1).

A Phase 1 Feasibility Study was undertaken in 2008, a land access agreement was signed in 2010 and EPA approval to develop the project was obtained in 2016. Since 2016 additional metallurgical optimisation, processing and infrastructure studies have been undertaken

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The Phase 1 Feasibility Study (P1FS) (+/-25%) envisioned HPAL processing with a potential project mine life of 42 years based on reserves, producing approximately 40,000tpa of nickel and 3,000tpa cobalt. Nico commenced an updated PFS in April 2022 with results expected to be delivered in the second half of 2022.

Since the P1FS was undertaken various metallurgical testwork programs have been undertaken providing for the potential commercial production of high-quality cobalt and nickel sulphates, mixed nickel / cobalt sulphides, hydroxides and carbonates. The successful recovery of Scandium has also been investigated on the Wingellina ore body with high extraction rates being achieved.

Due to the intense oxidation of the Wingellina deposit and the resultant free digging nature of the ores along with the exposure of ore from surface, mining is anticipated to account for less than 5% of the AISC cost as the ores can be extracted without the requirement for blasting. Mining studies, completed as part of the Phase 1 Feasibility Study estimated that the average waste to ore strip ratio for the first 20 years of mining being only 0.5:1 and for the 42-year project 1:1, providing for a very low amount of waste to be extraction.

The main characteristics of the Wingellina ore is provided in the following table

Wingellina Proposed HPAL Operation	
Strip Ratio	1:1 (0.5:1 for 0-20 yrs)
Ore Thickness	80 metres average
Tonnes/km2	50-60 Mt
Mining Technique	Free Dig
MgO	Low
Iron	High
Low Acid Consumption	< 300 Kg/t
Ore Blending	Not Required

Figure 5: Proposed Wingellina operation key characteristics

Nico, through its tenure now controls much of the Giles complex layer intrusion defined basal contact. an interpreted ~100km of strike is proposed to exist across the CMP project and there are multiple greenfields and brownfields targets, some with associated mineralisation still to be tested. The Wingellina Deposit extends for approximately 10kms along this defined contact.

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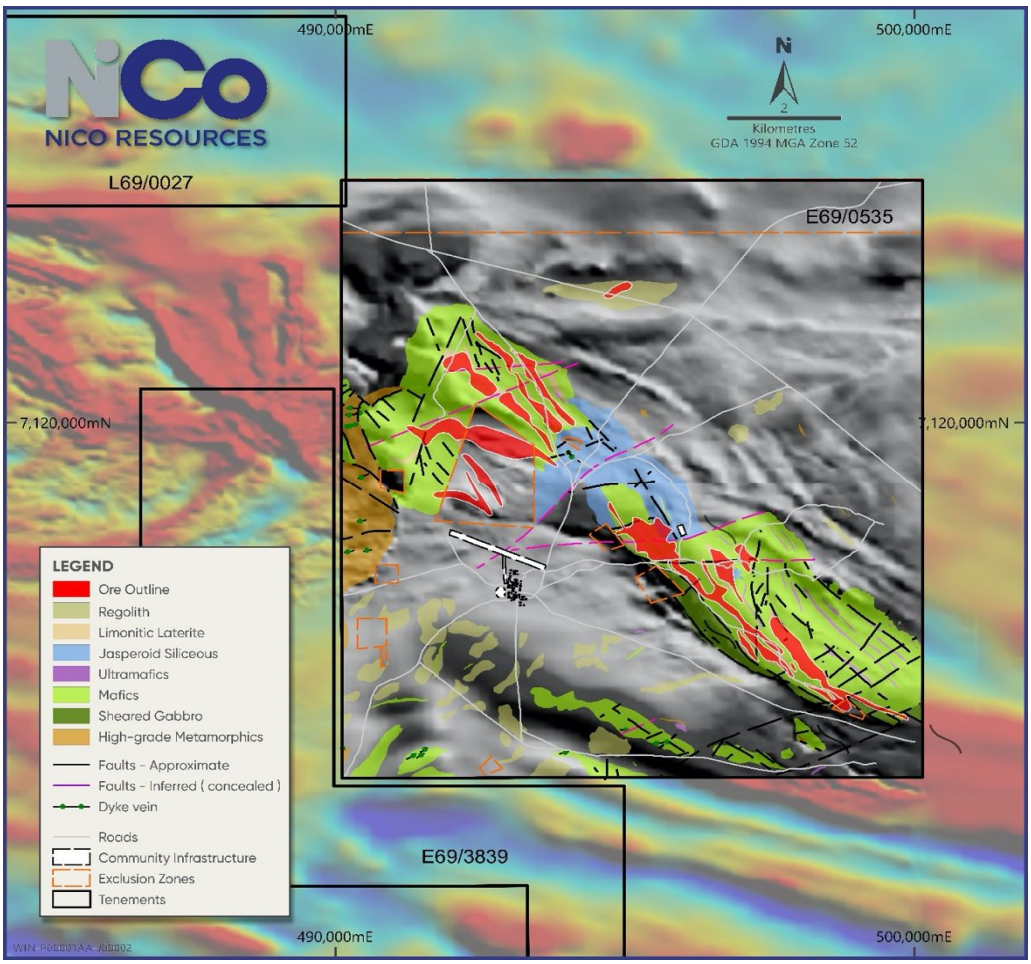

Figure 9: Plan Map of the Wingellina Orebody outlining the strike length of the resources

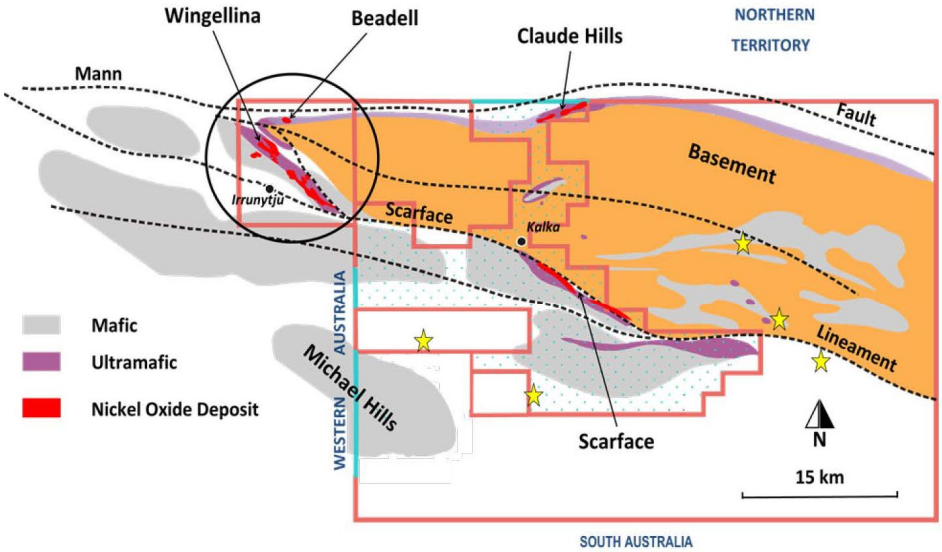

Figure 6: Central Musgraves exploration targets within proximity to Wingellina Orebody

Since 2008, comprehensive bench-scale metallurgical test work has been completed, geotechnical diamond drilling, extensive flora and fauna studies, site engineering testing, logistics investigations and feed and waste characteristics in preparation for a bankable feasibility study. Studies have included the production of mixed hydroxides, mixed sulphides, nickel and cobalt sulphates and scandium, process alternatives including PosNep (POSCO proprietary technology). Ammonia leaching, oxide flotation and Ion exchange. Recent studies have also reviewed the high grade cobalt and nickel start-up options to optimise the project economics by processing higher grade material in earlier years.

On 16 July 2010, Hinckley Range Pty Ltd (a wholly owned subsidiary of Metals Exploration Pty Ltd which is now a wholly owned subsidiary of Nico), the Yarnangu Ngaanyatjarraku Parna Aboriginal Corporation, the Ngaanyatjarra Council (Aboriginal Corporation) and the Ngaanyatjarra Land Council (Aboriginal Corporation) executed the Wingellina Project Agreement which provides for the future grant of mining leases, the construction and operation of the future Wingellina mine and details the associated compensation considerations.

In September 2016 after the submission of a final Public Environmental Review in August 2015, EPA approval was obtained to proceed with the implementation of the Wingellina Nickel Project proposal.

Nico's objective is to move the Wingellina project towards development. A review of all previous works and studies is currently underway to identify any additional information or programmes required to undertake a comprehensive feasibility study update, including the exploitation of the resources, infrastructure requirements, power alternatives, High Purity Alunina (HPA), scadium production, approvals and local sources of calcrete and water.

These studies include undertaking various exploration programs to determine how best to mine and process the potential high-grade zones of nickel, cobalt and scandium at both the Wingellina and the Claude Hills deposits.

Further metallurgical testwork and optimisation studies will also be undertaken to maximise the value of minerals extracted from the Projects.

Calcrete Resources - Lewis Calcrete Project

In 2013 Exploration Licence E69/3065 located within WA, approximately 25km north-west of the Wingellina township was granted - known as the Lewis Calcrete Deposit.

The P1FS had estimated a total of ~800,000t/year of calcrete/limestone would be required over the life of the CMP for acid neutralisation purposes.

Initial drill testing comprising 89 shallow reconnaissance 100 metre spaced RC holes along a 9km access track was completed in 2014 with 579 samples submitted for analysis. Test work subsequently confirmed good quality calcrete with CaO+MgO+LOI exceeding 70% confirmed in 68 of the holes drilled. The calcrete is calcium-rich, with MgO rarely exceeding 2%. The base of the calcrete profile was found to occur at a depth of about 6 metres below surface.

Resource definition drilling commenced in late 2020 with the planned program being approximately 50% completed prior to the postponement due to COVID restrictions. NICO has recommenced this program subsequent to the end of the financial year, with the lifting of the WA Government restrictions in the lands. The drill program is expected to be completed in November 2022 and the results will be used to quantify and ascertain the continuity of the best quality calcrete in the deposit for the HPAL process requirements. Additional calcrete deposits also occur elsewhere and on the tenement that may also be utilised as a source for haul road construction materials for the Projects.

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2022 Drill Program:

With the lifting of Covid restrictions Nico commenced a 10,000m drill program at its Central Musgraves Project subsequent to end of the financial year in the middle of September 2022. The objectives of the program are as follows: -

- 7,180m drill program designed to optimise the high grade nickel and cobalt domains. Past drilling and mining studies at Wingellina were focused predominantly on the optimisation of nickel production. However, with the increasing demand for cobalt to fill the demand for lithium ion and other batteries has resulted to drive the cobalt price upwards. A review of the Wingellina Mineral Resource, which extends over almost 10km, was undertaken in 2018 defining and delineated 15 possible high-grade cobalt-nickel pits which could be incorporated into a high grade start up scenario. The data generated from the 2022 program will be combined with that from other drill programs undertaken in 2017 and 2019 to enable resource estimate determinations of the high-grade zones to be undertaken to optimise the project economics through the mining of higher grade zones in the earlier years.
- 2,006m has been designed for the completion of resource definition drilling on E69/3065 (Lewis Calcrete Deposit). The program has the objective of defining up to 90Mt of suitable calcrete resources for use as an acid-neutralizing agent for the life of operations at the proposed Wingellina Ni-Co Processing Plant. This will significantly off set the requirement to purchase lime.
- 800m has been designed to test the depth, abundance, and quality of water within Palaeo valley sediments of the Mann Fault within 10kms of the Wingellina project. The purpose of this program is to confirm a water supply close to our project location that as a minimum will provide enough volume for the requirements of project construction.

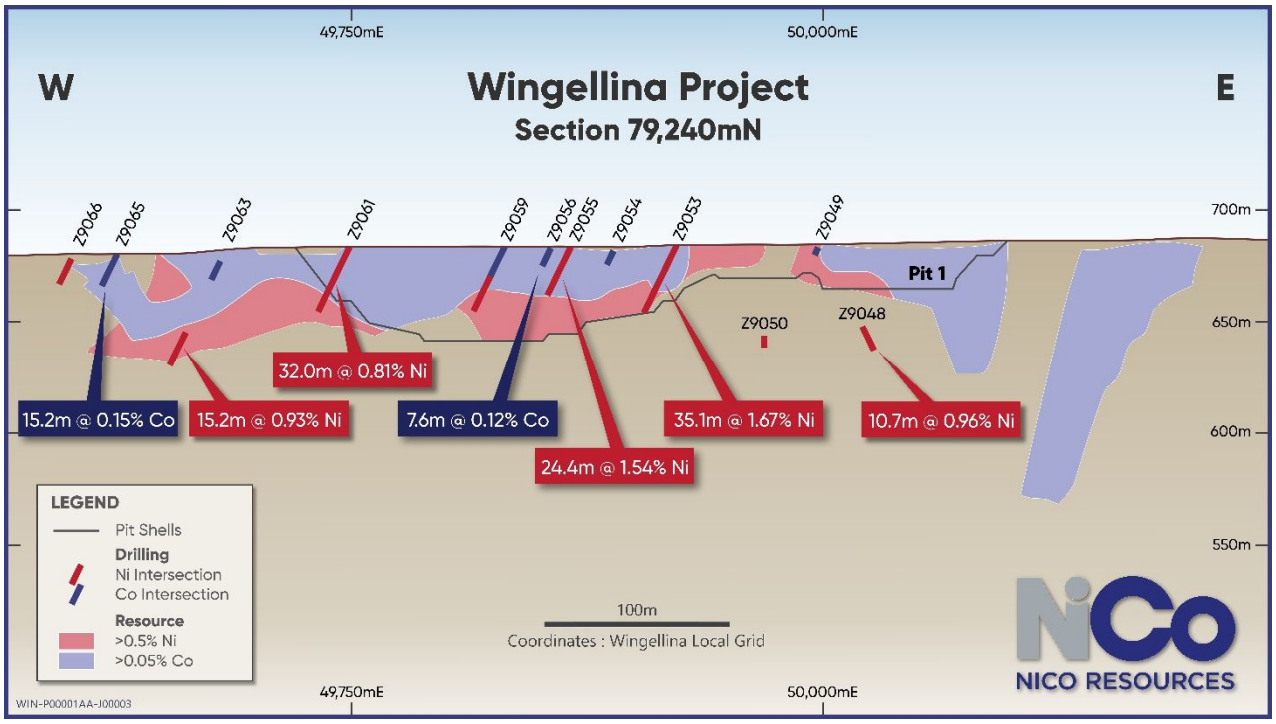

Figure 8: Cross section of the Wingellina Orebody outlining distinctions between the nickel and HG cobalt orebodies.

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Financing and Development

Nico has commenced engagement with the downstream consumption market for the Nickel, Cobalt, and Manganese as it begins the strategic process of reviewing project financing and development options for the world-class Wingellina project. It should be noted that no assurance can be provided as to the outcomes of any discussions at this stage.

Nico has previously been approached and remains continuously in dialogue with Austrade as we develop the world-class Wingellina project. The Wingellina Project is currently listed on the "2021 Critical Minerals Prospectus", (https://www.austrade.gov.au/news/publications/australian-critical-minerals-prospectus-2021) a document collated by Austrade for the promotion of Australian Critical Minerals projects seeking investment opportunities. Austrade has remained a supportive partner in connecting Nico with potential investors seeking opportunities to secure long-term supplies of Nickel, Cobalt and Manganese.

Additional Processing and Metallurgical Option Studies

While the P1FS contemplated an ore processing route of HPAL followed by metal precipitation to a mixed nickel-cobalt hydroxide product, subsequent investigations have been undertaken into other metallurgical options, including numerous product options, such as ammonia leach, oxide flotation and iron exchange.

Test work in 2012 showed that Di-(2-ethyl hexyl) phosphoric acid (DE2HPA) was a very effective extractant for scandium with excellent selectively.

In 2012 precipitated test work using sodium hydrosulphide (NaHS) to produce a mixed nickel and cobalt sulphides product resulted in recoveries of approximately 90% nickel and 96% Cobalt into a product containing 47.6% nickel and 4.05% cobalt, with a sulphur to metal ratio of 1.16. In 2013 a mixed sulphide precipitate product was also achieved through using sulphide hydrogen gas which showed nickel recoveries in the ranged of 95.6 - 99.2% and cobalt in the ranged of 94.8 - 99.8%.

In late 2017 SGS Minerals Metallurgy was engaged to undertake sulphate crystallisation testwork (a product used in batteries) on Wingellina ores. The results of this work were positive and highlighted potential processing refinements warranting further investigation. Importantly, high quality nickel and cobalt sulphates as potential battery feedstock were produced.

Figure 7: Battery Grade Sulphates precipitated from Wingellina ore in 2017

In addition, various programs of testwork on the physical properties have also been undertaken to determine the physical, chemical and geochemical characteristics of mine waste materials. In 2014 testwork showed that all waste samples assessed were classed as non-acid forming (NAF) and the gabbro and saprock waste materials are physically, chemically and geochemically benign, and are likely to be a valuable source of competent surface armour material for use in rehabilitation of waste landforms.

During the year Nico undertook a review of all of the various known metallurgical processes and advancements in extractive technology. The study in most has concluded that there does not appear to be any processes sufficiently advanced that would be more superior than those already tested by the company. However, there are several potential value add steps which have been identified such as the production of HPA and Scandium. In addition, there are numerous downstream opportunities to produce battery products. Studies for the production of Scandium and HPA are now underway, along with a review of power alternatives and infrastructure.

WINGELLINA NICKEL-COBALT PROJECT

Recently Nico completed an internal global benchmarking study to demonstrate the importance of the Wingellina asset when compared against its global piers. The culmination of the study resulted in the statistics presented below.

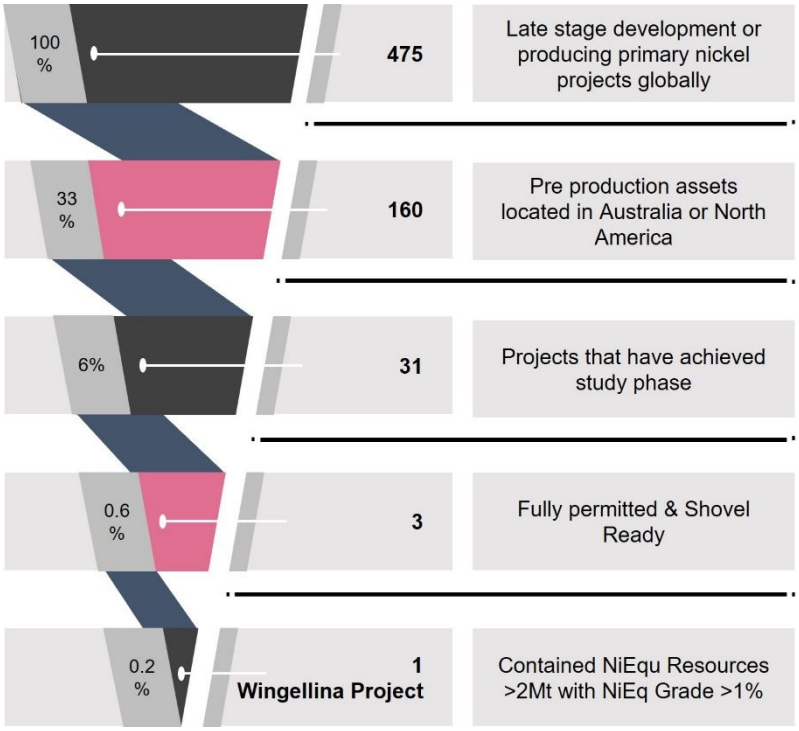

Figure 10: Global nickel project peer comparison analysis

On a global comparative basis there are:

- 475 late-stage development or producing Nickel projects globally
- 160 of those projects are at pre-production stage and are located in the Tier 1 investable jurisdictions of North America and Australia
- 31 of those pre-production projects have been completed to some level of study phase (PEA, PFS, DFS etc)
- 3 of those projects have received their critical production approvals eg:
    - Environmental approval,
    - Indigenous agreement
- Only 1 of those projects has a contained NiEqu resource of greater than 2Mt of metal with a NiEqu grade greater than 1%

This internal benchmarking exercise highlights the strategic importance of the Wingellina Nickel Cobalt project as it demonstrates the project exists in a class of its own. Wingellina represent a long-life substantial metal supply 100% owned by an independent junior development company.

Environmental & Social Governance

The project is a large, intergenerational, long life, approved, asset with a globally significant in ground metal inventory. Located in the tier 1 mining jurisdiction of Western Australia with the ability to deliver an alternative transparent, traceable, ESG credentialed metals supply for the growing decarbonisation of our global energy markets.

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The Wingellina project received its EPA PER approval in September of 2016. PER approvals are granted for a term of 5 years with the ability to apply for extension for a second term of 5 year. During the period of the project ownership change to Nico there has been the requirement to apply for a PER extension from the Environmental Protection Agency and as a result of various policy changes the following points are being addressed.:-

- GHG emissions profile
- Update to the ethnographic and archaeological surveys for the borefield and water supply pipeline corridor.
- An updated community engagement action management plan
- Update of Traditional owner engagement

Nico has engaged Stantec as it's environmental consultant. Stantec together with Nico have commenced works to respond to the EPA's requests, Both organisations envisage any issues with addressing the EPA's requests and are currently engaged in the processing of doing so.

Ngaanyatjarra land council and Anangu Pitjantjatjara Yankunytjatjara council engagement:

During the year Nico continued to engage with the communities and respective Traditional owners of the lands in which we work and operate. Nico has continued to engage with the Ngaanyatjarra land council (WA) and with the Anangu Pitjantjatjara Yankunytjatjara (WA) in discussing the development of the Central Musgraves Project. Nico Resources has continues to remain actively engaged with community consultation on country.

Table 1: CMP Mineral Resource estimate

Project	Mineral Resource category[1]	Mt[2]	Nickel		Cobalt	
			Grade (% Ni)	**Nickel (kt Ni[2])**	**Grade (% Co)**	**Cobalt (kt Co[2])**
Wingellina (cut-off 0.50% Ni)	Measured	37.6	0.98%	368	0.07%	28.0
	Indicated	130.9	0.91%	1,193	0.07%	94.6
	Inferred	14.1	0.87%	122	0.06%	9.1
	Total	**182.6**	**0.92%**	**1,684**	**0.07%**	**131.7**
Claude Hills (cut-off 0.50% Ni)	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Inferred	33.3	0.81%	270	0.07%	22.7
	Total	**33.3**	**0.81%**	**270**	**0.07%**	**22.7**
Total Central Musgrave Project	**Measured**	**37.6**	**0.98%**	**368**	**0.07%**	**28.0**
	Indicated	**130.9**	**0.91%**	**1,193**	**0.07%**	**94.6**
	Inferred	**47.4**	**0.83%**	**392**	**0.07%**	**31.8**
	TOTAL	**215.8**	**0.91%**	**1,953**	**0.07%**	**154.4**

Notes:

1. *Mineral Resources are reported inclusive of Mineral Resources modified to produce the Ore Reserve.*
2. *Tonnes are reported as million tonnes (Mt) and rounded to nearest 100,000; nickel tonnes are reported as thousand tonnes (kt) and rounded to the nearest 1,000 tonnes; cobalt tonnes are reported as thousand tonnes (kt) and rounded to the nearest 100 tonnes; rounding may result in some slight apparent discrepancies in totals.*

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Table 2: Wingellina nickel-cobalt project Ore Reserve estimate

Project	Ore Reserve category[1]	Ore Mt	Nickel		Cobalt	
			Grade (% Ni)	**Nickel (kt Ni^2)**	**Grade (% Co)**	**Cobalt (kt Co^2)**
Wingellina	Proved	-	-	-	-	-
	Probable	168.4	0.93%	1,561	0.07%	122.6
	Total	**168.4**	**0.93%**	**1,561**	**0.07%**	**122.6**

Notes:

1. *The Ore Reserve is based on the Wingellina Mineral Resource estimate as of 30 June 2016 with applied modifying factors, at a cut-off grade of 0.5% Ni.*
2. *Tonnes are reported as million tonnes (Mt) and rounded to nearest 100,000; nickel tonnes are reported as thousand tonnes (kt) and rounded to the nearest 1,000 tonnes; cobalt tonnes are reported as thousand tonnes (kt) and rounded to the nearest 100 tonnes; rounding may result in some slight apparent discrepancies in totals.*

Competent Person Statement

Exploration Resource

The information in this report that relates to Exploration Targets or Exploration Results is based on information compiled by Mr Jake (Jacob) Russell from Metals X Limited (Metals X) , who was previously an employee of Metals X, and a "Competent Person" who is a Member of 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 report 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, and 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 report of the matters based on his information and in the form and context in which it appears.

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Directors

The name and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Warren Hallam - Non-Executive Chairman (appointed 29 April 2021)
Mr Roderick Corps – Managing Director (appointed 29 April 2021)
Mr Brett Smith – Non-Executive Director (appointed 29 April 2021)

Information on Directors

DIRECTOR	DETAILS
Warren Hallam	**Non-Executive Chairman**
Qualifications	B. App Sci (Metallurgy), MSc Min. Econ, Grad.Dip (Fin)
Appointment Date	29 April 2021
Sent Experience	Mr Hallam is a metallurgist, a mineral economist and holds a Graduate Diploma in Business. He has over 35 years of technical and commercial experience across numerous commodities and businesses within the resources industry including with top-tier mining companies Western Mining Corporation, Metals X Limited, Westgold Resources Limited and is currently Chairman of ASX listed Nelson Resources Limited Kingfisher Mining Limited and Essential Metals Limited. Mr Hallam was a member of the senior leadership team at Metals X (both as Executive Director and Managing Director) and played a critical role in the development of Metals X as a leading global tin producer and top-10 gold producer. Mr Hallam also held a range of senior operation, strategic and business development roles with diversified ASX-100 resource company Western Mining Corporation.
Interest in share and options	2,026,424 Ordinary Shares 3,000,000 Unlisted Options exercisable at $0.25 on or before 21 July 2024
Other directorships in listed entities held in the previous three years	Nelson Resources Limited (ASX:NES) (1 February 19 - 31 May 2022) Essential Minerals Limited (ASX:ESS) (1 August 20 – Present) Kingfisher Mining Limited (ASX:KFM) (4 December 18 – Present) Poseidon Nickel Limited (ASX:POS) (1 June 2022 – Present)
Roderick Corps	**Managing Director**
Qualifications	-
Appointment Date	29 April 2021
Experience	Mr Corps Rod Corps has been involved in the finance industry for 30 years, having worked as a stockbroker for Porter Western Ltd (now Macquarie Group), and Morgan Stanley and JP Morgan in the United Kingdom. Mr Corps has been a director of Eternal Resources Ltd (taken over by Aziana Ltd - now Brainchip Holdings Ltd ASX:BRN) and Voyager Global Ltd - now Cycliq Group (ASX:CYQ). From 2013 to 2021 Rod was the corporate & investor relations manager for ASX listed Westgold Resources Ltd (ASX:WGXO). He is currently a non-executive director of Marketech Limited.
Interest in share and options	12,757,871 Ordinary Shares 3,000,000 Unlisted Options exercisable at $0.25 on or before 21 July 2024
Other directorships in listed entities held in the previous three years	Nil

Brett Smith	Non-Executive Director
Qualifications	B.Chem Eng, MBA, M Res Methodology
Appointment Date	29 April 2021

Experience	Brett Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Brett has served on the boards of private mining and exploration companies and has over 32 years' international experience in the engineering, construction and mineral processing businesses. Brett is an Executive Director of Metals X Limited, Executive Director and deputy Chairman of Hong Kong listed company APAC Resources Limited, Executive Director of Hong Kong listed company Dragon Mining Limited and a Non-Executive Director of ASX listed companies Prodigy Gold NL, Elementos Limited and Tanami Gold NL.
Interest in share and options	5,787 Ordinary Shares 3,000,000 Unlisted Options exercisable at $0.25 on or before 21 July 2024
Other directorships in listed entities held in the previous three years	Prodigy Gold NL (ASX: PRX) (9 May 2016 – Present) Tanami Gold NL (ASX:TAM) (27 Nov 2018 – Present) Metals X Limited (ASX:MLX) (4 Dec 2019 – Present) Elementos Limited (ASX: ELT) (24 Jan 2020 – Present)

Company Secretary

Amanda Burgess B Econs. CPA
Ms Burgess is an accounting and company secretary professional with over 30 years' experience. She graduated from University of WA with a Bachelor of Economics degree and is a member of CPA Australia (CPA). Ms Burgess currently holds Company Secretary and CFO positions with various Australian companies.

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Principal Activities

The principal activity of the Group during the financial year was the acquisition and development of a portfolio of exploration properties.

Operating Results for the Period

The operating result after income tax was a loss $6,870,386 (2021: Profit $788,212). The consolidated loss for the year ended 30 June 2022 includes a once off corporate restructure expense of $7,110,733 due to the reverse acquisition as per Note 17.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial period.

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Significant Events after Reporting date

Other than the above, the Group has no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the Company for the time the director held office during the financial period are as follows:

Director	No. eligible to attend	No. attended
Warren Hallam	5	5
Rod Corps	5	5
Brett Smith	5	3

Indemnification of Officers

The Company currently has no insurance cover indemnifying officers against any liability arising out of their conduct whilst acting for the Company.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company or any part of those proceedings.

Environmental Regulation

The Directors are mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known breaches of any environmental regulation by the Company during the financial period.

Future Developments

Further information, other than as disclosed this report, about likely developments in the operations of the Company and the expected results of those operations in future periods, has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in note 6 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*. This report details the nature and amount of remuneration for each director of Nico Resources Limited, and for the executives of the Group.

Remuneration Policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications. During the period, the Group did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration policy of Nico Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component for short-term incentives and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. The board of Nico Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for the board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives was developed by the board and legal advisors. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation where applicable. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the high calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- Executives will also be entitled to participate in future employee share and option arrangements.
- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares allocated to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using appropriate methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No such advice was obtained during the period. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and can participate in the employee option plan.

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REMUNERATION REPORT (AUDITED)

Non-Executive Directors Remuneration

All Non-Executive Directors are entitled to receive $40,000 per annum for their roles as Directors of the Company and the Chairman is entitled to receive to $60,000 per annum.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting, which will be approved at the 2022 Annual General Meeting. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

On termination, the Executives are entitled to be paid those outstanding amounts owing to the Executives for the period up until the Termination Date. The Executives do not have any entitlement to any payment relating to any period after the Termination Date.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Other Executives Remuneration

Service Agreements

Mr Roderick Corps

CEO & Managing Director (appointed 9 September 2021)

Mr Corps's employment terms are governed by a Service Agreement. The terms of the agreement can be terminated by either party providing six months written notice. Mr Corps is entitled to receive Director's Fee of $200,000 per annum (exclusive of statutory superannuation).

Subject to the ASX Listing Rules and the *Corporations Act 2001*, if the appointment of the Executive is terminated as a result of a change in control of the Company, the Company will pay to the Executive three months' worth of Executive Service Fees as liquidated damages for the Executive's loss of engagement. If the *Corporations Act 2001* or the ASX Listing Rules restricts the amount that can be paid to the Executive on termination to an amount less than that calculated, then the amount can be paid under the *Corporations Act 2001* and the ASX Listing Rules without approval of the Company's shareholders.

Share-Based Compensation

During the period, 9,000,000 options were granted to directors of Nico Resources Limited on 21 July 2021, as a cost effective and efficient way to incentivise and reward the directors as opposed to alternative forms of incentives. The options issued during the 2022 financial period were issued in their capacity as shareholders.

During the period no ordinary shares in the Company were issued as a result of the exercise of remuneration options to directors of Nico Resources Limited or other key management personnel of the group.

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REMUNERATION REPORT (AUDITED)

Mr Fergus Kiley

General Manager - Operations (appointed 30 March 2022)

Mr Kiley's employment terms are governed by a Service Agreement. The terms of the agreement can be terminated by either party providing six months written notice. Mr Kiley is entitled to receive Salary of $225,000 per annum (exclusive of statutory superannuation).

Subject to the ASX Listing Rules and the *Corporations Act 2001*, if the appointment of the Executive is terminated as a result of a change in control of the Company, the Company will pay to the Executive three months' worth of Executive Service Fees as liquidated damages for the Executive's loss of engagement. If the *Corporations Act 2001* or the ASX Listing Rules restricts the amount that can be paid to the Executive on termination to an amount less than that calculated, then the amount can be paid under the *Corporations Act 2001* and the ASX Listing Rules without approval of the Company's shareholders.

Share-Based Compensation

During the period, 3,000,000 options were granted to Mr Kiley on 30 March 2022, as a cost effective and efficient way to incentivise and reward the directors as opposed to alternative forms of incentives. The options issued during the 2022 financial period were issued in their capacity as shareholders.

During the period no ordinary shares in the Company were issued as a result of the exercise of remuneration options to directors of Nico Resources Limited or other key management personnel of the group.

Additional information

No performance-based bonuses have been paid to key management personnel during the financial period. It is the intent of the board to include performance bonuses as part of remuneration packages when mine production commences.

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REMUNERATION REPORT (AUDITED)

Details of Remuneration

Details of remuneration of the directors and key management personnel of the group are set out below:

		Short-term Benefits	Post-employment Benefits	Share-based Payments		Total		
		Cash fees and salary	Super-annuation	Equity	Options/ Rights		Share-based Payments as a percentage of Remuneration	Performance Related
	Period	$	$	$	$	$	%	%
Non-Executive Directors								
Warren Hallam	**2022**	**50,000**	**5,000**	**-**	**24,675**	**79,675**	**31%**	**-**
	2021	-	-	-	-	-	-	-
Brett Smith	**2022**	**33,333**	**3,333**	**-**	**24,675**	**61,341**	**40%**	**-**
	2021	-	-	-	-	-	-	-
Sub-Total Non-Executive Directors	**2022**	**83,333**	**8,333**	**-**	**49,350**	**141,016**	**35%**	**-**
	2021	**-**	**-**	**-**	**-**	**-**	**-**	-
Executive Directors								
Rod Corp	**2022**	**195,833**	**19,583**	**-**	**24,675**	**240,091**	**10%**	**-**
	2021	-	-	-	-	-	-	-
Sub-Total Executives Directors	**2022**	**195,833**	**19,583**	**-**	**24,675**	**240,091**	**10%**	**-**
	2021	-	-	-	-	-	-	-
Executives								
Fergus Kiley	**2022**	**64,124**	**6,414**		**521,018**	**591,556**	**88%**	
	2021							
Sub-Total Executives	**2022**	**64,124**	**6,414**	**-**	**521,018**	**591,556**	**65%**	
	2021	-	-	-	-	-	-	
TOTAL	**2022**	**343,290**	**34,330**	**-**	**595,043**	**972,663**	**62%**	**-**
	2021	-	-	-	-	-	-	-

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REMUNERATION REPORT (AUDITED) (continued)

The following table provides employment details of persons who were, during the financial period, members of key management personnel of the Group. The table also illustrates the proportion of remuneration that was fixed and at risk.

	Fixed Remuneration %	At Risk Long Term Remuneration %
Directors/Executives		
Warren Hallam	100	-
Rod Corps	100	-
Roderick Corps	100	-
Fergus Kiley	100	-

Loans to Key Management Personnel

There were no Key Management personnel loans during the current financial year except for:

During the financial year, Brett Smith, a Non-Executive Director was overpaid an amount of $4,583.33 which was payable by Brett Smith to Nico Resources Limited as at 30 June 2022. Subsequent to the year end, $3,683.33 has been repaid by Brett Smith.

Other transactions with Key Management Personnel

There were no Key Management personnel related party transactions during the current financial period.

Key Management Personnel Shareholdings

The number of ordinary shares in Nico Resources Limited held by each key management person of the Group during the financial period is as follows:

30 June 2022	Balance at beginning of period	Pre IPO-Acquisition (i)	Other changes during the period (ii)	Disposed of during the period (iii)	Balance at end of year
Directors					
Warren Hallam	750,001	1,000,000	276,423	-	2,026,424
Roderick Corps	-	1,500,001	13,290,730	(2,032,860)	12,757,871
Brett Smith	-	-	5,787	-	5,787
Fergus Kiley	-	-	72,270	-	72,270
	750,001	2,500,001	13,645,210	(2,032,860)	14,862,352

(i) Acquisition of shares prior to IPO
(ii) On Market Acquisition
(iii) Disposals on Market

Options over Equity Instruments Granted as Compensation

12,000,000 Options over ordinary shares in the Company were granted as consideration compensation to Key Management Personnel during the 2022.

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REMUNERATION REPORT (AUDITED) (continued)

Valuation Assumptions

Directors' options, Vendor options and Broker options were issued using the Black-Scholes option valuation methodology. For 3,000,000 related party options the valuation was conducted by an independent third party

Date Granted	Number of Options	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility	Underlying share price	Fair Value per Options
29 July 2021	9,000,000	$0.25	29/07/24	0.16%	80%	$0.05	$0.0082
22 March 2022	1,000,000	5 day VWAP	22/03/25	1.56%	100%	$0.58	$0.2991
22 March 2022	1,000,000	5 day VWAP	22/03/25	1.56%	100%	$0.58	$0.2963
22 March 2022	1,000,000	5 day VWAP	22/03/25	1.56%	100%	$0.58	$0.2248

Key Management Personnel Options Holdings

The number of options over ordinary shares held during the period by each Key Management Personnel is as follows:

	Opening Balance	Granted during the period (i)(ii)	Exercised during the period	Other changes during the period	Balance at end of period	Vested and Exercisable	Vested and Un-exercisable
Warren Hallam[(i)]	-	3,000,000	-		3,000,000	3,000,000	-
Roderick Corps[(i)]	-	3,000,000	-	-	3,000,000	3,000,000	-
Brett Smith[(i)]	-	3,000,000	-	-	3,000,000	3,000,000	-
Fergus Kiley[(ii)]	-	3,000,000	-	-	3,000,000	1,000,000	2,000,000
	-	12,000,000	-	-	12,000,000	10,000,000	2,000,000

(i) Options issued on 29 July 2021 prior to IPO as incentive and escrowed from the date of listing, 19 January 2022, for 24 Months.

(ii) Options issued on 22 March 2022 as incentive.

No options have been granted to the directors or KMP since the end of the financial period. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one fully paid ordinary share.

Performance-based Remuneration

The Group currently has no performance-based remuneration component built into director and executive remuneration packages due to the stage of the Group's development, as such no link between remuneration and financial performance currently exists.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

Remuneration Consultants

During the period, the company did not seek the advice of remuneration consultants.

*****End of Audited Remuneration Report*****

Options

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As at the date of this report the unissued ordinary shares of Nico Resources Limited under option are as follows:

Details	Expiry Date	Exercise Price	Number under Option	Number of Option Holders
Unlisted	29/7/2024	$0.20	9,000,000	3
Unlisted	3/11/2024	$0.25	25,000,000	1
Unlisted	17/01/2025	$0.30	800,000	1
Unlisted	22/03/2025	5 day vwap from issue	3,000,000	1
			37,800,000	6

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Criterion Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors:

Warren Hallam
Non-Executive Chairman
Dated this 30 day of September 2022

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CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Nico Resources Limited and its controlled entities for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 30th day of September 2022

NICO RESOURCES

CONSOLIDATED STATAMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
Revenue	4(a)	66,186	5,937
Salary and Wages		(440,910)	
Corporate compliance expenses	4(b)	(738,909)	(1,355)
Corporate Restructure Costs	18	(7,110,733)	-
Depreciation Expense		(29,993)	(30,978)
Share Based Payments	19	(595,042)	-
Loan Forgiveness	21	686,248	806,689
Net Profit/(Loss) before income tax		**(8,163,153)**	**780,293**
Income tax benefit/(expense)	7	1,292,767	7,919
Net Profit/(Loss) after income tax		**(6,870,386)**	**788,212**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		**(6,870,386)**	**788,212**
Profit/(Loss) per share for the period attributable to the members of Nico Resources Limited (cents per share)	5	**(0.15)**	**0.14**

The accompanying notes form part of these financial statements

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NICO RESOURCES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	10,109,679	20,183
Trade and other receivables	9	266,480	33,684
Inventories	10	50,511	28,701
TOTAL CURRENT ASSETS		**10,426,670**	**82,568**
NON-CURRENT ASSETS			
Property, plant and equipment	11	69,319	93,911
Right-of-use-assets	12	322,573	-
Exploration and evaluation expenditure	13	5,637,563	4,471,191
Deferred Tax Asset	7	-	57,573
TOTAL NON-CURRENT ASSETS		**6,029,455**	**4,622,675**
TOTAL ASSETS		**16,456,125**	**4,705,243**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	238,618	27,640
Lease liabilities	12	158,870	-
Provisions	15	28,158	-
TOTAL CURRENT LIABILITIES		**425,646**	**27,640**
NON-CURRENT LIABILITIES			
Lease liabilities	12	163,703	
Provision for Deferred Tax	7	-	1,350,340
Provisions	15	15,000	15,000
TOTAL NON-CURRENT LIABILITIES		**178,703**	**1,365,340**
TOTAL LIABILITIES		**604,359**	**1,392,980**
NET ASSETS		**15,581,776**	**3,312,263**
EQUITY			
Issued capital	17	38,134,968	21,701,750
Reserves	18	2,976,681	-
Accumulated losses		(25,259,873)	(18,389,487)
TOTAL EQUITY		**15,851,776**	**3,312,263**

The accompanying notes form part of these financial statements

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NICO RESOURCES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated Issued Capital	Consolidated Reserves	Consolidated Accumulated Losses	Consolidated Total
	$		$	$
Balance at 1 July 2021	21,701,750	-	(18,389,487)	3,312,263
Loss for the period	-	-	(6,870,386)	(6,870,386)
Other comprehensive income	-	-	-	-
	-	-	(6,870,386)	(6,870,386)
Transactions with equity holders ir				
Share Based Payments	-	2,976,681	-	2,976,681
Issue of shares (net of costs)	16,433,218	-	-	16,433,218
Total transactions with equity	38,134,968	2,976,681	-	19,409,899
Balance at 30 June 2022	**38,134,968**	**2,976,681**	**(25,259,873)**	**15,851,776**

	Consolidated Issued Capital		Consolidated Accumulated Losses	Consolidated Total
	$		$	$
Balance at 30 June 2020	21,701,750	-	(19,177,699)	2,524,051
Profit for the period	-	-	788,212	788,212
Other comprehensive income	-	-	-	-
	-	-	788,212	788,212
Transactions with equity holders ir				
Issue of shares (net of costs)	-	-	-	-
Total transactions with equity	-	-	-	-
Balance at 30 June 2021	21,701,750	-	(18,389,487)	3,312,263

The accompanying notes form part of these financial statements

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NICO RESOURCES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 June 2022	30 June 2021
			$
Cash flows from operating activities			
Interest received		922	30
Payments to suppliers and employees		(1,001,502)	(1,355)
Proceeds from Other Income		18,872	5,907
Net cash flows from/(used in) operating activities	25	**(981,708)**	**4,582**
Cash flows from investing activities			
Acquisition of Fixed Assets		(5,401)	(22,392)
Cash acquired	17	450,002	-
Payments for exploration and evaluation expenditure		(1,416,248)	(1,087,186)
Payments for other financial assets		(143,337)	-
Net cash flows from/(used in) investing activities		**(1,114,984)**	**(1,109,578)**
Cash flows from financing activities			
Proceeds from Borrowings		686,248	1,089,074
Proceeds from issue of shares in the Company (net of costs)		11,500,140	-
Net cash flows from/(used in) financing activities		**12,186,388**	**1,089,074**
Net Increase/(Decrease) in cash and cash equivalents held		**10,089,696**	**(15,922)**
Cash and cash equivalents at beginning of financial period		20,183	36,105
Cash and cash equivalents at end of Financial Period	8	**10,109,879**	**20,183**

The accompanying notes form part of these financial statements

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1. CORPORATE INFORMATION

The financial report of Nico Resources Limited ("Company") was authorised for issue in accordance with a resolution of the Directors on 30 September 2022.

The financial report is presented in the Australian currency.

Nico Resources Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange under NC1 ASX code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

Nico Resources Limited (Nico) completed the acquisition of Metals Exploration Pty Ltd (Metals Exploration) on 7 January 2022 and listed on the ASX on 19 January 2022. As a result of the acquisition, the former shareholders of Metals Exploration effectively obtained control of the combined entity. Accordingly, under the principles of the Australian Accounting Standard AASB3 Business Combinations, Metals Exploration was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a reverse acquisition by which Metals Exploration acquired the net assets and listing status of Nico.

Accordingly, the consolidated financial statements of Nico have been prepared as a continuation of the business and operations of Metals Exploration Pty Ltd for the full period. As the deemed acquirer, Metals Exploration has accounted for the acquisition of Nico from the effective acquisition date 7 January 2022. The prior comparative period information for the year ended 30 June 2021 presented in the consolidated financial statements are that of Metals Exploration.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a Loss for the period of $6,870,386 (2021 $788,212 profit) and net operating cash outflows of $981,708 (2021 $4,582 inflow).

As at 30 June 2022, the Company has a working capital surplus of $10,001,024 (2021 $54,928).

During the year, the Company successfully listed on the ASX raising $12,000,000.

Based on the cashflow forecasts prepared and other factors referred to above the directors are satisfied the Company can continue to pay its debts as and when they fall due for at least the next twelve months.

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(c) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(d) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and in the bank's short term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

(f) Trade and Other Payables

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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(h) Reverse Acquisition Accounting

On 7 January 2022, Nico Resources Limited (Nico) completed a capital raising (the Capital Raising) and acquisition (the Acquisition) of 100% of Metals Exploration Pty Ltd and its subsidiaries (Metals Exploration), being the Nickel assets of Metals X Limited (Metals X). The assets consist of the Wingellina (WA) and Claude Hills (SA) nickel projects.

The Capital Raising via public offer under the Replacement Prospectus dated 23 November 2021, raised $12 million (before costs) through the issue of 60 million new shares at an issue price of 20 cents per share. The acquisition of Metals Exp was settled by the issuance of 25 million shares to the existing Metals X shareholders (Vendors) along with 25 million unlisted options with an exercise price of $0.25 expiry three years from issue to Metals X.

Notwithstanding that the transaction took the format of a reverse acquisition as described in AASB 3 Business Combinations, the transaction was not deemed a business combination on the basis that Nico did not meet the definition of a business as noted in that standard AASB 3 Business Combinations.

The Company applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Metals Exploration (the non-listed operating entity) being identified as the accounting acquirer and Nico (the listed non-operating entity) being identified as the accounting acquiree. As the transaction is not within the scope of AASB 3, the transaction was treated as a share-based payment transaction (corporate restructure cost) accounted for in accordance with AASB 2 Share-based payment (refer Note 17)

Principles of consolidation

The consolidated financial statements comprise the financial statements of Nico Resources Limited ('the Company') and its subsidiaries as at 30 June each year ('the Group'). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

(i) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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(j) Revenue Recognition

The Company recognises revenue as follows:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Rental Income

Rental Income is recognised when it is received or when the right to receive payment is established

(k) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Nico Resources Limited and its wholly owned subsidiaries will implement the tax consolidation legislation. Consequently, these entities will be taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

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(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(m) Impairment of Assets

At the end of each reporting period, the directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

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(n) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(o) Property, plant and equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(p) Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.
A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

(q) Right-of-Use-Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The right-of-use asset will be depreciated on a straight-line basis over the unexpired period of the lease. The asset will be subjected to impairment or adjusted for any remeasurement of lease liabilities

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(r) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(s) Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. In the opinion of the directors, there are no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Income Tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. The consolidated entity will also form a tax consolidated group. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Share based payments

Share-based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model for options with a set exercise price, and an enhanced Hull-White Model for those issued with a vwap exercise price, that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

(t) Critical Accounting Estimates and Judgments (continued)

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. The Board considers that it has only operated in one segment, being mineral exploration in Australia.

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4. REVENUES AND EXPENSES

	30 June 2022	30 June 2021
	$	$
(a) Revenue		
Interest	27,336	30
Rental Revenue	38,850	5,907
	66,186	5,937
(b) Expenses		
Corporate Expenses		
Accounting Expenses	153,825	-
Legal Fees	223,433	-
ASX Fees	142,379	-
Audit Fee	47,106	-
Registry Fees	29,627	-
Office Costs	62,017	-
Other	80,522	1,355
	738,909	1,355

5. PROFIT/(LOSS) PER SHARE

(a) Reconciliation of Profit/(Loss) used to calculate Profit/(Loss) per Share:

	30 June 2022	30 June 2021
Profit/(Loss)	(6,870,386)	788,212
Profit/(Loss) used to calculate basic and diluted EPS	(6,870,386)	788,212

(b) Weighted average number of ordinary shares (diluted):

	Number	Number
Weighted average number of ordinary shares outstanding during the period number used in calculating:	45,939,728	57,852,195
Basic EPS	(0.15)	0.14
Diluted EPS	(0.15)	0.14

As the Company is in a loss position, the options outstanding at 30 June 2022 have no dilutive effects on the earnings per share calculation for 2022.

6. AUDITORS REMUNERATION

	30 June 2022	30 June 2021
Audit Services	$	$
Audit and review of the financial statements	38,000	-
Other Services		-
IAR Expenses	8,800	-
	46,800	-

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7. INCOME TAX BENEFIT/(EXPENSE)

(a) A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	30 June 2022	30 June 2021
(b) Profit / (loss) before tax	(8,163,153)	780,293
Statutory income tax rate for the Company at 30.0% (2021: 30%)	(2,448,946)	234,088
Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:		
Other non-assessable income	(184,005)	-
Other non-deductible expenses	2,326,360	-
Unrecognised tax losses	306,591	344,029
Write off Intercompany Loans	-	(242,007)
Reversal of timing differences previously recognised	(1,292,767)	(344,029)
	(1,292,767)	(7,919)
Deferred Tax Assets		
Property Plant and Equipment	-	57,573
Tax Losses	314,486	-
Other	211,526	
Exploration & Development Expenditure	528,568	-
Net deferred tax assets	1,054,580	57,573
Deferred Tax Liabilities		
Exploration & Mine Properties	-	(1,341,395)
Tax Profit	-	(8,945)
Net deferred tax liabilities	-	(1,350,340)

Tax Consolidation Legislation

The Company acquired Metals Exploration Pty Ltd and its subsidiaries during the year from Metals X Limited. The opening balances from Metals X Limited included deferred tax assets and liabilities from the consolidated group of Metals Limited which has been reversed due to the intention of the company to form a tax consolidated group.

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8. CASH AND CASH EQUIVALENTS

	30 June 2022	30 June 2021
	$	$
Cash at bank and on hand	689,879	20,183
Short Term Deposits	9,420,000	
	10,109,879	**20,183**

Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates. Short Term Deposits earn interest at fixed rates at various maturity terms.

9. TRADE AND OTHER RECEIVABLES

	30 June 2022	30 June 2021
	$	$
Accounts Receivable	24,565	-
Interest Receivable	26,412	-
GST Receivable	28,431	5,821
Prepayments	43,735	-
Bank Guarantee	128,337	-
Other	15,000	27,863
	266,480	**33,684**

10. INVENTORIES

	30 June 2022	30 June 2021
	$	$
Stores	50,150	28,701
	50,150	28,701

11. PLANT AND EQUIPMENT

	30 June 2022	30 June 2021
	$	$
Plant and Equipment – At cost	130,290	124,889
Accumulated depreciation	(60,971)	(30,978)
	69,319	**93,911**

(a) Movements in Carrying Value

	30 June 2022	30 June 2021
	$	$
Balance at beginning the period	93,911	102,497
Additions	5,401	22,392
Disposals	-	-
Depreciation	(29,993)	(30,978)
	69,319	**93,911**

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12. RIGHT OF USE ASSETS

The Company entered into a rental lease for their office premises in June 2022. The term of the lease is two years. The value of the right-of-use asset was calculated based on the particulars of the lease. Variables which were taken into account include the lease term, rent per annum, clauses for rent increases, rent abatements, and the option to extend (the option to extend was not taken into account, as the Company has not made a firm decision on this matter). The right-of-use asset will be depreciated over the lease term, the depreciation expense and lease liability will be expensed. A Discount rate of 3% has been applied. In subsequent reporting periods, the right-of-use asset will be revalued to reflect the remaining life of the lease.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

Right-of-Use Assets

	30 June 2022	30 June 2021
Balance at beginning the period	-	-
Right-of-use asset additions	322,573	-
Accumulated depreciation	-	-
Balance at the reporting date	**322,573**	**-**

Lease Liabilities

	30 June 2022	30 June 2021
Balance at beginning the period	-	
Lease Liabilities additions	322,573	-
Accretion of interest	-	-
Payments	-	
Balance at the reporting date	**322,573**	**-**
Lease Liabilities – current	158,870	-
Lease Liabilities – non-current	163,703	-
Depreciation Expense for rights-of-use assets	-	-
Interest Expense on lease liabilities	-	-
Total amount recognised in profit and loss	-	-

13. EXPLORATION AND EVALUATION ASSETS

	30 June 2022	30 June 2021
	$	$
A reconciliation of the carrying amount or exploration and evaluation expenditure is set out below:		
Carrying amount at the beginning of the period	4,471,191	75,859,419
Impairment	-	(72,490,411)
Exploration Expenditure Capitalised	1,166,372	1,087,183
	5,637,563	4,456,191
Rehabilitation Asset	-	15,000
Carrying Value at the end of the period	5,637,563	4,471,191

14. TRADE AND OTHER PAYABLES

	30 June 2022	30 June 2021
	$	$
Trade Creditors	140,878	27,640
Accrued Expense	8,200	-
Credit Card	9,582	-
Payroll Liabilities	79,958	-
	238,618	27,640

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

15. PROVISIONS

(a) Current	30 June 2022	30 June 2021
	$	$
Annual Leave	28,158	-
	28,618	-

(b) Non-Current		
Provision for Rehabilitation Asset	15,000	15,000
	15,000	15,000

The Bond held with South Australian Department of Minerals (SA DME) has been requested to be repay to Nico Resources Limited as the rehabilitation work was completed and have provided the necessary documentation to SA DME to make an assessment. As at the date of this report we are awaiting a response from SA DME as to when we can expect repayment of the bond.

16. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities, and the results of the following subsidiaries in accordance with the accounting policy described in note 2(h):

Controlled Entities	Country of Origin	Percentage owned
Metals Exploration Pty Ltd	Australia	100%
Metex Nickel Pty Ltd *(subsidiary of Metals Exploration Pty Ltd)*	Australia	100%
Austral Nickel Pty Ltd (subsidiary of Metals Exploration Pty Ltd)	Australia	100%
Hinkley Range Pty Ltd (subsidiary of Metals Exploration Pty Ltd)	Australia	100%

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17. ISSUED CAPITAL

	30 June 2022	
Movement in ordinary shares on issue	**No.**	**$**
Fully paid ordinary shares of Metals Exploration Pty Ltd as at 30 June 2021	5,785,219	21,701,750
Issued Seed July 2021	1,500,000	150,000
Issued Seed Nov 2021	3,000,000	300,000
Issued MLX acquisition Jan 2022	25,000,000	5,000,000
Issued in specie MLX Jan 2022	20,000,000	4,000,000
Issue IPO Jan 2022	40,000,000	8,000,000
Less eliminate existing legal acquiree shares	(4,285,219)	(450,002)
At 30 June 2022	91,000,002	38,701,750
Less Capital raising costs	-	(566,782)
Net Value at 30 June 2022	91,000,002	38,134,968

	30 June 2021	
Ordinary shares		
Movement in ordinary shares on issue	**No.**	**$**
Balance at 30 June 2020 of Metals Exploration Pty Ltd	5,785,219	21,701,750
At 30 June 2021	5,785,219	21,701,750

18 REVERSE AQUISITION

On 7 January 2022, Nico Resources Limited (Nico) completed the 100% acquisition of Metals Exploration Pty Ltd and its subsidiaries. (Metals Exploration), the Nickel assets of Metals X Limited (Metals X). The assets consist of the Wingellina (WA) and Claude Hills (SA) nickel projects. Wingellina is one of the largest undeveloped nickel resources / reserves globally to underpin an independent Australian nickel producer.

Acquisition consideration

The fair value of the consideration transferred which incorporated both shares and options were valued by reference to the ASX listed quoted price of Nico. As consideration for the issued capital in Metals Exploration , Nico issued 25 million fully paid ordinary shares a deemed value of $0.20 to the existing Metals X shareholders, along with 25 million unlisted options with an exercise Price of $0.25 expiry three years from issue to Metals X. No cash was paid as part of the acquisition.

Fair value of consideration transferred

Under the principles of AASB 3, the transaction between Nico and Metals Exploration is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Metals Exploration are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Nico are measured at value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Metals Exploration Pty Ltd) in the form of equity instruments issued to the shareholders of the legal parent entity (Nico Resources Limited). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (Metals Exploration Pty Ltd) would have issued to the legal parent entity (Nico Resources Limited) to obtain the same ownership interest in the combined entity.

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17 REVERSE ACQUISITION (continued)

The Company consequently recognised a share-based payment (corporate restructure cost) of $7,110,733 in its statement of profit or loss and other comprehensive income, representing the cost of the listing. The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Metals Exploration (the non-listed entity) and the fair value of the accounting acquiree's identifiable net assets.

	Fair Value $
Non-Cash (fully paid ordinary shares)[1]	5,000,000
Non-Cash (unlisted options expiry 3 Years from issue)[2]	2,314,715
Stamp Duty	220,515
	7,535,230

[1]This represents the value of Nico Resources Limited shares issued on acquisition date with a fair value of $0.20 per share multiplied by shares issued in specie to Metals X Limited shareholders at acquisition date, being 25,000,000 shares.
[2]This represents the value of unlisted options issued on 3 November 2022 with a fair value of $0.09259, being 25,000,000 options. These options were valued using the Black and Scholes valuation at the date of issue (refer Note 19).

Assets acquired and liabilities of Nico Resources Limited assumed at the date of acquisition

	Nico Resources Limited
Current Assets	$
Cash and cash equivalents	450,002
Trade and other receivables	2,550
Current Liabilities	
Trade and other payables	(28,055)
Net assets/(liabilities)	**424,497**
Corporate restructure expense on acquisition	
Consideration transferred	7,535,230
Less: net assets assumed	(424,497)
Corporate restructure expense	**7,110,733**

18. RESERVES

	30 June 2022 $	30 June 2021 $
Share Based Payments Reserve	2,976,680	-
Total Reserves	**2,976,680**	-

	$	$
Share Based Payments Reserve		
Opening balance	-	-
Options expired	-	-
Options issued during the year	2,976,680	-
Total Reserves	**2,976,680**	-

The share-based payments reserve records items recognised as expenses on valuation of employee share options. Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion and set out in the Offer provided that the exercise price is not less than the average Market Price on ASX on the five trading days prior to the day the Directors resolve to grant the Options.

Any options that are not exercised by their expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging and Option Exercise Notice accompanied by the payment of the exercise price.

19. SHARE BASED PAYMENTS

OPTIONS

Related Party Name	Number of options	Exercise price	Expiry date
Warren Hallam	3,000,000	$0.25	29/7/2023
Rod Corps	3,000,000	$0.25	29/7/2023
Brett Smith	3,000,000	$0.25	29/7/2023
Fergus Kiley	3,000,000	5 DAY VWAP	22/3/2025
Total	**12,000,000**		

On 10 January 2022 800,000 options were issued to Blue Ocean for capital raising services performed in the IPO. The fair value of the share based payment was based on the value of options issued as the value of services not reliably measurable.

On 15 September 2021 25,000,000 options were issued to Metals X Limited as part of the purchase price of Metals Exploration Pty Ltd. The fair value of the share based payment was based on the value of the options.

Valuation Assumptions

Directors' options, Vendor options and Broker options were issued using the Black-Scholes option valuation methodology. For 3,000,000 related party options the valuation was conducted by an independent third party

Date Granted	Number of Options	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility	Underlying share price	Fair Value per Options
29 July 2021	9,000,000	$0.25	29/07/24	0.16%	80%	$0.05	$0.0082
3 Nov 2022	25,000,000	$0.25	3/11/24	0.19%	80%	$0.20	$0.0926
17 Jan 2022	800,000	$0.30	17/01/25	0.19%	80%	$0.20	$0.0836
22 March 2022	1,000,000	5 day VWAP	22/03/24	1.56%	100%	$0.58	$0.2991
22 March 2022	1,000,000	5 day VWAP	22/03/24	1.56%	100%	$0.58	$0.2963
22 March 2022	1,000,000	5 day VWAP	22/03/24	1.56%	100%	$0.58	$0.2248

The related party options valuation of $595,042 has been expensed through the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Blue Ocean Options (broker options) valuation of $66,923 has been carried as a cost of capital raising and the Metals X options (Vendor Options) valuation of $2,314,715 has been carried as a cost of the asset purchased (Note 17).

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19. SHARE BASED PAYMENTS (continued)

OPTIONS	30 June 2022 *No.*	30 June 2022 *$*
Opening Balance	-	-
Granted during the period	37,800,000	$2,976,680
Exercised during the period	-	-
Lapsed during the period	-	-
Total Options Issued	**37,800,000**	**$2,976,680**
Total vested and exercisable	**35,800,000**	

Weighted average remaining contractual life of share options
The weighted average remaining contractual life for the share options outstanding as at 30 June 2022 is 2.34 periods.

20 PROJECT EXPENDITURE COMMITMENTS

	30 June 2022 $	30 June 2021 $
Planned project expenditure commitments contracted for:		
Exploration Permits	1,283,342	615,342
	1,283,342	**615,342**
Payable:		
- not later than 12 months*	608,000	438,000
- between 12 months and 5 years	675,342	177,342
- more than 5 years	-	-
	1,283,342	**615,342**

* The amounts detailed above is the minimum expenditure required to maintain ownership of the current tenements held. An obligation may be cancelled if a tenement is surrendered

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21. RELATED PARTY DISCLOSURES

Amounts Payable to Related Parties

(a) Parent entity

The ultimate parent entity within the Group is Nico Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 16.

(c) Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2022	30 June 2021
	$	$
Short-term employee benefits	343,290	-
Post-employment benefits	34,330	-
Share-based payments	595,043	-
	927,663	-

During the financial year, Brett Smith, a Non-Executive Director was overpaid an amount of $4,583.33 which was payable by Brett Smith to Nico Resources Limited as at 30 June 2022. Subsequent to the year end, $3,683.33 has been repaid by Brett Smith.

Loan forgiveness by Metals X Limited

	30 June 2022	30 June 2021
	$	$
Loan forgiveness	686,248	806,689
	686,248	806,689

Metals X Limited (“Metals X'), the Vendor of the acquisition to purchase Metals Exploration Pty Ltd loaned funds to Metals Exploration Pty Ltd in order to operate. Under the terms of acquisition, at the date of acquisition these loans from Metals X were forgiven.

Other than the above, there were no other related party payables at the reporting date.

22. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2022.

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risks

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets. The main risks the Group is exposed to through its financial instruments are interest rate risk and liquidity risk.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security. Primary responsibility for the identification and management of financial risks rests with the Board.

Financial Instruments

	30 June 2022	30 June 2021
	$	$
Financial Assets		
Cash and cash equivalents	10,109,879	20,183
Trade and other receivables	266,480	33,684
Net exposure	**10,376,359**	**53,867**
Financial Liabilities		
Trade and other payables	238,618	27,640
Lease liabilities	322,573	-
	561,191	**27,640**

i. Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business. The responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
	$	$	$	$	$	$	$
As at 30 June 2022							
Trade and other payables	238,618	-	-	-	-	238,618	238,618
Lease Liabilities	-	158,870	163,703	-	-	322,573	322,573
Provision for Rehab	15,000	-	-	-	-	15,000	15,000
Total	**253,618**	**158,870**	**163,703**	**-**	**-**	**576,191**	**576,191**

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
	$	$	$	$	$	$	$
As at 30 June 2021							
Trade and other payables	27,640	-	-	-	-	27,640	27,640
Total	**27,640**	**-**	**-**	**-**	**-**	**27,640**	**27,640**

i Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash.

The Company's cash and cash equivalents at 30 June 2022 are fixed interest rate financial instruments. Therefore, they are not subject to interest rate risk.

iii Credit Risk

The Group has no significant concentrations of credit risk other than cash at bank which is held with the National Australia Bank a AA- rated Australian bank. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of expected credit losses) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any material debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained. Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

The Group's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

Fair values

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

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24. EVENTS AFTER REPORTING DATE

The Company has no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

25. CASHFLOW INFORMATION

	30 June 2022	30 June 2021
	$	$
Reconciliation from the net profit/loss after tax to the net cash flows from operations		
Net profit/(loss) for the period	(6,870,386)	780,293
Non-cash		
Share based payment reserve	595,042	-
Depreciation	29,993	30,978
Corporate Restructure Costs	7,110,733	-
Loan Forgiveness	(686,248)	(806,689)
Changes in assets and liabilities:		
Trade and other receivables	(89,459)	-
Inventories	(21,810)	-
Deferred Tax Assets	57,573	-
Deferred tax Liabilities	(1,350,340)	-
Provisions	28,158	-
Trade and other payables	215,035	-
Net cash from/(used in) operating activities	**(981,709)**	**4,582**

26. PARENT NOTE

The following information has been extracted from the books and records of the legal parent, Nico Resources Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Nico Resources Limited has been prepared on the same basis as the consolidated financial statements

Investments in subsidiaries
Investments in subsidiaries, are accounted for at cost in the financial statements of the parent entity..

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27. PARENT NOTE (continued)

	30 June 2022	30 June 2021
	$	$
Consolidated Statement of Financial Position		
Assets		
Current assets	**10,738,768**	70,052
Non-current assets	**7,857,803**	-
Total Assets	**18,596,571**	70,052
Liabilities		
Current liabilities	**310,340**	28,055
Non-current liabilities	**163,703**	-
Total Liabilities	**474,043**	28,055
Net Assets	**18,122,528**	41,997
Equity		
Issued capital	**16,883,220**	67,502
Accumulated losses	**(1,737,372)**	(25,505)
Share Based Payments Reserve	**2,976,680**	-
Total Equity	**18,122,528**	41,997
Consolidated Income Statement		
Total loss for the year	**(1,711,867)**	(25,505)
Total comprehensive loss	**(1,711,867)**	(25,505)

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DIRECTORS DECLARATION

in accordance with a resolution of the directors of Nico Resources Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date.

      (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.

   (b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors:

Warren Hallam
Non-Executive Chairman

Dated this 30 day of September 2022

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CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

Independent Auditor's Report

To the Members of Nico Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nico Resources Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of Nico Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for a reverse acquisition (Refer to Note 18) As disclosed in the financial report, the Company acquired Metals Exploration Pty Ltd (unlisted entity incorporated in Australia). The accounting for the reverse acquisition is a key audit matter due to the effect of the arrangement which is accounted for as Metals Exploration Pty Ltd (the accounting parent) issuing a share based payment in return for the assets acquired in the company and listing status. Furthermore, there is significant judgment involved in the determination of the value of the purchase consideration settled by way of a share-based payment.	Our procedures included, amongst others: • Reading the terms and conditions of the agreement to obtain an understanding of the transaction including an assessment of the accounting acquirer and whether the transaction constituted a business or asset acquisition. • Assessing management's accounting treatment that the Company did not meet the definition of a business in accordance with AASB 3 *Business Combinations*. • Assessing the fair value of consideration by checking the underlying assumptions used in the valuation against comparable transactions and market information. • Checking the calculation of the share-based payment, fair value of identifiable net assets acquired, including any separately identifiable intangible assets, and listing expense. • Assessing the appropriateness of the acquisition journals at acquisition date and checking that the disclosures in the financial statements are in accordance with the basis of preparation as disclosed in note 17 for the reverse acquisition. • Assessing the adequacy of the related disclosures in the financial report.
Exploration and Evaluation Expenditure – $5,637,563 **(Refer to Note 13)** Exploration and evaluation is a key audit matter due to:	Our procedures included, amongst others: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and

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- The significance of the balance to the Consolidated Entity's financial position.
- The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
- The assessment of impairment of exploration and evaluation expenditure being inherently difficult.

the exploration programmes planned for those tenements.

- For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;
- We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
- We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.
- We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
    - the licenses for the right to explore expiring in the near future or are not expected to be renewed;
    - substantive expenditure for further exploration in the specific area is neither budgeted or planned
    - decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
    - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.

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	• We assessed the appropriateness of the related disclosures in the financial statements.
Share-based payments (Refer to Note 19) Share-based payments is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial performance and position. • The level of judgement required in evaluating management's application of the requirements of AASB 2 *Share-based Payment* which requires the application of significant judgements and estimates.	Our procedures included, amongst others: • Verifying the key terms of the share based payments in respect of the granting of option over the shares for rendering of services by directors, employees and contractors. • Assessing the fair value calculation of options granted by checking the accuracy of the inputs to the Black Scholes option pricing model adopted for that purpose. • Testing the accuracy of the amortisation of share-based payments over the vesting period and the recording of an expense in the statement of profit or loss and an increment to the share based payment reserve. • We assessed the appropriateness of the related disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the

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directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Nico Resources Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 30th day of September 2022

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Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 21 September 2022.

Voting Rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of Equity Security Holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	2714	908,220	1.00%
above 1,000 up to and including 5,000	1106	2,611,085	2.87%
above 5,000 up to and including 10,000	337	2,618,279	2.88%
above 10,000 up to and including 100,000	382	11,366,015	12.49%
above 100,000	55	73,496,403	80.77%
Totals	4594	91,000,002	100.00%

Unmarketable Parcel of Ordinary Shares

	Minimum Parcel Size	Holders	Units
Minimum $500 parcel at $0.7300 per unit	685	2324	576.86

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Top 20 Largest Shareholders

Position	Name	Units	% Units
1	METALS X LIMITED	15,700,000	17.25
2	BLACKSTONE MINERALS LIMITED	13,750,000	15.11
3	MR RODERICK PAUL CORPS	12,707,870	13.96
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,022,185	8.82
5	MR PETER GERARD COOK + MRS JOAN CHRISTINE COOK <COJO SUPER FUND A/C>	2,500,000	2.75
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	2,386,682	2.62
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,672,099	1.84
8	AJAVA HOLDINGS PTY LTD	1,250,000	1.37
9	JINCHUAN GROUP LTD	1,212,541	1.33
10	FARJOY PTY LTD	1,127,052	1.24
11	QY LONG RIVER PTY LTD <QY LONG RIVER A/C>	1,080,000	1.19
12	MRS LEONIE MARY HALLAM + MR WARREN SHAYE HALLAM <THE HALLAM S/F A/C>	2,000,001	2.20
13	CITICORP NOMINEES PTY LIMITED	862,629	0.95
14	BNP PARIBAS NOMS PTY LTD <DRP>	837,367	0.92
15	ALLOY CONSULTING PTY LTD	741,515	0.81
16	PANTON NOMINEES PTY LTD	705,000	0.77
17	AJAVA HOLDINGS PTY LTD	500,000	0.55
18	RANKINE INFRASTRUCTURE PTY LTD	403,248	0.44
19	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	398,246	0.44
20	78 QUARRY ROAD PTY LTD <DAVID FERGUSSON FAMILY A/C>	383,267	0.42
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**68,239,702**	**74.13**
Total Remaining Holders Balance		**22,760,300**	**25.01**

Securities exchange listing

The Company is listed on the Australian Securities Exchange under NC1 ASX code.

Address

The address of the principal place of business in Australia is Level 6 190 ST Georges Tce Perth WA 6000, and its registered office is Level 8, 216 St Georges Terrace Perth WA 6000.

Option Equity Securities as at 21 September 2022
Total options on issue 37,800,000

INTEREST IN EXPLORATION 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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