

# ANNUAL REPORT

For the year ended 30 June

# 2025

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**WINGELLINA**  
NICKEL/COBALT PROJECT

ACN: 649 817 425

**NiCo**  
NICO RESOURCES LTD

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# CORPORATE DIRECTORY

## DIRECTORS

**Non-Executive Chairman**  
Mr Peter Cook

**Managing Director**  
Mr Jonathan Shellabear

**Non-Executive Director**  
Mr Roderick Corps

**Non-Executive Director**  
Mr Stewart Findlay

**Non-Executive Director**  
Mr Brett Smith

**Company Secretary**  
Ms Amanda Burgess

## REGISTERED OFFICE

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## AUDITORS

**Hall Chadwick**  
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Subiaco Western Australia 6005

## LEGAL ADVISORS

**Blackwall Legal LLP**  
Level 26, 140 St Georges Terrace  
Perth Western Australia 6000

## BANKERS

**National Australia Bank Limited**  
Ground Floor, 100 St Georges Terrace  
Perth Western Australia 6000

## STOCK EXCHANGE

**Australian Securities Exchange Limited**  
ASX Code: NC1

## SHARE REGISTRY

**Computershare Investor Services Pty Ltd**  
Level 11, 172 St Georges Terrace  
Perth Western Australia 6000  
Telephone: 1300 787 272

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# CHAIRMAN'S LETTER

Dear Shareholders

It's my pleasure to present you the Nico Resources Limited Annual Report for the year ending June 30, 2025.

It's been another very difficult year in the nickel sector with depressed prices, mine closures and continued oversupply from the rapid rise of Chinese funded nickel projects and the environmentally destructive production from the plundering of tropical forests in the eastern islands of Indonesia.

Our Wingellina Project remains one of the very few large quality nickel-cobalt oxide projects still to be developed in the world today and with that the protectionist aspects of non-Chinese security of supply within western-world critical mineral pacts keeps it front and centre as a prime option for development.

Some international condemnation of the poor ESG practices related to the Indonesian nickel boom as well as the recent resurgence of interest in cobalt, and scandium keep us on the radar as a substantial opportunity for investment and option over nickel, cobalt and scandium prices.

From the bad emerges some good and without doubt the acceptance of the once scorned HPAL technologies to now become accepted with lower cost capital and operating costs and shortened commissioning and ramp-up times is a positive development.

Over the last eighteen months or so, our team at Nico have battened down the hatches in this depressed period with costs and activity levels prudently pared to the market. Despite this we have continued to refine and advance many aspects of the proposed development including optionality for a possible smaller and higher-grade initial development and other value accretive opportunities when economic circumstances permit

I remain convinced this is the best quality and longest life undeveloped nickel project in Australia for future supply to meet growing nickel demand. I thank our shareholders for their loyalty and sticking with us as we continue to work to progress this globally significant project. Wingellina has enormous inherent value for all stakeholders and presents a massive option on western-world nickel supply.

Yours faithfully

Peter Cook  
**Non-Executive Chairman**



## DIRECTORS REPORT

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 2025.

### Review of Operations

Nico Resources Limited is exploring its flagship Central Musgrave Nickel-Cobalt Project ("CMP") located in Western Australia. The CMP comprises exploration tenements in Western Australia and South Australia along with Exploration Licences that cover the Wingellina Nickel-Cobalt Project ("Wingellina" or the "Project") within the CMP, the Lewis calcrete resource and Miscellaneous Licences which cover the defined water resources. The CMP hosts Mineral Resources in excess of 200 million tonnes, containing 1.95 million tonnes of nickel and 150 thousand tonnes of cobalt along with a Probable Ore Reserve of 168.4 million tonnes containing 1.56 million tonnes of nickel and 123,000 tonnes of cobalt. A detailed pre-feasibility study<sup>1</sup> ("PFS") completed on the Project in December 2022 confirmed a globally significant asset, characterised by its long life, low cost and high operating margins.

Wingellina is a large undeveloped oxide-type nickel-cobalt deposit which hosts an initial probable reserve capable of producing approximately 40,000t of nickel and 3,000t of cobalt in a Mixed Hydroxide Precipitate ("MHP") for at least 42 years through the use of the High Pressure acid Leaching (HPAL) process. HPAL is a hydrometallurgical process that has become a critical process for nickel production globally with a number of plants in operation. As global nickel sulphide deposits decrease, HPAL's importance grows, particularly given that lateritic ores constitute the majority of worldwide nickel and cobalt resources.

In light of the current metals price environment and outlook, the Company has continued to reduce discretionary expenditure to conserve cash resources until market conditions show signs of improvement. The operations and results of the Company for the year ended 30 June 2025 are reviewed below.

### Nickel Market

During the 2025 financial year the nickel price averaged around US\$15,737/tonne, a decline of around 6.5% from the 2024 financial year. During the period, nickel prices exhibited continued volatility with an overarching downward trajectory, primarily influenced by an oversupplied market and broader macroeconomic pressures.

The issues driving the nickel market remain unchanged, that is continued growth in Indonesian production that has pushed the market into continued surplus. Indonesian supply increased further throughout the year and despite reduced production from principally non-Indonesian sources, and declining Indonesian ore grades, the market still remains in surplus and is expected to continue to be so in the short term.

Nickel consumption growth remains stronger than any other base metal, but growth trends in nickel use in batteries are now more uncertain with the growth in LFP batteries particularly in the Chinese market. There is still relatively strong medium-term growth in nickel use in batteries, but growth rates have been substantially downgraded due to faster substitution away from NMC (nickel-manganese-cobalt) batteries to LFP (lithium-iron-phosphate) batteries and also from high-Ni batteries towards mid-Ni batteries. Growth in EV sales remain strong in Europe and China, notwithstanding an increase in market share of LFP batteries, but particularly weak in North America.

Nickel production from Indonesia is forecast to increase further in the current year, albeit at a slowing rate, and despite a continued fall in production from the rest of the world and a consumption growth rate in excess of 5%, the nickel market is expected to remain in surplus in the short to medium term. Notwithstanding the short term challenges, the long term outlook remains promising underwritten by continuing strong demand growth and a slowing of production growth from Indonesia which may be further exacerbated by Indonesian Government intervention.

<sup>1</sup> See ASX Announcement 22 December 2022 "PFS confirms Wingellina as a Tier 1 project capable of supplying decades on Nickel and Cobalt".

## DIRECTORS REPORT

### Wingellina Nickel-Cobalt Project

#### Mineral Resource Estimate

The updated Wingellina Mineral Resource Estimate ("MRE") was completed during the first half of the financial year by Independent Consultants ERM Australia Pty Ltd ("ERM") (formerly CSA Global). The 2024 MRE at a cut-off of 0.4% Ni, is 187.3Mt at 0.91% Ni and 0.06% Co for 1.7Mt of contained nickel metal. This estimate closely approximates the previous in-house estimate of 182.6 Mt at 0.92% Ni and 0.07% Co completed in 2016 by Metals X Limited which confirms the robustness of the global resource.

| Classification | Tonnes (Mt)  | Ni (%)      | Ni metal (Kt) | Co (%)      | Co metal (Kt) |
|----------------|--------------|-------------|---------------|-------------|---------------|
| Indicated      | 164.1        | 0.93        | 1,531         | 0.06        | 98            |
| Inferred       | 23.3         | 0.72        | 166           | 0.03        | 7.3           |
| <b>Total</b>   | <b>187.3</b> | <b>0.91</b> | <b>1,698</b>  | <b>0.06</b> | <b>106</b>    |

**Table 1. 2024 Wingellina Nickel-Cobalt Project MRE**

Note:

- Heritage Exclusion areas have been excluded from the MRE.
- Minor discrepancies may occur due to rounding of appropriate significant figures.

Modelling and gap analysis has identified the opportunity to increase the Wingellina Resource with mineralisation remaining open at depth and along strike in some domains. Regolith modelling confirms that Wingellina is an oxide dominant laterite deposit with 86% of the MRE modelled as limonite ore or transitional limonite ore. This supports the selection of HPAL technology as the preferred processing pathway.

| Regolith Zone         | Tonnes (Mt)  | Ni (%)      | Co (%)      | MgO (%)    | Fe <sub>2</sub> O <sub>3</sub> (%) | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) | MnO <sub>2</sub> (%) | CaO (%)    | LOI (%)     | Sc (ppm)  |
|-----------------------|--------------|-------------|-------------|------------|------------------------------------|----------------------|------------------------------------|----------------------|------------|-------------|-----------|
| Limonite              | 142.6        | 0.96        | 0.06        | 2.1        | 47.1                               | 17.2                 | 12.6                               | 1.2                  | 0.7        | 14.2        | 55        |
| Transitional Limonite | 18.6         | 0.77        | 0.04        | 7.1        | 21.6                               | 42                   | 8.9                                | 0.6                  | 3.2        | 13.4        | 29        |
| Saprolite             | 26.1         | 0.68        | 0.02        | 11.8       | 16.6                               | 37.5                 | 8.4                                | 0.4                  | 6.1        | 17          | 31        |
| <b>Total</b>          | <b>187.3</b> | <b>0.91</b> | <b>0.06</b> | <b>4.0</b> | <b>40.3</b>                        | <b>22.5</b>          | <b>11.7</b>                        | <b>1.0</b>           | <b>1.7</b> | <b>14.5</b> | <b>49</b> |

**Table 2. 2024 Wingellina Nickel-Cobalt Project MRE by Regolith**

Note:

- Heritage Exclusion areas have been excluded
- Minor discrepancies may occur due to rounding of appropriate significant figures.

Detailed lithological modelling and enhanced understanding and modelling of regolith boundaries is a critical improvement from the previous Mineral Resource Estimates. This detailed modelling, combined with the updated grade estimate, will provide the foundation for material type definition and effective mine planning and optimisation studies. Results from extensive bench-scale metallurgical testwork<sup>2</sup> recently completed at ALS laboratories will be incorporated into the updated model to develop a working geo-metallurgical model.

A review of all available small-scale and large-scale geometallurgical testwork, together with the resource block model, will form the foundation for developing a predictive ore control development model for mine planning and production, ore preparation and ore delivery and processing.

<sup>2</sup> See ASX Announcements 23 January 2024 "Wingellina Metallurgical Testwork Update". 10 April 2024 "Wingellina Advances Metallurgical Testwork" and 27 June 2024 "Metallurgical Engineering delivers improved results for Wingellina".

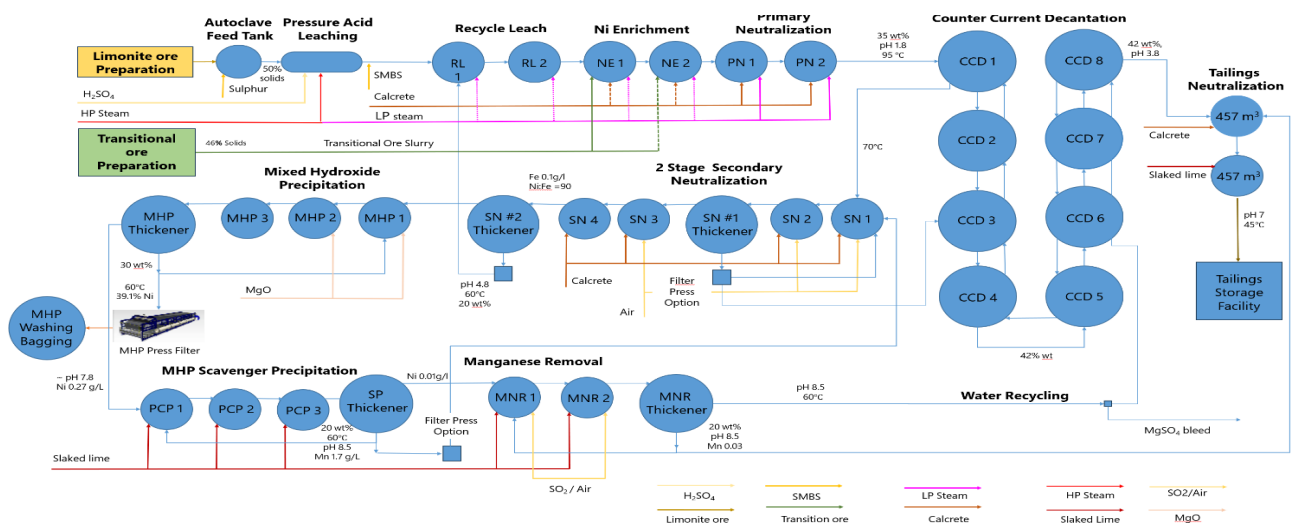
## DIRECTORS REPORT

Work programs are currently underway to infill and extend existing drilling where required, including the collection of additional density data to upgrade the resources from Indicated to Measured status. It is anticipated that the first phase of additional drilling will be undertaken in the current year.

### Processing and Metallurgy

During the year the company completed its metallurgical testwork program including additional ore preparation and beneficiation test work. This testwork delivered improved results and the production of a saleable nickel-cobalt product from Wingellina ore. Various ore preparation sizing and scrubbing test work continued to generate data to develop the process flow sheet design.

Follow-up HPAL testwork was completed during the year on different size distributions and its impact on metallurgical recoveries, acid consumption and slurry feed densities. The Wingellina HPAL flowsheet showing major metallurgical processing steps within the nickel extraction process is shown in Figure 1. Testwork has been undertaken to prove DFS level design data which will allow the metallurgical process and the project to proceed to the next phase.



**Figure 1. Wingellina HPAL flowsheet**

ALS Laboratories was engaged to commence the bench scale metallurgical testwork program in September 2023 and the completion of these metallurgical programs have significantly contributed to the ongoing development of the Project. The testwork has generated relevant information including:

- Metal recovery data;
- Stream composition data and physical property data (including rheology);
- Bulk solids materials handling properties;
- Key equipment sizing data;
- Materials of construction data;
- Reagent consumption and waste composition data; and
- Product specification and purity.

## DIRECTORS REPORT



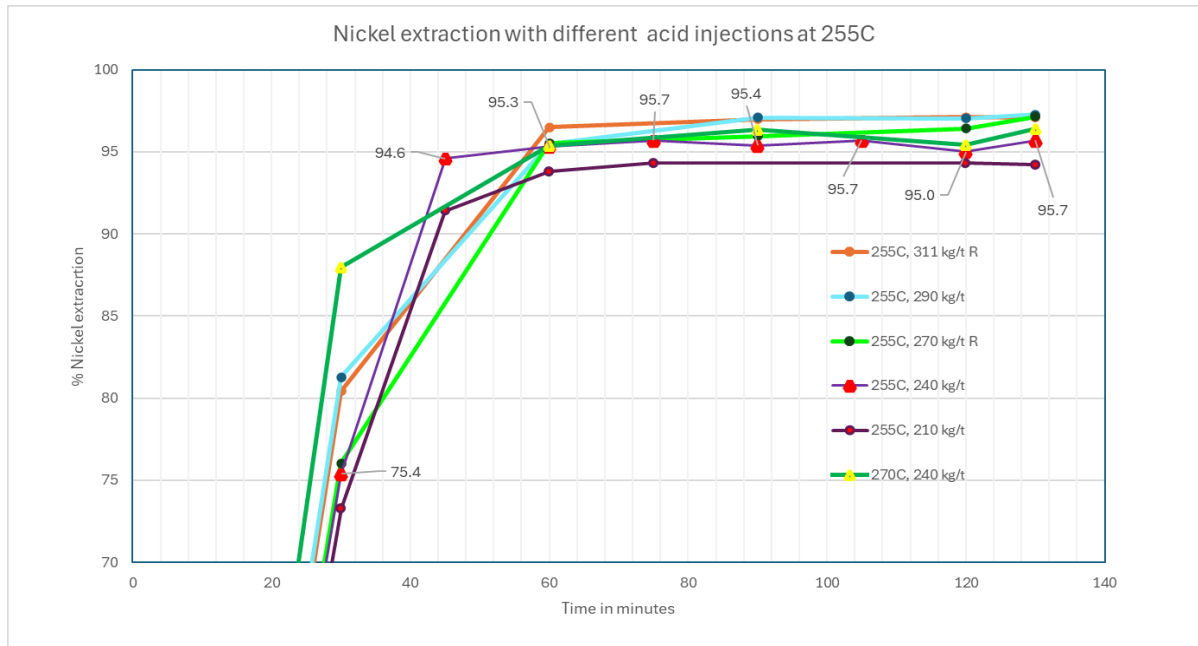
**Figure 2. Limonite Ore from Wingellina being prepared for testing**

The Wingellina Project PFS assumed an extraction of 95.2% nickel and 94.2% cobalt in the leach circuit which corresponds to an overall recovery of 92.15% nickel and 89.1% cobalt. Sulphuric acid, which would be produced on site by the proposed acid plant, is the most significant operating cost and updated metallurgical testwork from Wingellina ore has determined that the optimum acid injection for high Fe limonitic ore is between 240kg of  $H_2SO_4$ /tonne ore and 270kg of  $H_2SO_4$ /tonne ore. In the event that the operating temperature conditions are increased from 255°C to 270°C, the acid usage would decrease as the leaching kinetics are enhanced.

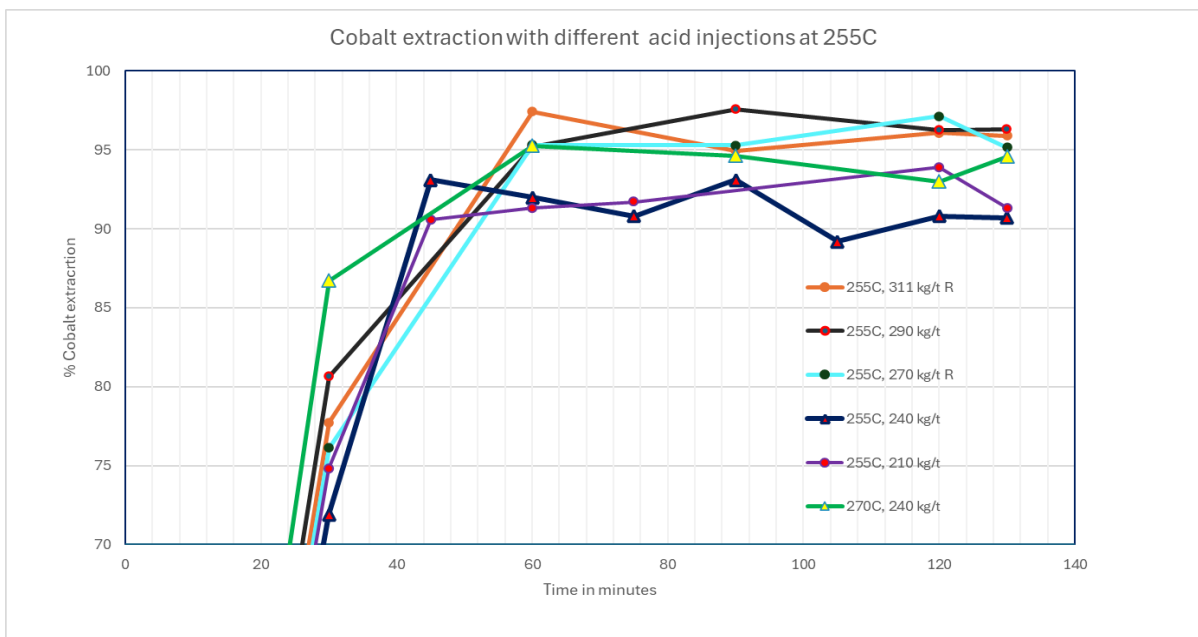
The nickel extraction results with varying acid doses are shown in Figure 3 and the cobalt extraction results are shown in Figure 4. The two main drivers of nickel and cobalt extraction and leaching kinetics are free acid in solution and temperature.



# DIRECTORS' REPORT



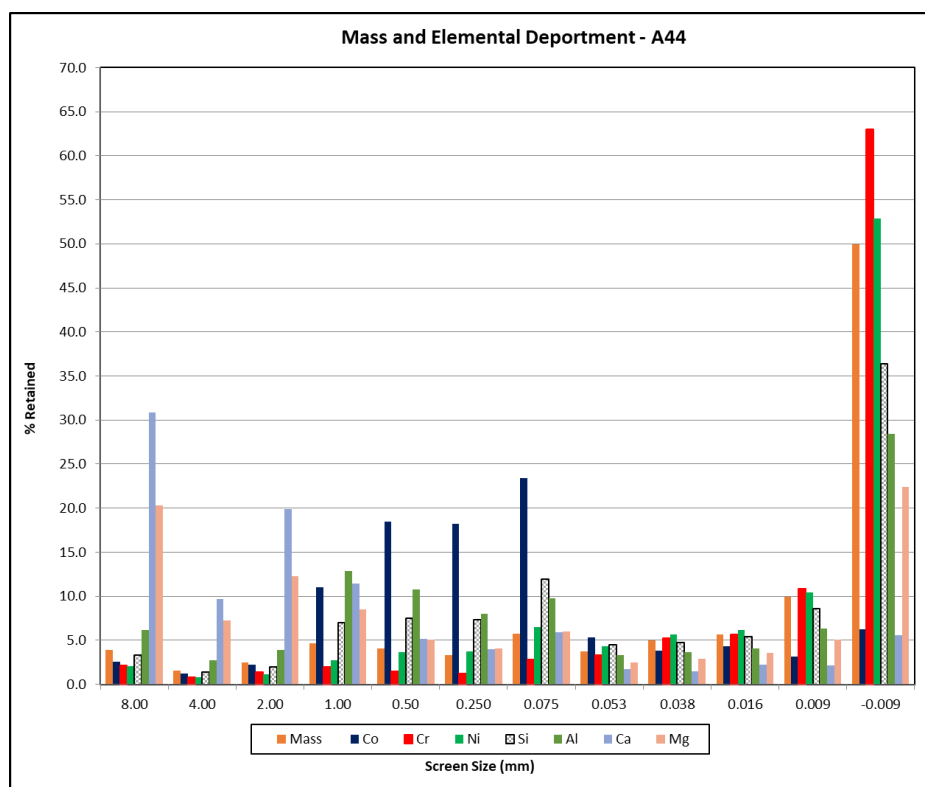
**Figure 3. Nickel extractions at various acid doses**



**Figure 4. Cobalt extractions at various acid doses**

The Company completed ore characterisation and elemental distribution by size fractions (see Figure 5). The results confirm the Wingellina ore is very fine in-situ yet does vary at different depths within the profile and nickel distribution by size fraction shows that 90% to 95% of the nickel content is present in size fractions less than 0.5 mm and the oversize fraction contains little nickel, particularly in the fraction above 2 mm, which are depleted in nickel, cobalt and enriched in acid consumers aluminium, magnesium and calcium.

During the year Nico continued investigative testwork to quantify the impact of larger particle sizes on HPAL nickel extraction yields.



**Figure 5. Mass and Elemental Distribution by Size Fraction**

Rheological testwork on various limonite ore types indicates that HPAL feed rheology is significantly impacted by the ore type. Ore samples containing higher aluminium (>7.5%) and magnesium impurities (>3.3 %) tend to have the highest Yield Point values and the highest values for the Bingham Model Parameters, which then translates into slurries with the highest viscosities.

Testwork also shows that without grinding, the HPAL ore feed sample will be able to achieve greater than 45% wt solids. After grinding of the sample to below 45 µm the slurry density is reduced to around 40% wt solids. The number of particles in the ultrafine particle size range of 0 to 10 µm is known to have a significant impact on the rheological properties of the slurry. Depending on the ore, the critical size that has the greatest effect on rheology will vary. Ultrafine material is difficult to settle and behaves more as a fluid. Consequently, the ultrafine solids increase the fluid density and by increasing the resistance to flow also increase the “apparent viscosity” of the fluid. Selection of the appropriate comminution methodology can minimise the creation of ultrafines and impact on slurry densities. The use of rod mills are preferable over ball mills to prevent overgrinding.

The particle sizes above 2 mm will be rejected during ore preparation as they contain lower nickel and cobalt levels and require high acid injection to extract any nickel present. In addition, the particles are rich in acid consumers aluminium and magnesium.

Particle sizes between 0.25 mm and below 1 mm contain significant levels of nickel and particularly cobalt but are elevated in magnesium and aluminium (all acid consumers) and will likely require milling of the ore to below 100 µm to facilitate nickel and cobalt extraction. Additional testwork will be undertaken to refine the parameters further.

## Lewis Calcrete

The Lewis Calcrete resource is located approximately 25 kilometres north of the proposed HPAL plant (Figure 6). Calcrete is used as a neutralising agent and is an important consumable in the HPAL process. The Project has a significant benefit of a local source of calcrete as it significantly reduces logistic costs, improves operational efficiency, cost effectiveness and supply chain risk. It is anticipated that the Lewis calcrete resource will be able to provide all the calcrete requirements for the life of the Project.

The Lewis Calcrete has a resource of 44.8 million tonnes (at a 36% CaO) cut-off grade (Table 3). At a 30% cut-off grade the resource increases to 69.3 million tonnes at a grade of 38.8% CaO.

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| Domain       | Tonnage (Mt) | CaO (%)     | MgO (%)    | Al <sub>2</sub> O <sub>3</sub> (%) | Fe <sub>2</sub> O <sub>3</sub> (%) | SiO <sub>2</sub> (%) | LOI (%)     |
|--------------|--------------|-------------|------------|------------------------------------|------------------------------------|----------------------|-------------|
| Area 1       | 10.7         | 42.7        | 1.0        | 1.2                                | 0.7                                | 19.3                 | 34.8        |
| Area 2       | 10.1         | 42.0        | 1.0        | 1.3                                | 0.8                                | 20.0                 | 34.6        |
| Area 3       | 6.7          | 42.8        | 1.1        | 1.6                                | 0.9                                | 17.8                 | 35.2        |
| Area 4       | 17.4         | 42.5        | 1.2        | 1.4                                | 0.8                                | 18.0                 | 34.9        |
| <b>Total</b> | <b>44.8</b>  | <b>42.5</b> | <b>1.1</b> | <b>1.4</b>                         | <b>0.8</b>                         | <b>18.7</b>          | <b>34.9</b> |

**Table 3. Lewis Calcrete Inferred Resource**

Testwork and analysis of the results on the Lewis calcrete deposit was completed during the year that has determined its suitability for use in the Wingellina nickel processing plant. The summary results are detailed below.

1. The Lewis Calcrete has good acid neutralisation capacity (ANC) of between 1.3 and 1.6 tonnes of calcrete per tonne of H<sub>2</sub>SO<sub>4</sub> within the Primary Neutralisation (PN) and Secondary Neutralisation (SN) circuits. Impurities in the calcrete, such as silicates and aluminium oxides, dilute the effect of the carbonates and can lead to higher calcrete consumption in the process.
2. Use of sample assays for CaO can be used to estimate the ACN of the calcrete. Also, a useful independent confirmation of ANC can be gained by calculating ANC from the LOI results.
3. The Lewis calcrete can be used as a feedstock for the on-site production of quick lime which produces a product of between 70% to 80%% CaO. The quality corresponds closely with quicklime available from commercial suppliers. The production of quick lime on-site will result in further significant operating cost savings for the project.

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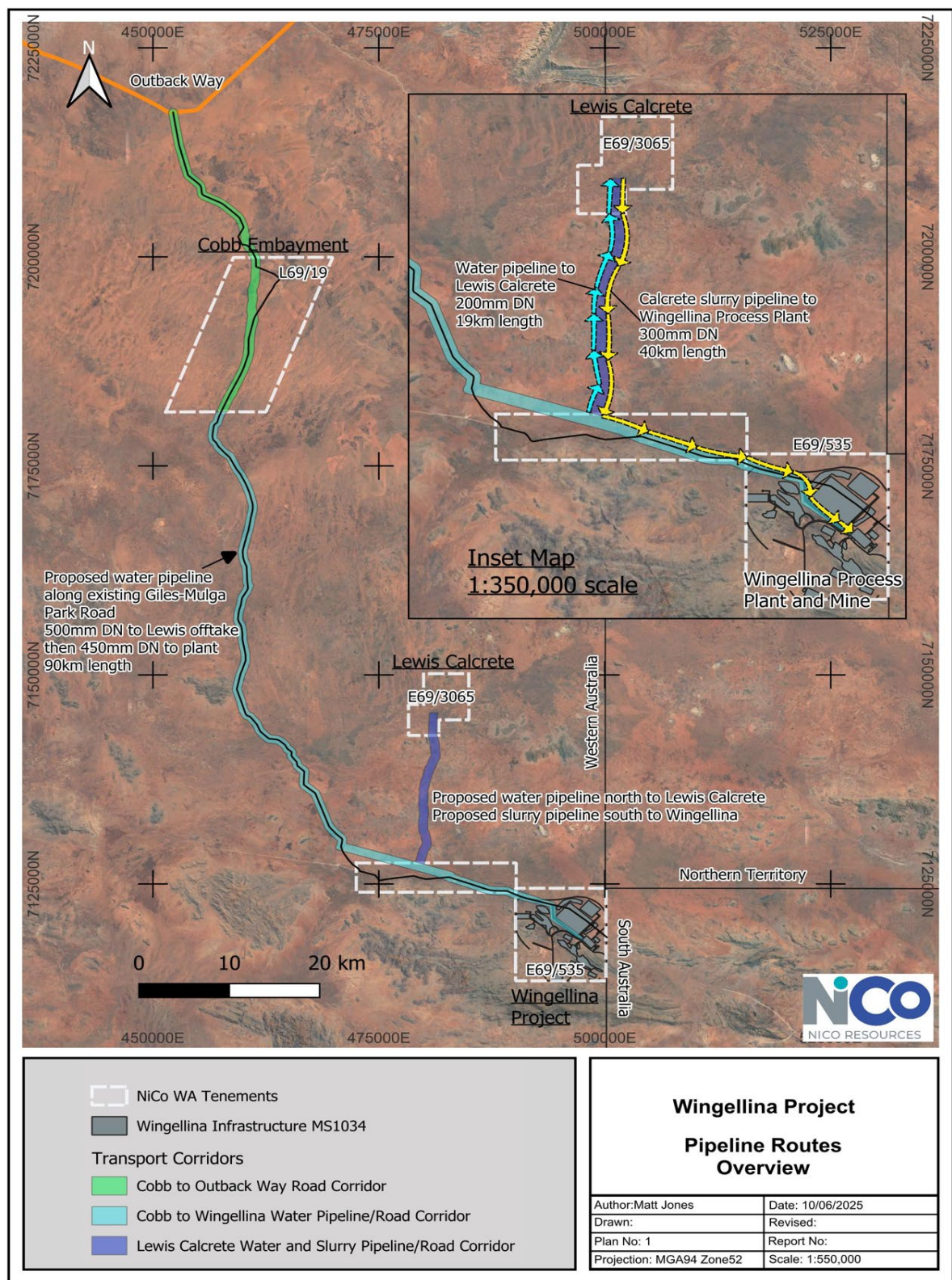


Figure 6. Location of the Lewis calcrete resource and Cobb Embayment

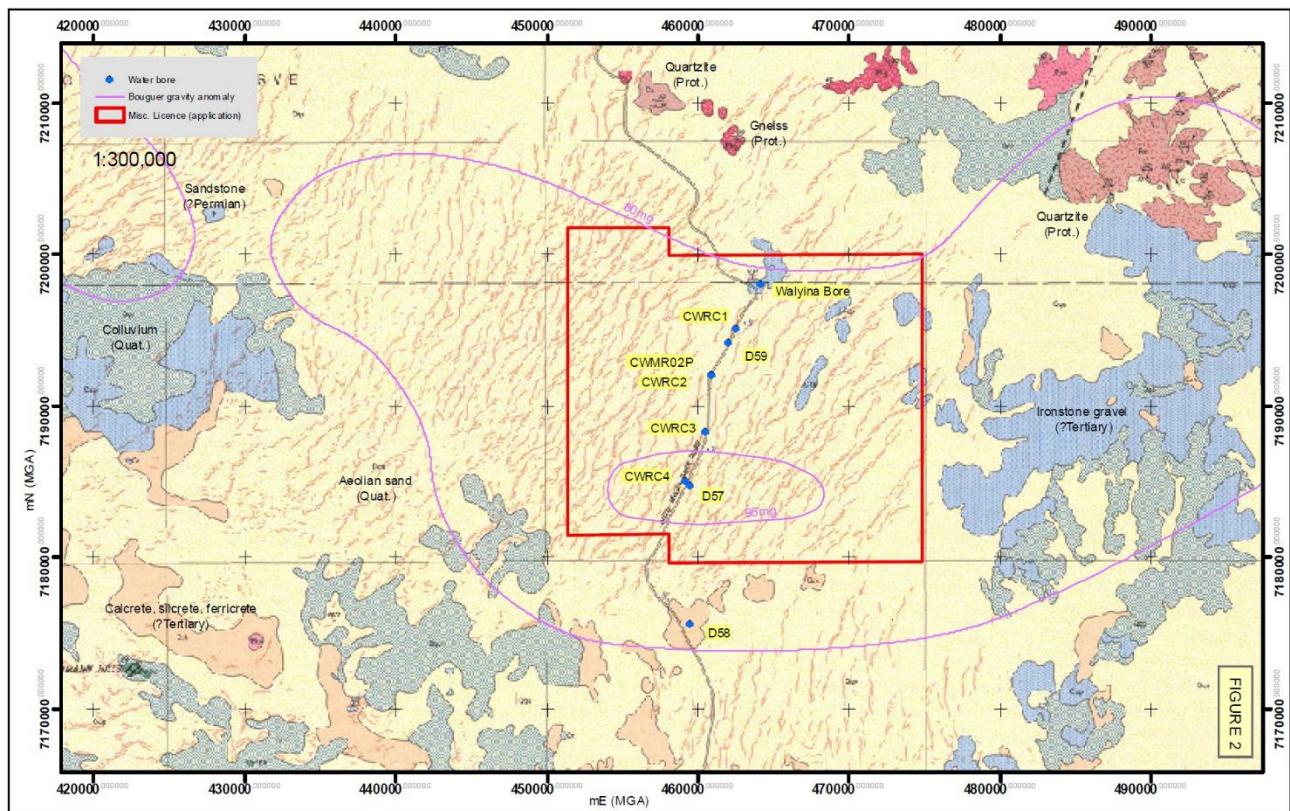
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Exploration efforts during the year also focused on the further definition of suitable water resources for the Project in the Cobb Embayment. The Cobb Embayment is located about 70 kilometres northwest of the Project and is a shallow, finger like trough of sediments that extends from the Canning Basin onto the Proterozoic basement of the Musgrave Complex (Figure 7). There are other water sources in the region including the Neoproterozoic sediments within the central Officer Basin and Tertiary palaeovalleys.

[illegible]



# DIRECTORS' REPORT



**Figure 8: Cobb Embayment geology and water bore locations**

A numerical groundwater flow model was constructed by Rockwater to provide a preliminary assessment of the borefield configuration that could be used to supply water for the Wingellina mining project. The results of the groundwater modelling indicate that the project demand of around 380 L/s for 40 years could be met with a borefield comprising about 23 bores arranged in a 2.5 x 4.0 km grid pattern.

During the year the Company completed another Passive seismic survey in the region to build on and refine the results from the 2023 survey. Southern Geoscience reviewed the results of the passive seismic survey conducted in 2023 with a subsequent survey that trialed a longer duration survey timeframe along with a new data reprocessing technique. While the data did suggest some potential for further investigation over a longer period, the conclusion was that other, more cost-effective geophysical techniques should be explored to aid in refining future water drilling plans.

Further groundwater exploration to the east and west of the Giles–Mulga Park Rd will be required to confirm that the geometry and aquifer parameters used in the model are accurate. A revised drill plan comprising 16 exploratory holes was proposed to advance the understanding of the Cobb aquifer. The positions and access to the six westernmost lines are still being worked on, and this process is expected to continue.

In parallel, work on the APY Works Program for the eastern extension of the Mann Fault Palaeovalley into EL5860 at Nyikukura Homelands continued. Although heritage, archaeological, and environmental surveys have been completed and submitted to the APY, water usage agreements remain under discussion. Nico is awaiting clarification from the APY Council regarding the consultation process.

## Logistics

An updated logistics report was completed during the year which outlines a new proposed transport route from Esperance to Leonora by rail, followed by road transport from Leonora to Wingellina. This route is expected to reduce operational and construction logistics costs significantly and has become a viable alternative due to the expected material reduction in volume on the railway which has allowed for additional slots to become available. Both the operational and construction logistics plans have been updated to reflect this new option, which will streamline the movement of materials and equipment to and from the project site. Importantly, Nico now has two alternative logistics options which provide enhanced Project flexibility.

We understand that Main Roads WA have been engaging with key stakeholders to gain access to lands so that environmental and heritage surveys for the development of the Great Central Road can be completed. Discussions with the Native Title holders to gain land access agreements to progress the next phase of



# DIRECTORS' REPORT

construction have continued and timing of the procurement phase is still under development. Road design for the last 100-kilometre section between Warakurna to the WA and NT border is currently being finalised and design work is nearing completion. Approximately 736 km of the WA section of the route remains to be sealed and is planned to be completed in stages through to 2032.

The upgrading and sealing of the Great Central Road is an important infrastructure development that will provide significant benefits for the Project's development. Importantly, the construction of the road will provide participation and employment opportunities for local Aboriginal people and procurement opportunities from Aboriginal businesses throughout the delivery of the project.

## *Environmental, Social and Governance*

Nico continues to engage with stakeholders for the Wingellina Project in an open, transparent and collaborative manner. Nico received the Archaeological Reports from Maru Consulting for the Lewis Calcrete area, Cobb Embayment area and the Giles-Mulga Park Road during the period which identified no areas of significance.

Nico also received a Heritage Clearance Survey Report from NGC Land and Culture during the year which related to work programs conducted by Nico in July 2024 on the Cobb Embayment, Lewis Calcrete and Giles-Mulga Park road.

The draft Cultural Heritage Management Plan ("CHMP") has been completed and consultation with and review by Traditional Owners and the NGC is expected to commence shortly.

Throughout the quarter, Nico actively engaged with stakeholders at both State and Federal levels of Government to advance and increase the understanding of the Wingellina Project. Meetings with both State and Federal Government representatives addressed project updates, funding opportunities and the economic benefits provided by the Project for all stakeholders. Key discussions included logistics, infrastructure development, economic opportunities for the Traditional Owners and potential government support. Importantly, there was continued bipartisan support for the Wingellina Project and the importance of the upgrading and sealing of the Outback Way for project logistics. The discussions also underscored the need for careful, considered engagement with all parties to ensure that all stakeholders' concerns are addressed and the recognition that development of the Project would create significant opportunities for all stakeholders.

Effective stakeholder engagement remains a cornerstone of Nico's strategy. Nico is continuously engaging with the NGC and Traditional Owners which reflects a commitment to fostering positive relationships with indigenous communities and making a positive difference. Nico is continuously attempting to enhance the relationship with the NGC and the Traditional Owners which reflects a commitment to improve the livelihoods and make a positive and lasting difference to the Traditional Owners. The Wingellina Project Agreement, which was registered as an Indigenous Land Use Agreement in October 2011, sets out the rights and obligations of all parties in relation to the proposed mining and processing activities. Nico has had an excellent and cooperative relationship with the Traditional Owners and has complied, and will continue to comply, with the Agreement since execution. While a number of payments have already been made under the Wingellina ILUA, further compensation payments will be required following the announcement of a final investment decision.

During the period the Company was awarded Major Projects Status by the Federal Government which recognises its national significance and importance in the energy transition. Nico's proactive engagement with various Government departments underscores the company's commitment to securing the necessary approvals and support for the project's successful development.

## **CORPORATE**

During the year the Company announced on 3 June 2025 a placement to raise \$1.1 million (before costs).

The new shares were issued to institutional and sophisticated investors utilising the company's placement capacity under ASX Listing Rule 7.1. The Company issued 13.75 million shares at a price of \$0.08 per shares on 10 June 2025.

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# DIRECTORS' REPORT

## COMPETENT PERSON'S STATEMENT

### *Exploration*

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

### *Resources*

The information in this report that relates to Mineral Resources is based on information compiled by Felicity Hughes. Ms Hughes is a Principal Consultant of ERM and is a Member of the Australasian Institute of Mining and Metallurgy. She has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which Ms Hughes is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Ms Hughes consents to the disclosure of information in this report in the form and context in which it appears.

## PFS CAUTIONARY STATEMENT

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

## FORWARD-LOOKING STATEMENTS:

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

# DIRECTORS' REPORT

## 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 Peter Cook          | Non-Executive Chairman |
| Mr Jonathan Shellabear | Managing Director      |
| Mr Roderick Corps      | Non-Executive Director |
| Mr Brett Smith         | Non-Executive Director |
| Mr Stewart Findlay     | Non-Executive Director |

## Information on Directors

| DIRECTOR  | DETAILS  |
|---|--|
| <b>Peter Cook</b>   | <b>Non-Executive Chairman</b>  |
| Qualifications  | BSc (App Geol) MSc (Min Econ) MAusIMM  |
| Appointment Date  | 27 March 2023  |
| Experience  | Mr Cook is a geologist and mineral economist with over 35 years of experience in the field of exploration, project, operational and corporate management of resource companies. He was a joint founder of Metals X Limited and is a highly successful and accomplished resource executive with a long history in executive management roles and more recently in various governance roles as the Chairman of the Board.<br>Over his distinguished career he has been recognised by industry, being awarded the GMJ Mining Executive of the Year in 2001, the Asia- Mining Executive of the Year in 2015 (Mines & Money), the Mining News CEO of the year in 2017 and received the Gavin Thomas Mining Award in 2019. |
| Interest in share and options   | 14,181,095 Ordinary Shares<br>3,000,000 Unlisted Options exercisable at \$0.644 on or before 23 March 2026   |
| Other directorships in listed entities held in the previous three years | Castile Resources Limited - Non-Executive Chairman (ASX:CST) (7 June 2011- Present)<br>Santana Minerals Limited - Non-Executive Chairman (ASX:SMI) (23 Oct 2023- Present)<br>Titan Minerals Limited - Non-Executive Chairman (ASX:TTM) (31 Aug 2021- Present)<br>Breaker Resources NL - Non-Executive Chairman (ASX:BRB) (6 Sept 2021-24 May 2023)   |
| <b>Jonathan Shellabear</b>  | <b>Managing Director</b>   |
| Qualifications  | BSc (Hons) MBA FAusIMM   |
| Appointment Date  | 3 April 2023   |
| Experience  | Mr Shellabear has over 30 years' experience in the Australian and International mining industry having worked as a geologist, resource analyst, senior corporate executive and investment banker with NM Rothschild & Sons, Deutsche Bank and Resource Finance Corporation. He has extensive experience in the mining industry spanning across technical, commercial and financial disciplines.<br><br>Jonathan has held senior corporate roles in the industry with Dominion Mining Ltd (Managing Director and CEO), Heron Resources Ltd (Managing Director and CEO), Portman Limited (General Manager, Business Development) and more recently as Chief Financial Officer of Capricorn Metals Ltd.                 |
| Interest in share and options   | 3,000,000 Ordinary Shares<br>2,500,000 Performance Rights  |
| Other directorships in listed entities held in the previous three years | Tempus Resources Limited (ASX:TMR) – Non-Executive Director (1 Feb 2021- 29 November 2023)<br>Ten Six Four Limited (ASX:X64) – Non-Executive Director (20 June 2023- Present)<br>Nelson Resources Limited (ASX:NES) (1 June 2022- 21 Nov 2022)   |

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# DIRECTORS' REPORT

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|   |   |
|---|---|
| <b>Roderick Corps</b>   | <b>Non-Executive Director</b>   |
| Qualifications  | -   |
| Appointment Date  | 29 April 2021- 21 September 2021 (Director), 21 September 2022-3 April 2023 (Managing Director), 3 April 2023 – Present (Non-Executive Director)  |
| Experience  | Mr 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 Marketch Limited.   |
| Interest in share and options   | 6,200,000 Ordinary Shares   |
| Other directorships in listed entities held in the previous three years | Far Northern Resources Limited (ASX:FNR): Non-Executive Chairman (15 November 2022- 2 July 2025)  |
| <b>Brett Smith</b>  | <b>Non-Executive Director</b>   |
| Qualifications  | B.Chem Eng, MBA, M Res Methodology  |
| Appointment Date  | 29 April 2021   |
| Experience  | Mr 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 of Hong Kong listed company Dragon Mining Limited, Non-Executive Director of UK listed First tin plc and a Non-Executive Director of ASX listed companies Prodigy Gold NL and Tanami Gold NL. |
| Interest in share and options   | 5,787 Ordinary Shares   |
| Other directorships in listed entities held in the previous three years | Mount Gibson Iron Limited (ASX: MGX) Non-Executive Chairman (17 April 2025- Present)<br>Prodigy Gold NL (ASX: PRX) (9 May 2016 – Present)<br>Tanami Gold NL (ASX:TAM) (27 Nov 2018 – Present)<br>Metals X Limited (ASX:MLX) (4 Dec 2019 – Present)<br>Elementos Limited (ASX: ELT) (24 Jan 2020 – 26 May 2023 and 23 May 2025- Present)   |
| <b>Stewart Findlay</b>  | <b>Non-Executive Director</b>   |
| Qualifications  | B.Com (Accounting and Finance) MAICD  |
| Appointment Date  | 28 June 2023  |
| Experience  | Mr Findlay has over 25 years financial markets experience and has provided project finance (senior secured debt and corporate facilities), equity investments, commodity hedging arrangements and corporate advice to a large number of resource companies. He has held senior positions in the metals and mining divisions of Macquarie Bank and National Australia Bank. Stewart holds a Bachelor of Commerce (Accounting & Finance) from the University of New South Wales and is a Member of the Australian Institute of Company Directors.   |
| Interest in share and options   | 533,874 Ordinary Shares   |
| Other directorships in listed entities held in the previous three years | West African Resources Ltd (ASX: WAF) (29 May 2020 – Present)   |

# DIRECTORS' REPORT

## 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 specialises in corporate governance, statutory reporting and financial accounting and currently holds CFO and Company Secretary positions with various Australian companies and has also been involved in listing of a number of junior exploration companies on the ASX.

## 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 \$702,661 (2024: Loss \$3,617,573).

## 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.

## Significant 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.

## 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 |
|---------------------|------------------------|--------------|
| Peter Cook          | 6                      | 6            |
| Jonathan Shellabear | 6                      | 6            |
| Roderick Corps      | 6                      | 6            |
| Brett Smith         | 6                      | 6            |
| Stewart Findlay     | 6                      | 6            |

# DIRECTORS' REPORT

## SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report:

| No. Options/Performance Rights | Grant Date | Exercise Price | Expiry Date | Listed / Unlisted |
|--------------------------------|------------|----------------|-------------|-------------------|
| <b>Options</b>                 |            |                |             |                   |
| 250,000                        | 6 Oct 22   | \$0.70         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 22   | \$0.70         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 22   | \$0.78         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 22   | \$0.86         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 22   | \$0.70         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 22   | \$0.78         | 5-Oct-25    | Unlisted          |
| 150,000                        | 6 Oct 23   | \$0.86         | 5-Oct-25    | Unlisted          |
| 150,000                        | 23 Jan 23  | \$0.96         | 5-Feb-26    | Unlisted          |
| 150,000                        | 6 Feb 23   | \$0.86         | 22-Jan-26   | Unlisted          |
| 150,000                        | 6 Feb 23   | \$0.96         | 22-Jan-26   | Unlisted          |
| 3,000,000                      | 24 Mar 23  | \$0.64         | 23-Mar-26   | Unlisted          |
| 183,333                        | 9 Jul 23   | \$0.64         | 9-Jul-26    | Unlisted          |
| 183,333                        | 9 Jul 23   | \$0.71         | 9-Jul-26    | Unlisted          |
| 158,334                        | 9 Jul 23   | \$0.79         | 9-Jul-26    | Unlisted          |
| 1,000,000                      | 13 June 25 | \$0.12         | 12-Jun-28   | Unlisted          |
| <b>6,125,000</b>               | -          | -              | -           | -                 |
| <b>Performance Rights</b>      |            |                |             |                   |
| 834,000                        | 22 Nov 23  | N/A            | 3-Apr-28    | Unlisted          |
| 833,000                        | 22 Nov 23  | N/A            | 3-Apr-28    | Unlisted          |
| 833,000                        | 22 Nov 23  | N/A            | 3-Apr-28    | Unlisted          |
| <b>2,500,000</b>               | -          | -              | -           | -                 |

### Options and Performance rights

Options and performance rights granted carry no dividend or voting rights. When exercisable, each option and performance right is convertible into one fully paid ordinary share of the Company.

### Shares Issued as a result of the exercise of options

No shares as a result of the exercise of the options were issued during or since the end of financial year.

### Shares Issued as a result of the conversion of Performance rights

On 4 April 2025, 250,000 Performance rights were converted to ordinary shares and issued to Mr Jonathan Shellabear as a result of the service condition being met.

### Indemnification of Officers

The Company has agreed to indemnify all of the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.



# DIRECTORS' REPORT

## 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

The Company expects to further explore, develop and advance the Central Musgrave Project in particular its flagship Wingellina Nickel-Cobalt Project located in Western Australia in future periods.

## MATERIAL BUSINESS RISKS

The Board of Directors review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Group include:

### 1. Exploration and development

The future value of the Group will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Group. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Group is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition. The Group seeks to manage and minimise this risk through management of its assets to ensure they are in good standing, renewed where possible and through regular reporting processes both external and internal along with Board regular review.

### 2. Social Risks

The Group is exposed to social risks as a result of the many stakeholders who are involved in its operations including but not limited to employees, contractors, local community members residing in areas where the Group operates, governments and government agencies (local, state and federal) as well as customers and suppliers. The Group is subject to reputational damage as well as potential claims for damages as a result of any harm or loss sustained by any stakeholder as a result of the operations of the Group and its representatives. There is a risk that the Group may not be able to achieve the financial performance or outcomes disclosed herein if it incurs reputational damage or claims for damages. The Group seeks to manage and minimise this risk through its developing existing risk management framework, including Board approved policies on stakeholder management and through established stakeholder consultation processes.

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# DIRECTORS' REPORT

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## 3. Reliance on key personnel

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Group. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available. The Group seeks to manage and minimise this risk through employee incentive plans and regular review of remuneration through its existing management committees including Board and remuneration approved employee policies which are subject to regular review.

## 4. Governance Risks

The Group must comply with a range of governance requirements which are conditions of its listing on the ASX and of its mineral exploration and mining activities. There is a risk that the Group may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those governance requirements or if the requirements change in the future and the Group is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. The Group seeks to manage and minimise this risk through its existing risk management framework including Board-approved governance policies which are subject to regular review.

## 5. Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from capital markets. The successful development of a mining project will depend on the capacity to raise funds from capital markets. The Company will need to undertake equity raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group. The Group seeks to manage and minimise this risk through its existing risk management framework including Board-approved budgets and cashflows to enable the forward planning of capital raising, which are subject to regular review.

## 6. Environmental, weather & climate change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources. The Group seeks to manage and minimise this risk through its existing risk management framework and through developing detailed environmental management plans and systems.

## 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.

## Auditor Independence

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 29.

# DIRECTORS' REPORT

## 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 Key Management Personnel ("KMP") of the Group.

### Remuneration Policy

Remuneration levels for the KMPs 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 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 Directors and KMPs 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, and these are at the discretion of the Board.
- The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. As part of each of the key management personnel's remuneration package, there is a performance-based component consisting of the issue of Performance Rights or options to encourage the alignment of management and Shareholders' interests. The Board determines appropriate vesting conditions that includes specific milestones and/or a premium, over the prevailing share price to provide potential rewards over a period of time and to align with the interests with those of shareholders.
- The Executive Directors and executives receive a superannuation guarantee contribution required by the government, during the financial year was 11.50%, 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. Options and Performance Rights 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.

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)(continued)

### Non-Executive Directors Remuneration

All Non-Executive Directors are entitled to receive \$40,000 per annum or pro-rata portion for period of service in office, for their roles as Directors of the Company and the Chairman is entitled to receive up to \$80,000 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 was approved at the 2024 Annual General Meeting at \$650,000pa. 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 Non-Executive Directors are entitled to be paid those outstanding amounts owing to the Non-Executive Director for the period up until the termination date. The Non-Executive Directors do not have any entitlement to any payment relating to any period after the Termination Date.

### Other Director Entitlements

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.

Directors are entitled to participate in option and performance rights arrangements under the Nico Employee share plan with shareholder approval, of which the number issued to the Directors is at the discretion of the Board.

### Executives Directors Remuneration

#### Service Agreements

#### Mr Jonathan Shellabear

#### CEO & Managing Director (appointed 3 April 2023)

Mr Shellabear'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 Shellabear is entitled to receive Director's Fee of \$380,000 per annum (inclusive of statutory superannuation).

Mr Shellabear is entitled to a Short Term Incentive (STI) of up to 50% of Base Salary annually on attainment of measurable KPI's agreed each financial year.

Mr Shellabear is entitled to Long Term Incentives (LTI) from time to time on terms determined by the Company and issue is subject to the rules of the Nico Employee Share Plan and shareholder approval. Mr Shellabear was issued two tranches of 250,000 performance rights with 1 year and 2 Year service conditions, of which the both service conditions has now been met on 4 April 2024 and 4 April 2025. Also issued were 2,500,000 Performance Rights with an expiry of 5 years and with the following vesting conditions on commencement of the agreement. All performance rights issued to Mr Shellabear were approved by shareholders at the Company's 2023 AGM held on 25 November 2023:

- (1) 834,000 vest when the share price is equal to or exceeds \$0.75 (calculated by 5 day vwap)
- (2) 833,000 vest when the share price is equal to or exceeds \$1.00 (calculated by 5 day vwap)
- (3) 833,000 vest when the share price is equal to or exceeds \$1.25 (calculated by 5 day vwap)

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 Directors 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.



# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED)(continued)

### Remuneration Report Approval at FY2024 AGM

The remuneration report for the year ended 30 June 2025 will be put to shareholders for approval at the Group's AGM which will be held during November 2025. The remuneration report for the year ended 30 June 2024 was approved by shareholders with 99.62% support votes at the AGM held on 29 November 2024.

### Additional information

No performance-based bonuses have been paid to key management personnel during the financial year.

The earnings of the Group since listing are summarised below:

|                                | 30 June 2025<br>\$ | 30 June 2024<br>\$ |
|--------------------------------|--------------------|--------------------|
| Profit/(Loss) after income tax | (702,661)          | (3,617,753)        |

The Directors note that there is no direct link between the Company's financial performance and earnings, and the advancement of shareholder wealth given the stage of development.

The factors that are considered to affect total shareholders return are summarised below:

|                                   | 30 June 2025<br>\$ | 30 June 2024<br>\$ |
|-----------------------------------|--------------------|--------------------|
| Share price at financial year end | 0.084              | 0.135              |

The following page sets out a table with Details of Remuneration, please note the following when referring to the Details of remuneration table:

Jonathan Shellabear is entitled to an STI in the form of a Cash bonus of 50% of his base salary annually on attainment of measurable KPI's agreed each financial year. The Board has not awarded any bonuses for the financial year ended 30 June 2025 and no cash bonuses have been paid.

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# DIRECTORS' REPORT

## Details of Remuneration

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

| Statement of Remuneration of the directors and key management personnel of the Group for the year ended 31 December 2024 |      |                      |                          |                    |                       |                      |           |  |                     |
|--|------|----------------------|--------------------------|--------------------|-----------------------|----------------------|-----------|--|---------------------|
|  |      | Fixed                |                          | STI                |                       | LTI                  |           |  |                     |
|  |      | Short-term Benefits  | Post-employment Benefits |                    | Non-monetary benefits | Share-based Payments | Total     | Share-based Payments as a percentage of Remuneration | Performance Related |
|  |      | Cash fees and salary | Superannuation           | Incentive Payments | Annual Leave          | Options/Rights       |           |  |                     |
| Year   |      | \$                   | \$                       |                    | \$                    | \$                   | \$        | %  | %                   |
| <b>Non-Executive Directors</b>   |      |                      |                          |                    |                       |                      |           |  |                     |
| Peter Cook   | 2025 | 80,000               | 9,200                    | -                  | -                     | -                    | 89,200    | -  | -                   |
|  | 2024 | 80,000               | 8,800                    | -                  | -                     | 681,943              | 770,743   | 88%  | -                   |
| Roderick Corps   | 2025 | 40,000               | 4,600                    | -                  | -                     | -                    | 44,600    | -  | -                   |
|  | 2024 | 40,000               | 4,400                    | -                  | -                     | -                    | 44,400    | -  | -                   |
| Brett Smith  | 2025 | 40,000               | 4,600                    | -                  | -                     | -                    | 44,600    | -  | -                   |
|  | 2024 | 40,000               | 4,400                    | -                  | -                     | -                    | 44,400    | -  | -                   |
| Stewart Findlay  | 2025 | 40,000               | 4,600                    | -                  | -                     | -                    | 44,600    | -  | -                   |
|  | 2024 | 40,000               | 4,400                    | -                  | -                     | -                    | 44,400    | -  | -                   |
| <b>Sub-Total Non- Executive Directors</b>  | 2025 | 200,000              | 23,000                   | -                  | -                     | -                    | 223,000   | -  | -                   |
|  | 2024 | 200,000              | 22,000                   | -                  | -                     | 681,943              | 903,943   | 75%  | -                   |
| <b>Executive Directors</b>   |      |                      |                          |                    |                       |                      |           |  |                     |
| Jonathan Shellabear <sup>(1)</sup>   | 2025 | 350,000              | 30,000                   | -                  | 13,997                | 126,531              | 520,528   | 24%  | -                   |
|  | 2024 | 352,500              | 27,500                   | -                  | 34,197                | 218,385              | 632,582   | 35%  | -                   |
| <b>Sub-Total Executives Directors</b>  | 2025 | 350,000              | 30,000                   | -                  | 13,997                | 126,531              | 520,528   | 24%  | -                   |
|  | 2024 | 352,500              | 27,500                   | -                  | 34,197                | 218,385              | 632,582   | 35%  | -                   |
| <b>TOTAL</b>   | 2025 | 550,000              | 53,000                   | -                  | 13,997                | 126,531              | 691,193   | 17%  | -                   |
|  | 2024 | 552,500              | 49,500                   | -                  | 34,197                | 900,328              | 1,536,525 | 59%  | -                   |

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED) (continued)

### Share-Based Compensation

9,000,000 Directors Options expired and were cancelled on 29 July 2024.

There were no options or performance rights issued as remuneration during the year ended 30 June 2025 and the following were in existence as at 30 June 2025.

|  | Ex Price | Expiry Date | Grant Date | Vesting Conditions | Vesting Date | Granted as Remuneration | Fair Value per Security at Grant Date |
|--|----------|-------------|------------|--------------------|--------------|-------------------------|---------------------------------------|
| <b>Non-Executive Directors Options</b> |          |             |            |                    |              |                         |                                       |
| Peter Cook                             | \$0.644  | 23-Mar-26   | 24-Mar-23  | 1 Yr of service    | 24 Mar 24    | 3,000,000               | \$0.307                               |
| <b>Total Directors</b>                 | -        | -           | -          | -                  | -            | <b>3,000,000</b>        | -                                     |
| <b>Vested and exercisable</b>          | -        | -           | -          | -                  | -            | <b>3,000,000</b>        | -                                     |
| <b>Vested in year %</b>                | -        | -           | -          | -                  | -            | <b>0%</b>               | -                                     |
| <b>Forfeited in year %</b>             | -        | -           | -          | -                  | -            | <b>0%</b>               | -                                     |

|  | Expiry Date | Grant Date* | Vesting Conditions | Vesting Date | Maximum value yet to vest | Granted as Remuneration | Fair Value per Security at Grant Date |
|--|-------------|-------------|--------------------|--------------|---------------------------|-------------------------|---------------------------------------|
| <b>Executive Director Performance Rights</b> |             |             |                    |              |                           |                         |                                       |
| Jonathan Shellabear                          | 3 Apr 28    | 22 Nov 23   | Share Pr \$0.75    | -            | 124,237                   | 834,000                 | \$0.27                                |
| Jonathan Shellabear                          | 3 Apr 28    | 22 Nov 23   | Share Pr \$1.00    | -            | 114,897                   | 833,000                 | \$0.25                                |
| Jonathan Shellabear                          | 3 Apr 28    | 22 Nov 23   | Share Pr \$1.25    | -            | 110,301                   | 833,000                 | \$0.24                                |
| <b>Total Performance Rights</b>              | -           | -           | -                  | -            | <b>349,435</b>            | <b>2,500,000</b>        | -                                     |

# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED) (continued)

### Loans to Key Management Personnel

There were no Key Management Personnel loans during the current financial year:

### Other transactions with Key Management Personnel

There were no other 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 Personnel of the Group during the financial period is as follows:

| 30 June 2025        | Balance at beginning of year | Acquisition      | Disposed of during the period | Conversion of Performance Rights | Balance at end of year | No. shares Held at Date of this Report |
|---------------------|------------------------------|------------------|-------------------------------|----------------------------------|------------------------|--|
| <b>Directors</b>    |                              |                  |                               |                                  |                        |  |
| Peter Cook          | 11,881,095                   | 2,300,000        | -                             | -                                | 14,181,095             | 14,181,095                             |
| Jonathan Shellabear | 2,152,163                    | 497,837          | -                             | 250,000                          | 2,900,000              | 3,000,000                              |
| Roderick Corps      | 10,136,061                   | -                | (4,136,060)                   | -                                | 6,000,001              | 6,000,001                              |
| Brett Smith         | 5,787                        | -                | -                             | -                                | 5,787                  | 5,787                                  |
| Stewart Findlay     | 533,874                      | -                | -                             | -                                | 533,874                | 533,874                                |
|                     | <b>24,708,980</b>            | <b>2,797,837</b> | <b>(4,136,060)</b>            | <b>250,000</b>                   | <b>23,620,757</b>      | <b>23,720,757</b>                      |

### Key Management Personnel Options held

The movement during the reporting period in the number of options over ordinary shares of the Company held directly, indirectly, or beneficially, by each Director or Key Management Personnel, including their personally related entities is as follows:

| 30 June 2025        | Balance at beginning of year | Granted as Remuneration | Expired during the year | Balance at end of year | Vested and exercisable at the end of the year | No. Options Held at Date of this Report |
|---------------------|------------------------------|-------------------------|-------------------------|------------------------|---|---|
| <b>Directors</b>    |                              |                         |                         |                        |   |   |
| Peter Cook          | 3,000,000                    | -                       | -                       | 3,000,000              | 3,000,000                                     | 3,000,000                               |
| Jonathan Shellabear | -                            | -                       | -                       | -                      | -   | -                                       |
| Roderick Corps      | 3,000,000                    | -                       | (3,000,000)             | -                      | -   | -                                       |
| Brett Smith         | 3,000,000                    | -                       | (3,000,000)             | -                      | -   | -                                       |
| Stewart Findlay     | -                            | -                       | -                       | -                      | -   | -                                       |
| Options on Issue    | <b>9,000,000</b>             | <b>-</b>                | <b>(6,000,000)</b>      | <b>3,000,000</b>       | <b>3,000,000</b>                              | <b>3,000,000</b>                        |



# DIRECTORS' REPORT

## REMUNERATION REPORT (AUDITED) (continued)

### Key Management Personnel Performance Rights held

The movement during the reporting period in the number of performance rights of the Company held directly, indirectly, or beneficially, by each Director or Key Management Personnel, including their personally related entities is as follows:

|                     | Balance at beginning of year | Performance rights Granted as compensation | Vested and exercised during the year | Forfeited or lapsed during the year | Vested at the end of year | Balance at end of year | No. Performance Rights Held at Date of this Report |
|---------------------|------------------------------|--|--------------------------------------|-------------------------------------|---------------------------|------------------------|--|
| <b>30 June 2025</b> |                              |  |                                      |                                     |                           |                        |  |
| <b>Directors</b>    |                              |  |                                      |                                     |                           |                        |  |
| Peter Cook          | -                            | -  | -                                    | -                                   | -                         | -                      | -  |
| Jonathan Shellabear | 2,750,000                    | -  | (250,000) <sup>(i)</sup>             | -                                   | -                         | 2,500,000              | 2,500,000  |
| Roderick Corps      | -                            | -  | -                                    | -                                   | -                         | -                      | -  |
| Brett Smith         | -                            | -  | -                                    | -                                   | -                         | -                      | -  |
| Stewart Findlay     | -                            | -  | -                                    | -                                   | -                         | -                      | -  |
|                     | <b>2,750,000</b>             | <b>-</b>                                   | <b>(250,000)</b>                     | <b>-</b>                            | <b>-</b>                  | <b>2,500,000</b>       | <b>2,500,000</b>                                   |

(i) Converted to ordinary shares on 4 April 2025

No options or performance rights have been granted to the Directors or KMP since the end of the financial year. Performance rights and Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one fully paid ordinary share and each Performance right converts to one fully paid share on conditions being met.

During the period no ordinary shares in the Company were issued as a result of the exercise of remuneration options to Directors of Nico or other Key Management Personnel of the group. On 4 April 2025, 250,000 ordinary shares in the Company were issued to Directors of Nico as a result of conversion of Performance rights upon vesting conditions being met.

### Remuneration Consultants

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

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

### \*\*\*End of Audited Remuneration Report\*\*\*

Signed in accordance with a resolution of the Directors:



**Jonathan Shellabear**  
**Managing Director and CEO**

Dated this 24 day of September 2025

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 2025, 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,



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL FCA**  
**Director**

Dated this 24<sup>th</sup> day of September 2025  
Perth, Western Australia

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

|   | Note | 30 June 2025<br>\$ | 30 June 2024<br>\$ |
|---|------|--------------------|--------------------|
| Other Income  | 4(a) | 1,692,570          | 1,019,151          |
| Salary and wages expense                                |      | (1,311,060)        | (2,133,682)        |
| Corporate and administration expenses                   | 4(b) | (932,984)          | (1,163,714)        |
| Depreciation expense                                    |      | (20,765)           | (181,913)          |
| Finance expenses  |      | (2,986)            | (8,480)            |
| Share Based Payments expense                            | 20   | (127,436)          | (1,149,115)        |
| <b>Net Profit/(Loss) before income tax</b>              |      | <b>(702,661)</b>   | <b>(3,617,753)</b> |
| Income tax benefit/(expense)                            | 7    | -                  | -                  |
| <b>Net Profit/(Loss) after income tax</b>               |      | <b>(702,661)</b>   | <b>(3,617,753)</b> |
| Other comprehensive income                              |      | -                  | -                  |
| <b>Total comprehensive income/(loss) for the period</b> |      | <b>(702,661)</b>   | <b>(3,617,753)</b> |
| <b>Basic loss per share (cents per share)</b>           | 5    | (0.64)             | (3.51)             |
| <b>Diluted loss per share (cents per share)</b>         | 5    | (0.64)             | (3.51)             |

The accompanying notes form part of these financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2025

|  | Notes | 30 June 2025<br>\$ | 30 June 2024<br>\$ |
|--|-------|--------------------|--------------------|
| <b>ASSETS</b>                          |       |                    |                    |
| <b>CURRENT ASSETS</b>                  |       |                    |                    |
| Cash and cash equivalents              | 8     | 2,366,293          | 4,590,815          |
| Trade and other receivables            | 9     | 144,695            | 296,362            |
| Inventories                            | 10    | 30,229             | 20,866             |
| Other financial assets                 | 11    | 1,268,337          | 168,337            |
| <b>TOTAL CURRENT ASSETS</b>            |       | <b>3,809,554</b>   | <b>5,076,380</b>   |
| <b>NON-CURRENT ASSETS</b>              |       |                    |                    |
| Property, plant and equipment          | 12    | 80,353             | 101,118            |
| Exploration and evaluation expenditure | 14    | 14,528,759         | 13,150,405         |
| <b>TOTAL NON-CURRENT ASSETS</b>        |       | <b>14,609,112</b>  | <b>13,251,523</b>  |
| <b>TOTAL ASSETS</b>                    |       | <b>18,418,666</b>  | <b>18,327,903</b>  |
| <b>LIABILITIES</b>                     |       |                    |                    |
| <b>CURRENT LIABILITIES</b>             |       |                    |                    |
| Trade and other payables               | 15    | 241,088            | 547,676            |
| Lease liabilities                      | 13    | -                  | -                  |
| Provisions                             | 16    | 103,896            | 164,820            |
| <b>TOTAL CURRENT LIABILITIES</b>       |       | <b>344,984</b>     | <b>712,496</b>     |
| <b>TOTAL LIABILITIES</b>               |       | <b>344,984</b>     | <b>712,496</b>     |
| <b>NET ASSETS</b>                      |       | <b>18,073,682</b>  | <b>17,615,407</b>  |
| <b>EQUITY</b>                          |       |                    |                    |
| Issued capital                         | 18    | 41,580,826         | 40,457,326         |
| Reserves                               | 19    | 1,931,364          | 2,781,051          |
| Accumulated losses                     |       | (25,438,508)       | (25,622,970)       |
| <b>TOTAL EQUITY</b>                    |       | <b>18,073,682</b>  | <b>17,615,407</b>  |

The accompanying notes form part of these financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

|   | Note | Issued Capital    | Reserves         | Accumulated Losses  | Total              |
|---|------|-------------------|------------------|---------------------|--------------------|
|   |      | \$                | \$               | \$                  | \$                 |
| <b>Balance at 1 July 2024</b>                                       |      | <b>40,457,326</b> | <b>2,781,051</b> | <b>(25,622,970)</b> | <b>17,615,407</b>  |
| Loss for the period   |      | -                 | -                | (702,661)           | (702,661)          |
| Other comprehensive income  |      | -                 | -                | -                   | -                  |
| <b>Total comprehensive loss for the year</b>                        |      | <b>-</b>          | <b>-</b>         | <b>(702,661)</b>    | <b>(702,661)</b>   |
| <b>Transactions with equity holders in their capacity as owners</b> |      |                   |                  |                     |                    |
| Equity-settled share based payments                                 |      | -                 | 127,436          | -                   | 127,436            |
| Options expired   |      | -                 | (887,123)        | 887,123             | -                  |
| Conversion of Performance rights                                    |      | 90,000            | (90,000)         | -                   | -                  |
| Issue of ordinary shares (net of costs)                             | 18   | 1,033,500         | -                | -                   | 1,033,500          |
| <b>Balance at 30 June 2025</b>                                      |      | <b>41,580,826</b> | <b>1,931,364</b> | <b>(25,438,508)</b> | <b>18,073,682</b>  |
|   |      |                   |                  |                     |                    |
|   |      | Issued Capital    | Reserves         | Accumulated Losses  | Total              |
|   |      | \$                | \$               | \$                  | \$                 |
| <b>Balance at 1 July 2023</b>                                       |      | <b>33,559,968</b> | <b>1,665,686</b> | <b>(22,005,217)</b> | <b>13,220,437</b>  |
| Loss for the period   |      | -                 | -                | (3,617,753)         | (3,617,753)        |
| Other comprehensive income  |      | -                 | -                | -                   | -                  |
| <b>Total comprehensive loss for the year</b>                        |      | <b>-</b>          | <b>-</b>         | <b>(3,617,753)</b>  | <b>(3,617,753)</b> |
| <b>Transactions with equity holders in their capacity as owners</b> |      |                   |                  |                     |                    |
| Equity-settled share based payments                                 |      | -                 | 1,149,115        | -                   | 1,149,115          |
| Conversion of Performance rights                                    |      | 33,750            | (33,750)         | -                   | -                  |
| Issue of ordinary shares (net of costs)                             |      | 6,863,608         | -                | -                   | 6,863,608          |
| <b>Balance at 30 June 2024</b>                                      |      | <b>40,457,326</b> | <b>2,781,051</b> | <b>(25,622,970)</b> | <b>17,615,407</b>  |

The accompanying notes form part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

|   | Note | 30 June 2025<br>\$ | 30 June 2024<br>\$ |
|---|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                 |      |                    |                    |
| Other income - rental and other                             |      | 422,883            | 451,063            |
| Other income - R&D tax rebate                               |      | 1,041,953          | 340,355            |
| Other income - Interest received                            |      | 248,052            | 215,588            |
| Payments to suppliers and employees                         |      | (2,283,836)        | (3,324,793)        |
| Interest paid   |      | (2,986)            | (8,479)            |
| <b>Net cash flows from/(used in) operating activities</b>   | 26   | <b>(573,934)</b>   | <b>(2,326,266)</b> |
| <b>Cash flows from investing activities</b>                 |      |                    |                    |
| Payments for property, plant and equipment                  |      | -                  | (56,047)           |
| Payments for exploration and evaluation                     |      | (1,584,088)        | (4,171,836)        |
| Cash for term deposits                                      |      | (1,100,000)        | -                  |
| <b>Net cash flows from/(used in) investing activities</b>   |      | <b>(2,684,088)</b> | <b>(4,227,883)</b> |
| <b>Cash flows from financing activities</b>                 |      |                    |                    |
| Repayment of Lease Liabilities                              |      | -                  | (158,415)          |
| Proceeds from issue of shares in the Company (net of costs) |      | 1,033,500          | 6,863,608          |
| <b>Net cash flows from/(used in) financing activities</b>   |      | <b>1,033,500</b>   | <b>6,705,193</b>   |
| Net Increase/(decrease) in cash and cash equivalents held   |      | <b>(2,224,522)</b> | <b>151,044</b>     |
| Cash and cash equivalents at beginning of financial period  |      | 4,590,815          | 4,439,771          |
| <b>Cash and cash equivalents at end of Financial Period</b> | 8    | <b>2,366,293</b>   | <b>4,590,815</b>   |

The accompanying notes form part of these financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 1. CORPORATE INFORMATION

The financial report of Nico Resources Limited ("Company") and the entities it controlled ("the Group") was authorised for issue in accordance with a resolution of the Directors on 24 September 2025.

The financial report is presented in the Australian dollar (\$) which is the Company's functional 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 MATERIAL ACCOUNTING POLICIES

### (a) Basis of Preparation

These general purpose consolidated 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.

### (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 net loss for the period of \$702,661 (2024 \$3,617,753) and net operating cash outflows of \$573,934 (2024 \$2,326,266 outflow).

As at 30 June 2025, the Company has a working capital surplus of \$3,464,570 (June 2024 \$4,363,884).

Based on the cashflow forecasts prepared, 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.

### (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.

The Directors have determined that there is no material impact from the adoption of the new or amended standards.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## (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.

## (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. Expected credit losses are estimated by reference to overdue days on trade receivable balances.

Other receivables are recognised at amortised cost.

## (h) 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 inter-company balances and transactions, income and expenses and profit and losses resulting from intra-Company transactions have been eliminated in full.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## (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.

## (j) Other Income

The Company has other income as follows:

### *Interest Income*

Interest income 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 income*

Other income 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

### *Government grants – Research & Development Tax Incentive*

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

The Group recognises refundable research and development (R&D) rebates under tax legislation as a government grant. Where the amount for the current financial year's activities cannot be reliably calculated at balance date, income recognised in the current year reflects the cash receipt (or accrual) for the prior years' activities as determined by the lodged claim for that period.

## (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 implemented a tax consolidation group on 19 January 2022. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## (l) Inventory

Stores and consumables are stated at the value of the last cost recorded. They are expected to be used within 12 months after balance sheet date and are classified as current assets.

## (m) 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, its 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.

## (n) Impairment

### *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.

### *Impairment of non-financial assets*

At the end of each reporting period, the Directors assesses whether there is any indication that an asset may be impaired. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## (o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expected liabilities.

## (p) 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.

## (q) Earnings Per Share ('EPS')

Basic EPS is calculated by dividing the net profit/(loss) attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic EPS earnings/(loss), adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

## (r) 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.

## (s) 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.

### *Depreciation and Amortisation*

The depreciable amount of all fixed assets is calculated using the diminishing value method, over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. The diminishing value depreciation and amortisation rates used for each class of assets are as follows:

- Plant and Equipment 20%– 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## (t) 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. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Indirect costs that are included in the cost of an exploration and evaluation asset include, among other things, charges for depreciation of equipment used in exploration and evaluation activities.

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.

## (u) 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.

## (v) 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.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## **(w) 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.

### *Share Based Payment Arrangements*

The grant-date fair value of equity -settled share-based payment arrangements granted to employees is generally recognised as an employee expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## **(x) 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.

### *Share based payments*

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

The fair value of options and performance rights 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 and performance rights.

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. For the performance rights with a market based vesting condition, a Monte Carlo simulation using the Hoadley's ESO Hybrid- Model Single Share Price Target Consec Days model. Refer to note 20 for further details on estimates used.

### *Exploration and evaluation assets*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes and the approval of the Environmental Impact Study (including changes to environmental restoration obligations) and changes to commodity prices.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

To the extent that capitalised exploration evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

## *Research and Development Tax Incentive*

The Group applies significant judgement in determining whether its activities meet the eligibility criteria under the *Research and Development Tax Incentive* program, as established by the *Industry Research and Development Act 1986* and associated regulations. This includes assessing whether the underlying projects constitute eligible core or supporting R&D activities, whether the activities are undertaken for the purpose of generating new knowledge, and whether the associated costs are directly attributable to those activities.

Key areas of judgement and estimation include:

- **Eligibility Assessment** — Determining whether specific projects meet the legislative definitions of core or supporting R&D activities.
- **Attribution of Expenditure** — Estimating the proportion of direct labour, overheads and other costs that are directly attributable to eligible R&D activities.
- **Reasonable Assurance** — Assessing the likelihood of meeting compliance requirements and receiving payment, considering prior claim history, contemporaneous documentation and, where appropriate, expert advice.
- **Measurement of the Incentive** — Estimating the expected receivable or refundable amount based on eligible expenditure and applicable rates, noting that amounts may change if the claim is reviewed or amended by the relevant authorities.

These judgements and estimates are reviewed periodically and updated as new information becomes available. Changes in eligibility assessments or incentive measurement may have a material impact on the reported financial results in the period in which they are determined.

## **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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 4. OTHER INCOME AND EXPENSES

|  | 30 June 2025     | 30 June 2024     |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>(a) Other Income</b>                      |                  |                  |
| Finance Income                               | 155,416          | 227,734          |
| R&D Tax rebate                               | 1,041,954        | 340,356          |
| Rental Income                                | 495,200          | 435,505          |
| Other Income                                 | -                | 15,556           |
|  | <b>1,692,570</b> | <b>1,019,151</b> |
| <b>(b) Expenses</b>                          |                  |                  |
| <b>Corporate and administration expenses</b> |                  |                  |
| Accounting Expenses                          | 180,540          | 239,160          |
| Legal Fees                                   | 4,940            | 19,170           |
| ASX Fees                                     | 52,942           | 53,751           |
| Audit Fee                                    | 56,614           | 99,275           |
| Investor relations                           | 66,002           | 74,532           |
| Office Costs                                 | 188,832          | -                |
| Travel Expense                               | 23,029           | 56,720           |
| Consulting Expenses                          | 196,324          | 411,929          |
| Insurance Expense                            | 84,274           | 82,493           |
| IT Expenses                                  | 39,062           | 78,635           |
| Other  | 40,425           | 48,049           |
|  | <b>932,984</b>   | <b>1,163,714</b> |

## 5. PROFIT/(LOSS) PER SHARE

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

|   | 30 June 2025     | 30 June 2024       |
|---|------------------|--------------------|
|   | \$               | \$                 |
| Profit/(Loss)   | (702,661)        | (3,617,753)        |
| Profit/(Loss) used to calculate basic and diluted EPS | <b>(702,661)</b> | <b>(3,617,753)</b> |

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

|  | Number      | Number      |
|--|-------------|-------------|
| Weighted average number of ordinary shares outstanding during the period number used in calculating: | 106,200,575 | 103,216,429 |
| Basic EPS (cents per share)  | (0.64)      | (3.51)      |
| Diluted EPS (cents per share)  | (0.64)      | (3.51)      |

As the Company is in a loss making position, the options and performance rights outstanding at 30 June 2025 have no dilutive effects on the earnings per share calculation for 2025.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

|   |                     |                     |
|---|---------------------|---------------------|
| <b>6. AUDITORS REMUNERATION</b>   | <b>30 June 2025</b> | <b>30 June 2024</b> |
| <i>Audit Services</i>   | \$                  | \$                  |
| Audit and review of the financial statements  |                     |                     |
| KPMG  | 500                 | 99,275              |
| Hall Chadwick Pty Ltd   | 56,000              | -                   |
|   | <u>56,500</u>       | <u>99,275</u>       |
| <i>Other Services</i>   |                     |                     |
| KPMG  |                     |                     |
| Grant and incentive Services  | 47,025              | 35,567              |
|   | <u>47,025</u>       | <u>35,567</u>       |
| <b>7. INCOME TAX EXPENSE / (BENEFIT)</b>  |                     |                     |
| (a) <b>Analysis of tax (credit) / charged in year</b>                               | <b>30 June 2025</b> | <b>30 June 2024</b> |
|   | \$                  | \$                  |
| <b>Current tax expense</b>  |                     |                     |
| Current Year  | -                   | -                   |
|   | <u>-</u>            | <u>-</u>            |
| <b>Deferred tax expense</b>   |                     |                     |
| Origination and reversal of temporary differences                                   | -                   | -                   |
|   | <u>-</u>            | <u>-</u>            |
| <b>Total tax expense / (benefit)</b>  | <u>-</u>            | <u>-</u>            |
| (b) <b>Numerical reconciliation between tax expense and pre-tax accounting loss</b> |                     |                     |
| Profit / (loss) for the year  | (702,661)           | (3,617,753)         |
| Income tax expense at the Australian tax rate of 30% (2024 30%)                     | (210,798)           | (1,085,326)         |
| Share based payments  | 38,230              | 344,734             |
| R and D Incentive   | (312,313)           | (102,107)           |
| Other non-deductible expenses   | -                   | 1,857               |
|   | <u>(484,881)</u>    | <u>(840,842)</u>    |
| Tax losses and temporary differences not brought to account                         | 484,881             | 840,842             |
| Income tax expense reported in the income statement                                 | -                   | -                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 7. INCOME TAX EXPENSE / (BENEFIT) (continued)

| (c) Deferred tax assets and liabilities not recognised                 | 30 June 2025     | 30 June 2024     |
|--|------------------|------------------|
| Deferred tax assets and liabilities are attributable to the following: | \$               | \$               |
| <b>Deferred Tax Liabilities</b>  |                  |                  |
| Exploration & Development Expenditure                                  | (2,632,368)      | (2,069,482)      |
| Prepayments  | (17,877)         | (19,482)         |
| Right-of-use asset   | -                | -                |
| Other  | -                | (155)            |
| <b>Deferred tax assets</b>   |                  |                  |
| Carry forward tax losses   | 5,027,148        | 4,623,701        |
| Business related costs   | 131,596          | 180,964          |
| Lease liability  | -                | -                |
| Other  | 48,480           | 73,795           |
| <b>Net deferred tax asset/(liability)</b>                              | <b>2,556,979</b> | <b>2,789,341</b> |
| Deferred tax asset not recognised                                      | (2,556,979)      | (2,789,341)      |
| Net deferred tax asset/(liability) recognised                          | -                | -                |

Deferred tax assets have not been recognised in respect of the following items:

|                          |           |           |
|--------------------------|-----------|-----------|
| Carry forward tax losses | 2,556,979 | 2,789,341 |
|--------------------------|-----------|-----------|

## 8. CASH AND CASH EQUIVALENTS

|                          | 30 June 2025     | 30 June 2024     |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Cash at bank and on hand | 2,366,293        | 4,590,815        |
|                          | <b>2,366,293</b> | <b>4,590,815</b> |

Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates. There is additional short-term investments of \$1,100,000 (2024 \$40,000) classified as other financial assets (refer note 11).

## 9. TRADE AND OTHER RECEIVABLES

|                     | 30 June 2025   | 30 June 2024   |
|---------------------|----------------|----------------|
|                     | \$             | \$             |
| Accounts Receivable | 58,069         | 30,698         |
| Interest Receivable | 11,176         | 31,494         |
| GST Receivable      | 15,860         | 159,398        |
| Prepayments         | 59,590         | 64,939         |
| Other               | -              | 9,833          |
|                     | <b>144,695</b> | <b>296,362</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 10. INVENTORIES

|        | 30 June 2025  | 30 June 2024  |
|--------|---------------|---------------|
|        | \$            | \$            |
| Stores | 30,229        | 20,866        |
|        | <b>30,229</b> | <b>20,866</b> |

## 11. OTHER FINANCIAL ASSETS

| Current                | 30 June 2025     | 30 June 2024   |
|------------------------|------------------|----------------|
|                        | \$               | \$             |
| Short term investments | 1,140,000        | 40,000         |
| Bank Guarantee         | 128,337          | 128,337        |
|                        | <b>1,268,337</b> | <b>168,337</b> |

Short term investments are term deposits that earn interest at fixed rates at various maturity terms. All term deposits have terms and conditions that allow termination within 30 days with immaterial penalties applied.

## 12. PLANT AND EQUIPMENT

|                               | 30 June 2025  | 30 June 2024   |
|-------------------------------|---------------|----------------|
| Plant and Equipment – At cost | 230,714       | 230,714        |
| Accumulated depreciation      | (150,361)     | (129,596)      |
|                               | <b>80,353</b> | <b>101,118</b> |

### (a) Movements in Carrying Value

|                                 | 30 June 2025  | 30 June 2024   |
|---------------------------------|---------------|----------------|
| Balance at beginning the period | 101,118       | 73,659         |
| Additions                       | -             | 56,047         |
| Disposals                       | -             | -              |
| Depreciation                    | (20,765)      | (28,588)       |
|                                 | <b>80,353</b> | <b>101,118</b> |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 13. RIGHT OF USE ASSETS

The Company entered into a rental lease for their office premises in June 2022. The term of the lease was 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 and rent per annum. Nico has signed a new short-term lease which commenced on 1 April 2025 which does not result in a right of use asset or lease liability being recorded on the balance sheet.

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 2025 | 30 June 2024 |
|----------------------------------|--------------|--------------|
| Balance at beginning the period  | -            | 152,636      |
| Right-of-use asset additions     | -            | -            |
| Adjustment to Right-of-use asset | -            | 689          |
| Accumulated depreciation         | -            | (153,325)    |
| Balance at the reporting date    | -            | -            |

### Lease Liabilities

|                                 | 30 June 2025 | 30 June 2024 |
|---------------------------------|--------------|--------------|
| Balance at beginning the period | -            | 158,415      |
| Lease Liabilities additions     | -            | -            |
| Accretion of interest           | -            | 7,960        |
| Adjustment to lease liabilities | -            | -            |
| Payments                        | -            | (166,375)    |
| Balance at the reporting date   | -            | -            |

### Lease Liabilities – current

### Lease Liabilities – non-current

### Depreciation Expense for rights-of-use assets

### Interest Expense on lease liabilities

### Total Expense recognised in profit and loss

|   |   |         |
|---|---|---------|
| Lease Liabilities – current                   | - | -       |
| Lease Liabilities – non-current               | - | -       |
| Depreciation Expense for rights-of-use assets | - | 153,325 |
| Interest Expense on lease liabilities         | - | 7,960   |
| Total Expense recognised in profit and loss   | - | 161,285 |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 14. EXPLORATION AND EVALUATION ASSETS

30 June 2025 30 June 2024

A reconciliation of the carrying amount or exploration and evaluation expenditure is set out below:

|   |                   |                   |
|---|-------------------|-------------------|
| Carrying amount at the beginning of the year  | 13,150,405        | 8,959,340         |
| Impairment                                    | -                 | -                 |
| Exploration expenditure capitalised           | 1,378,354         | 4,191,065         |
| <b>Carrying amount at the end of the year</b> | <b>14,528,759</b> | <b>13,150,405</b> |

## 15. TRADE AND OTHER PAYABLES

30 June 2025 30 June 2024

|                     |                |                |
|---------------------|----------------|----------------|
| Trade Creditors     | 97,375         | 325,981        |
| Accrued Expense     | 65,003         | 72,805         |
| Payroll Liabilities | 54,808         | 148,890        |
| Credit Card         | 5,126          | -              |
| Accumulate Loan     | 18,776         | -              |
|                     | <b>241,088</b> | <b>547,676</b> |

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

## 16. PROVISIONS

(a) Current 30 June 2025 30 June 2024

|              |                |                |
|--------------|----------------|----------------|
| Annual Leave | 103,896        | 164,820        |
|              | <b>103,896</b> | <b>164,820</b> |

## 17. 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%             |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 18. ISSUED CAPITAL

30 June 2025

### Ordinary shares

Issued and fully paid 123,450,575

### Movement in ordinary shares on issue

|  | No.                | \$                |
|--|--------------------|-------------------|
| Opening balance fully paid ordinary shares of at 1 July 2024 | 109,450,575        | 41,440,730        |
| Placement issue June 2025 at \$0.08 per share                | 13,750,000         | 1,100,000         |
| Conversion of Performance Rights April 2025                  | 250,000            | 90,000            |
| <b>At 30 June 2025</b>                                       | <b>123,450,575</b> | <b>42,630,730</b> |

### Less Capital raising costs

|                                    |   |             |
|------------------------------------|---|-------------|
| Opening Balance                    | - | (983,404)   |
| Capital raising costs current year | - | (66,500)    |
| Closing Balance                    | - | (1,049,904) |

### Closing balance at 30 June 2025

**123,450,575 41,580,826**

### Movement in ordinary shares on issue

### Ordinary shares

Issued and fully paid 109,450,575

### Movement in ordinary shares on issue

|  | No.                | \$                |
|--|--------------------|-------------------|
| Opening balance fully paid ordinary shares of at 1 July 2023 | 91,000,002         | 34,126,750        |
| Non-renounceable Rights issue Oct 2023 at \$0.40 per share   | 18,200,573         | 7,280,230         |
| Conversion of Performance Rights April 2024                  | 250,000            | 33,750            |
| <b>At 30 June 2024</b>                                       | <b>109,450,575</b> | <b>41,440,730</b> |

### Less Capital raising costs

- (983,404)

### Closing balance at 30 June 2024

**109,450,575 40,457,326**

## 19. RESERVES

Share Based Payments Reserve

30 June 2025 1,931,364 30 June 2024 2,781,051

### Total Reserves

**1,931,364 2,781,051**

### Share Based Payments Reserve

|   |           |           |
|---|-----------|-----------|
| Opening balance   | 2,781,051 | 1,665,686 |
| Options/Performance rights forfeited/lapsed                 | (961,147) | -         |
| Options/Performance rights vesting/expensed during the year | 201,460   | 1,149,115 |
| Options/Performance rights exercised                        | (90,000)  | (33,750)  |

### Total Reserves

**1,931,364 2,781,051**

The Share-Based Payments Reserve records the expenditure associated with the fair value of employee share options and performance rights over the vesting period for each issue. Share options and performance rights 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 or performance rights.

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 an Option Exercise Notice accompanied by the payment of the exercise price.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 20. SHARE BASED PAYMENTS

### OPTIONS AND PERFORMANCE RIGHTS ON ISSUE

#### Equity -settled share-based payments

On 25 August 2021 the group established a share option and performance right program to entitle key management personnel and employees to purchase and obtain shares in the Company. The Company also issues options as consideration to third parties. The key terms and conditions related to the grants under these programmes are as follows; all instruments are to be settled by the issue of shares.

| Grant Date/employees entitled                                 | Number of Instruments | Vesting Conditions                  | Contractual Life of Options |
|---|-----------------------|-------------------------------------|-----------------------------|
| <b>Options granted to key management personnel</b>            |                       |                                     |                             |
| On 24 March 2023  | 3,000,000             | 1 years' service from commencement  | 3 years                     |
| <b>Options granted to employees</b>                           |                       |                                     |                             |
| On 6 October 2022   | 300,000               | 6 months' service                   | 3 years                     |
| On 6 October 2022   | 300,000               | 1 years' service from commencement  | 3 years                     |
| On 6 October 2022   | 300,000               | 2 years' service from commencement  | 3 years                     |
| On 10 July 2023   | 158,333               | None                                | 3 years                     |
| On 10 July 2023   | 158,333               | 1 years' service from commencement  | 3 years                     |
| On 10 July 2023   | 158,334               | 2 years' service from commencement  | 3 years                     |
| <b>Options granted to other parties</b>                       |                       |                                     |                             |
| On 6 October 2022   | 250,000               | None                                | 3 years                     |
| On 17 November 2022   | 150,000               | None                                | 3 years                     |
| On 5 February 2023  | 150,000               | 6 months' service from commencement | 3 years                     |
| On 5 February 2023  | 150,000               | 1 years' service from commencement  | 3 years                     |
| On 10 July 2023   | 25,000                | None                                | 3 years                     |
| On 10 July 2023   | 25,000                | 1 years' service from commencement  | 3 years                     |
| On 13 June 2025   | 1,000,000             | None                                | 3 Years                     |
| <b>Total Share Options</b>                                    | <b>6,125,000</b>      |                                     |                             |
| <b>Performance rights granted to key management personnel</b> |                       |                                     |                             |
| On 30 June 2023   | 250,000               | 2 years' service from commencement  | 4 years                     |
| On 30 June 2023   | 834,000               | Share price meets a 5 day VWAP of   | 5 years                     |
| On 30 June 2023   | 833,000               | Share price meets a 5 day VWAP of   | 5 years                     |
| On 30 June 2023   | 833,000               | Share price meets a 5 day VWAP of   | 5 years                     |
| On 4 April 2025   | (250,000)             | Conversion of Performance rights*   | -                           |
| <b>Total Performance Rights</b>                               | <b>2,500,000</b>      |                                     |                             |

\*Service condition met and Performance rights were converted to ordinary shares on 4 April 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 20. SHARE BASED PAYMENTS (continued)

### Valuation Assumptions

The following valuation assumptions were used.

For the 1,000,000 options issued during the financial year, the valuation was performed internally using the Black-Scholes option valuation model.

See below table for valuation details.

| Date<br>Granted             | Number<br>Of<br>Options | Exercise<br>Price | Expiry<br>Date | Risk<br>Free<br>Interest<br>Rate | Volatility | Underlying<br>Share<br>Price | Fair<br>Value<br>Per<br>Options |
|-----------------------------|-------------------------|-------------------|----------------|----------------------------------|------------|------------------------------|---------------------------------|
| <b>OPTIONS</b>              |                         |                   |                |                                  |            |                              |                                 |
| 13 June 2025 <sup>(i)</sup> | 1,000,000               | \$0.12            | 12 June 2028   | 4.08%                            | 100%       | \$0.100                      | \$0.060                         |

(i) The grant doesn't include any service conditions so vests immediately.

The options granted in the current year have a total value of \$60,000. This valuation has been expensed this year.

A further \$95,801 was expensed in the current year for options and performance rights granted in prior years. The total amount expensed in the current year was \$127,436 through the Statement of Profit or Loss and Other Comprehensive

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 20. SHARE BASED PAYMENTS (continued)

| OPTIONS  | 30 June 2025<br>No. | 30 June 2025<br>Weighted<br>average exercise<br>price \$ |
|--|---------------------|--|
| Opening Balance                                    | 43,100,000          | 0.304  |
| Issued/Granted during the period                   | 1,000,000           | 0.196  |
| Exercised during the period                        | -                   | -  |
| Forfeited during the period                        | (175,000)           | -  |
| Lapsed during the period                           | (37,800,000)        | -  |
| <b>Total Issued outstanding as at 30 June 2025</b> | <b>6,125,000</b>    | <b>0.666</b>   |
| <b>Total vested and exercisable</b>                | <b>6,075,000</b>    | <b>0.574</b>   |

### PERFORMANCE RIGHTS

|  |                  |          |
|--|------------------|----------|
| Opening Balance                                    | 2,750,000        | -        |
| Vested and converted to ordinary shares            | (250,000)        | -        |
| <b>Total Issued outstanding as at 30 June 2025</b> | <b>2,500,000</b> | <b>-</b> |

| OPTIONS  | 30 June 2024<br>No. | 30 June 2024<br>Weighted<br>average exercise<br>price \$ |
|--|---------------------|--|
| Opening Balance                                    | 42,850,000          | 0.314  |
| Issued/Granted during the period                   | 550,000             | 0.273  |
| Exercised during the period                        | -                   | -  |
| Forfeited during the period                        | (300,000)           | (0.288)  |
| Lapsed during the period                           | -                   | -  |
| <b>Total Issued outstanding as at 30 June 2024</b> | <b>43,100,000</b>   | <b>0.310</b>   |
| <b>Total vested and exercisable</b>                | <b>42,283,333</b>   | <b>0.304</b>   |

### PERFORMANCE RIGHTS

|  |                  |          |
|--|------------------|----------|
| Opening Balance                                    | 3,000,000        | -        |
| Issued/Granted during the period                   | (250,000)        | -        |
| <b>Total Issued outstanding as at 30 June 2024</b> | <b>2,750,000</b> | <b>-</b> |

### Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2025 is 0.538 years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 21 EXPENDITURE COMMITMENTS

|   | 30 June 2025   | 30 June 2024   |
|---|----------------|----------------|
| Planned expenditure commitments contracted for: |                |                |
| Exploration Permits*                            | 475,722        | 647,455        |
| Office lease**                                  | 44,555         | 133,666        |
|   | <b>520,277</b> | <b>781,121</b> |
| Payable:  |                |                |
| - not later than 12 months                      | 289,555        | 448,666        |
| - between 12 months and 5 years                 | 230,722        | 332,455        |
| - more than 5 years                             | -              | -              |
|   | <b>520,277</b> | <b>781,121</b> |

\*The Company has commercial leases over the tenements in which the mining operations are located. To maintain current rights to explore and mine the tenements, the Company is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing authority.

\*\*The Company signed a commercial office lease for 6 months on 26 May 2025 commencing on 1 April 2025.

## 22. 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 17.

#### (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 2025   | 30 June 2024     |
|------------------------------|----------------|------------------|
| Short-term employee benefits | 550,000        | 552,500          |
| Post-employment benefits     | 53,000         | 49,500           |
| Non-cash benefits            | 13,997         | 34,197           |
| Short Term Incentives        | -              | -                |
| Share-based payments         | 126,531        | 900,328          |
|                              | <b>743,528</b> | <b>1,536,525</b> |

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

## 23. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2025.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 24. 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 2025     | 30 June 2024     |
|-------------------------------|------------------|------------------|
| <b>Financial Assets</b>       |                  |                  |
| Cash and cash equivalents     | 2,366,293        | 4,590,815        |
| Trade and other receivables   | 144,695          | 296,362          |
| Other financial assets        | 1,268,337        | 40,000           |
| <b>Total financial assets</b> | <b>3,779,325</b> | <b>4,927,177</b> |
| <b>Financial Liabilities</b>  |                  |                  |
| Trade and other payables      | 241,088          | 547,676          |
|                               | <b>241,088</b>   | <b>547,676</b>   |

#### i Liquidity risk

Liquidity risk refers to the risk that the Group will have insufficient funds to meet its operational requirements. 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 Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Group's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration and development activities over the next 12 months.

|                              | 1 year           | 1-2 years | 2-5 years | Over 5 years | Total contractual cash flows | Carrying amount assets/(liabilities) |
|------------------------------|------------------|-----------|-----------|--------------|------------------------------|--------------------------------------|
| <b>As at 30 June 2025</b>    |                  |           |           |              |                              |                                      |
| <b>Financial Liabilities</b> |                  |           |           |              |                              |                                      |
| Trade and other payables     | (241,088)        | -         | -         | -            | (241,088)                    | (241,088)                            |
| <b>Total</b>                 | <b>(241,088)</b> | <b>-</b>  | <b>-</b>  | <b>-</b>     | <b>(241,088)</b>             | <b>(241,088)</b>                     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

|                              | 1 Year           | 1-2 years | 2-5 years | Over 5 years | Total contractual cash flows | Carrying amount (assets)/liabilities |
|------------------------------|------------------|-----------|-----------|--------------|------------------------------|--------------------------------------|
| <b>As at 30 June 2024</b>    |                  |           |           |              |                              |                                      |
| <i>Financial Liabilities</i> |                  |           |           |              |                              |                                      |
| Trade and other payables     | (547,676)        | -         | -         | -            | (547,676)                    | (547,676)                            |
| Lease Liabilities            | -                | -         | -         | -            | -                            | -                                    |
| <b>Total</b>                 | <b>(547,676)</b> | <b>-</b>  | <b>-</b>  | <b>-</b>     | <b>(547,676)</b>             | <b>(547,676)</b>                     |

### ii 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 and term deposits. The Group manages the risk by investing in short term deposits.

|                                      | 30 June 2025 | 30 June 2024 |
|--------------------------------------|--------------|--------------|
|                                      | \$           | \$           |
| Cash at bank and in hand -see note 8 | 2,366,293    | 4,590,815    |

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Judgement of reasonable possible movements

|                        | Effect on Post Tax Losses |              |
|------------------------|---------------------------|--------------|
|                        | 30 June 2025              | 30 June 2024 |
|                        | \$                        | \$           |
| Increase 1 basis point | 2,366                     | 4,591        |
| Decrease 1 basis point | (2,366)                   | (4,591)      |

A sensitivity of 1 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

### iii Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 25. 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.

## 26. CASHFLOW INFORMATION

|   | 30 June 2025     | 30 June 2024       |
|---|------------------|--------------------|
| Reconciliation from the net profit/loss after tax to the net cash flows from operations |                  |                    |
| Net profit/(loss) for the period  | (702,661)        | (3,617,753)        |
| <i>Non-cash</i>   |                  |                    |
| Share based payment expense   | 127,436          | 1,149,115          |
| Depreciation  | 20,765           | 181,913            |
| <i>Changes in assets and liabilities:</i>   |                  |                    |
| Trade and other receivables   | 141,835          | (99,386)           |
| Inventories   | (9,363)          | 27,354             |
| Provisions  | (60,923)         | 93,456             |
| Trade and other payables  | (91,023)         | (60,965)           |
| <i>Net cash from/(used in) operating activities</i>                                     | <b>(573,934)</b> | <b>(2,326,266)</b> |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

## 27. 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.

30 June 2025 30 June 2024

### Consolidated Statement of Financial Position

#### Assets

|                    |           |           |
|--------------------|-----------|-----------|
| Current assets     | 3,663,868 | 4,898,514 |
| Non-current assets | 5,231,107 | 7,552,074 |

#### **Total Assets**

**8,894,975 12,450,588**

#### Liabilities

|                         |         |         |
|-------------------------|---------|---------|
| Current liabilities     | 297,803 | 528,069 |
| Non-current liabilities | -       | -       |

#### **Total Liabilities**

**297,803 528,069**

#### **Net Assets**

**8,597,172 11,922,519**

#### Equity

|                              |              |              |
|------------------------------|--------------|--------------|
| Issued capital               | 24,904,078   | 23,780,577   |
| Accumulated losses           | (18,308,497) | (17,024,046) |
| Share Based Payments Reserve | 2,001,586    | 5,165,988    |

#### **Total Equity**

**8,597,172 11,922,519**

### Consolidated Income Statement

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| Total loss for the year  | (2,171,570)        | (7,642,931)        |
| Total comprehensive loss | <b>(2,171,570)</b> | <b>(7,642,931)</b> |

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# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2025

| Entity Name                             | Body Corporate, Partnership or Trust | Trustee, or participant in Joint Venture | Place incorporated/ formed | Percentage owned | Australian or Foreign tax resident | Jurisdiction for Foreign tax resident |
|---|--------------------------------------|--|----------------------------|------------------|------------------------------------|---------------------------------------|
| Nico Resources Limited (Parent Company) | Body Corporate                       | n/a                                      | Australia                  | -                | Australian                         | n/a                                   |
| Metals Exploration Pty Ltd              | Body Corporate                       | n/a                                      | Australia                  | 100%             | Australian                         | n/a                                   |
| Metex Nickel Pty Ltd                    | Body Corporate                       | n/a                                      | Australia                  | 100%             | Australian                         | n/a                                   |
| Austral Nickel Pty Ltd                  | Body Corporate                       | n/a                                      | Australia                  | 100%             | Australian                         | n/a                                   |
| Hinkley Range Pty Ltd                   | Body Corporate                       | n/a                                      | Australia                  | 100%             | Australian                         | n/a                                   |

## Key Assumptions and Judgements

### Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment, as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.



# 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 consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2025 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) The consolidated entity disclosure statement as at 30 June 2025, set out on page 57, is true and correct.
- (c) There are reasonable grounds to believe that the Group's 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:



**Jonathan Shellabear**  
**Managing Director and CEO**

Dated this 24 day of September 2025

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## 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 subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2025, 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, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity 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 2025 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 Consolidated Entity 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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.

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| Key Audit Matter   | How our audit addressed the Key Audit Matter   |
|--|--|
| <p><b>Exploration and Evaluation Expenditure</b></p> <p>As disclosed in note 14 to the financial statements, as at 30 June 2025 the Consolidated Entity's exploration and evaluation expenditure balance was \$14,528,759.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Consolidated Entity's financial position.</li> <li>• The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. 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.</li> </ul> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• 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 the exploration programmes planned for those tenements.</li> <li>• For each area of interest, we assessed the Consolidated Entity's rights to tenure on a sample basis by corroborating to government registries and evaluating agreements in place with other parties as applicable;</li> <li>• 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;</li> <li>• 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.</li> <li>• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> <li>○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> <li>○ substantive expenditure for further exploration in the specific area is neither budgeted or planned</li> <li>○ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially</li> </ul> </li> </ul> |

| Key Audit Matter | How our audit addressed the Key Audit Matter  |
|------------------|---|
|                  | <p>viable quantities of resources; and</p> <ul style="list-style-type: none"> <li>o 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.</li> </ul> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the related disclosures in note 14 to the financial statements.</li> </ul> |

## 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 2025, 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, with the exception of the remuneration report and our related assurance opinion.

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 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, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.



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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 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 2025.

In our opinion, the Remuneration Report of Company, for the year ended 30 June 2025, 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.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL FCA**  
**Director**

Dated this 24<sup>th</sup> day of September 2025  
Perth, Western Australia

# ASX ADDITIONAL INFORMATION

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 15 September 2025.

## 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        | 282     | 147,928     | 0.12%                  |
| above 1,000 up to and including 5,000    | 770     | 1,799,602   | 1.46%                  |
| above 5,000 up to and including 10,000   | 289     | 2,224,131   | 1.80%                  |
| above 10,000 up to and including 100,000 | 462     | 15,650,294  | 12.68%                 |
| above 100,000                            | 152     | 103,628,620 | 83.94%                 |
| Totals                                   | 1,955   | 123,450,575 | 100.00%                |

## Unmarketable Parcel of Ordinary Shares

|  | Minimum Parcel Size | Holders | Units     |
|--|---------------------|---------|-----------|
| Minimum 500 parcel at \$0.092 per unit | 4,546               | 1,117   | 2,046,768 |

# ASX ADDITIONAL INFORMATION

## Top 20 Largest Shareholders

| Position | Name  | Units      | % Units |
|----------|---|------------|---------|
| 1        | PETER COOK  | 14,181,095 | 11.49   |
| 2        | METALS X LIMITED                                      | 9,240,000  | 7.48    |
| 3        | NORFOLK ENCHANTS PTY LTD <TROJAN RETIREMENT FUND A/C> | 6,700,000  | 5.43    |
| 4        | RODERICK CORPS  | 6,200,000  | 5.02    |
| 5        | FARJOY PTY LTD  | 5,294,165  | 4.29    |
| 6        | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED             | 3,058,178  | 2.48    |
| 7        | GOEN PTY LTD <JEFF A/C>                               | 3,050,000  | 2.47    |
| 8        | JONATHAN SHELLABEAR                                   | 3,000,000  | 2.43    |
| 9        | WARREN HALLAM   | 2,026,424  | 1.64    |
| 10       | CITICORP NOMINEES PTY LIMITED                         | 1,991,742  | 1.61    |
| 11       | ONMELL PTY LTD <ONM BPFAM A/C>                        | 1,533,876  | 1.24    |
| 11       | VIDOG CAPITAL PTY LTD                                 | 1,500,000  | 1.22    |
| 13       | MS RACHEL LEANNE MARQUES <HILL VALLEY A/C>            | 1,444,388  | 1.17    |
| 14       | MR BRENT RODERICK POTTS                               | 1,350,000  | 1.09    |
| 15       | MR JASON RICH   | 1,300,000  | 1.05    |
| 16       | MB INVESTMENT CAPITAL PTY LTD                         | 1,250,000  | 1.01    |
| 17       | TIERRA DE SUENOS SA                                   | 1,246,697  | 1.01    |
| 18       | JINCHUAN GROUP LTD                                    | 1,212,541  | 0.98    |
| 19       | WIDERANGE CORPORATION PTY LTD                         | 1,161,000  | 0.94    |
| 20       | MIRPIN PTY LTD <DES AMIS SUPER FUND A/C>              | 1,000,000  | 0.81    |

**Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)** **67,740,106** **54.68**

**Total Remaining Holders Balance** **55,710,469** **45.32**

### 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 15 September 2025

Total Performance rights on issue 2,500,000

Total options on issue 6,125,000

## ASX ADDITIONAL INFORMATION

## 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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