



# Prospectus

## **Nimy Resources Limited ACN 155 855 986**

Prospectus for an offer of a minimum of 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 (**Minimum Subscription**) and a maximum of 37,500,000 Shares at an issue price of A\$0.20 each to raise up to A\$7,500,000 (**Maximum Subscription**) (**Offer**).

**Lead Manager:** Raven Corporate Management Pty Ltd ABN 15 635 827 191

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your sharebroker, solicitor, professional adviser, banker or accountant without delay.

This Prospectus is issued pursuant to section 710 of the *Corporations Act 2001* (Cth).

The securities offered by this Prospectus are considered to be speculative.

## Offer

The offer (the **Offer**) contained in this prospectus (this **Prospectus**) is an offer for a Minimum Subscription of 30,000,000 Shares and a Maximum Subscription of up to 37,500,000 Shares in Nimy Resources Limited ACN 155 855 986 (**Nimy**, the **Company**, **we** or **us**). This Prospectus is issued by the Company for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**).

## Lodgement and listing

This Prospectus is dated 6 October 2021 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX (the **Official List**) within seven days after the date of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Shares, the Offer or the Company.

ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates.

## Expiry Date

No Shares will be allotted or issued on the basis of this Prospectus after 4 November 2022, which is 13 months from the date of this Prospectus.

## Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a speculative investment. Some of the risks that you should consider are set out in Section 4 (Risk Factors). You should carefully consider these risks in light of your personal

circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

## No offer where Offer would be illegal

This Prospectus does not constitute a public offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia and New Zealand, and therefore any person who resides outside Australia or New Zealand, and who receives this Prospectus outside Australia or New Zealand, should seek advice on, and observe, any such restrictions. Any person who has a registered address in any country outside of Australia and New Zealand, and who receives this Prospectus may only apply for Shares if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.



This document does not constitute an offer of new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### **Financial information and amounts**

All financial amounts contained in this Prospectus are expressed in Australian Dollars (**Australian Dollars** or **A\$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 5.2.

### **Disclaimer**

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this

Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company’s business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company’s business, operations, financial performance and condition, as well as the Company’s plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as “aim”, “anticipate”, “assume”, “believe”, “could”, “due”, “estimate”, “expect”, “goal”, “intend”, “may”, “objective”, “plan”, “predict”, “potential”, “positioned”, “should”, “target”, “will”, “would” and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company’s business and the industry in which the Company operates and Management’s beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control. As a result, any or all of the Company’s forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in Section 4 (Risk Factors) of this Prospectus.

You are urged to consider the risk factors carefully for evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

### **Exposure Period**

The Corporations Act prohibits the Company from processing applications to subscribe for Shares under the Offer (**Application**) during the seven day period after the date of lodgement of this Prospectus (the **Exposure Period**). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

### **Electronic Prospectus**

This Prospectus, with an accompanying Application Form, may be viewed online at the Company Website, [www.nimy.com.au](http://www.nimy.com.au). The Offers constituted by this Prospectus in electronic form are only available to Australian and New Zealand residents accessing an electronic version of this Prospectus in Australia or New Zealand. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

### **Privacy**

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

Collection of your personal information – We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

Disclosure of your personal information – We may disclose your personal information to third parties, such as our Share Registry, the Lead Manager, the Financial Advisor, auditors, Management, legal and other professional advisors, service providers, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

Our Shareholder privacy policy (the **Shareholder Privacy Policy**), which may be found on the Company Website, sets out our approach to the management of personal information. Subject to the Privacy Act 1998 (Cth), you can have access to and seek correction of your personal and sensitive information. The Shareholder Privacy Policy contains information about how you can do this. The Shareholder Privacy Policy also contains information about how you can make a complaint about a breach of privacy.

### **Company Website**

Any documents included on the Company Website (and any reference to them) are provided for convenience only and none of the documents or other information on the Company Website are incorporated by reference into this Prospectus. Any references to documents included on the Company Website are provided for convenience only, and none of the documents or other information on the website are incorporated in this Prospectus by reference unless specified in this Prospectus.



### **Definitions and abbreviations**

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in Section 10 (Glossary).

### **References to time**

All references to time in this Prospectus refer to the time in Perth, Australia (AWST), unless stated otherwise.

### **Photographs and diagrams**

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

### **Competent Person Statement**

The information in this document that relates to Exploration Results is based on information compiled by Ms Justine Tracey (Principal) under the direction of Mr Ian Glacken (Geology Director), who is acting as Competent Person, and who is a member of the AusIMM. Mr Glacken is a director of Optiro Pty Ltd, a geological consultancy with expertise in mineral exploration and management. Mr Glacken is a geologist with more than 5 years of experience in the mining industry. Mr Glacken has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person under the 2012 JORC Code. Mr Glacken consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears, and to the inclusion of the Independent Geologist Report in this Prospectus.

References are made throughout this Prospectus to historical exploration programs and their results. Certain results have not been previously reported in accordance with the JORC code. These results should therefore be interpreted with a degree of caution; however, Mr Glacken considers the results adequate for the purpose of indicating geological prospectivity.





# Table of Contents

Key Offer Information . . . . .	8
Letter from the Chairperson . . . . .	10
1. Investment Overview . . . . .	12
2. Details of the Offer . . . . .	26
3. Company Overview . . . . .	36
4. Investment risks. . . . .	48
5. Financial Information . . . . .	56
6. Directors and Management . . . . .	72
7. Corporate governance . . . . .	80
8. Summary of material contracts . . . . .	86
9. Additional information. . . . .	90
10. Glossary of defined terms . . . . .	98
Corporate Directory . . . . .	101
Schedule 1 - Independent Geologist Report . . . . .	102
Schedule 2 - Independent Solicitor's Report on Tenements. . . . .	154
Schedule 3 - Investigating Accountant's Report . . . . .	182
Schedule 4 - ASX corporate governance - Compliance with Recommendations . . . . .	185
Application Form . . . . .	198

# Key Offer Information

## Key Offer Dates

Lodgement of Prospectus with ASIC	6 October 2021
Exposure Period ends (unless extended)	13 October 2021
Opening Date of the Offer	14 October 2021
Closing Date of the Offer	10 November 2021
Allotment Date of Shares	17 November 2021
Expected date for dispatch of holding statements	17 November 2021
Expected commencement of trading on ASX	22 November 2021

Note: This timetable is indicative only. Unless otherwise indicated, all times given are AWST. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

## Key Offer Statistics

Company	Nimy Resources Limited ACN 155 855 986
Proposed ASX Ticker Code	NIM
Offer Price per Share	A\$0.20

	Minimum Subscription	Maximum Subscription
Offer Price per Share	A\$0.20	A\$0.20
Shares available under the Offer	30,000,000	37,500,000
Gross Proceeds from the Offer	A\$6,000,000, before Costs of the Offer <sup>1</sup>	A\$7,500,000, before Costs of the Offer <sup>1</sup>
Shares on issue prior to the Offer	81,200,840	81,200,840
Shares to issue to Lead Manager	825,000	1,125,000
Total number of Shares on issue following the Offer (on an undiluted basis)	112,025,840 <sup>2</sup>	119,825,840 <sup>2</sup>
Indicative market capitalisation of the Company at the Offer Price on completion of the Offer (on an undiluted basis)	A\$22,405,168 <sup>3</sup>	A\$23,965,168 <sup>3</sup>
Options on issue at completion of the offer	12,450,000	12,450,000

### Notes:

1. Costs of the Offer of A\$ 676,700 based on a Minimum Subscription and A\$ 766,700 based on a Maximum Subscription are described in Section 9.5.
2. Assumes that no Shares are issued from the exercise of Options.
3. Based on the Offer Price and total number of Shares on issue after the Offer (assuming that no Options are exercised).



## Proposed Use of Funds

Pursuant to the Offer, the Company will raise between A\$6,000,000 and A\$7,500,000. The funds raised under the Offer are expected to be allocated as follows:

Use of Funds	Minimum Subscription		Maximum Subscription	
	A\$	%	A\$	%
Geochem and geophysical	\$489,000	7.74	\$489,000	6.25
Drilling and assay costs	\$1,937,145	30.66	\$2,632,762	33.68
Technical expert and studies	\$439,008	6.95	\$651,241	8.33
Tenement and site access costs	\$515,573	8.16	\$515,573	6.59
<b>Total Exploration Costs</b>	<b>\$3,380,726</b>	<b>53.51</b>	<b>\$4,288,576</b>	<b>54.85</b>
Working capital	\$1,587,050	25.12	\$1,873,000	23.96
Costs of the Offer*	\$676,700	10.71	\$766,700	9.81
Administration costs	\$673,400	10.66	\$889,600	11.38
<b>Total uses of funds**</b>	<b>A\$6,317,876</b>	<b>100%</b>	<b>A\$7,817,876</b>	<b>100%</b>

\* Does not include equity component to be issued to the Lead Manager (refer Section 8.1)

\*\*Inclusive of the Company's existing available cash reserves.

Note: The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

## How to Invest

Application for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 2.8 and on the Application Form.

# Letter from the Chairperson



## Dear Investor,

**Thank you for downloading or requesting the Prospectus for Nimy Resources Limited, detailing what I believe is a compelling and unique opportunity to secure exposure to more than 1,761sqkm of highly prospective nickel tenure. Exploration success in a tenement package of this scale will provide a highly leveraged entry into a potential new nickel province.**

We hope you consider subscribing for shares through this Prospectus as part of the Company's Initial Public Offering and welcome you as a shareholder if you do.

This Prospectus is issued for the purpose of supporting an application to list on ASX. Listing will be a significant milestone for fellow Director Mr. Luke Hampson, who deserves credit for compiling the tenement package and advancing it over the last 6 years. The name of the Company, Nimy, together with our flagship Project, Mons, carry some significant family history for Luke.

Luke and I have been joined on the Board by Mr. Christian Price, a young man with drive, energy and the right background as a Mining Engineer to help establish the Project potential and move it forward. Rounding the management team out is our Project geologist, Mr Stuart Peterson. We are fortunate to have his geological and nickel experience in the Company.

The Company, via its wholly owned subsidiary Nimy Pty Ltd, holds a 100% interest in the Mons Nickel Project, which sits in the western portion of the Yilgarn Craton in the heart of Western Australia. The Yilgarn Craton is in a tier-one mining jurisdiction, hosting substantial nickel, gold and other resources. The Mons Nickel Project tenements are located 140km north of Southern Cross and north-west of the internationally famous Kambalda nickel district.

Within that larger setting the Mons Nickel Project is situated at the northern end of the Forrestania nickel belt, which hosts a world-scale nickel endowment at the southern end with numerous other high-grade nickel deposits extending to the north.

The Mons Nickel Project area has been exposed to minimal nickel exploration and it is hoped that the application of more modern exploration techniques will start to expose the potential of the region.

At the same time Mons Nickel Project is far from a greenfields exploration project. Nimy has compiled a large database including aerial geophysical surveys, soil and rock chip samples, detailed ground magnetics and early-stage drilling results from previous exploration. This work was conducted as part of gold exploration programs, including by Western Mining Corporation who first identified the Mons Project as a potential komatiite.

The potential of the Mons Nickel Project has been further confirmed by Nimy's maiden drill campaign in October 2020, where a total of 20 RC holes were drilled to approximately 200m depth. 16 holes in that program intersected substantive widths of nickel mineralisation with mineralisation in many instances ongoing at end of hole. Mineralisation is consistent with komatiite mineralisation and proved the region fertile for nickel sulphide mineralisation.

These results show that the region shares key geological characteristics with Kambalda and has the potential to be a significant nickel sulphide district.

A full explanation of the Nimy geology is contained in Section 3 and Schedule 1 of this Prospectus. I encourage you to read it.

Under this Prospectus, the Company aims to raise a minimum of \$6,000,000 and up to \$7,500,000 (before costs) by the issue of a minimum of 30,000,000 Shares and a maximum of 37,500,000 Shares at \$0.20 per Share. These proceeds will ensure the Company is fully-funded to pursue its exploration strategy, including initial and extensive geophysical surveys to help generate and refine targets ahead of drilling.

Raven Corporate Management (**Raven Corporate**) is the Lead Manager to the Offer (see Section 2.20 for further details).

Nimy is:

- led by an experienced and talented team with extensive corporate and technical skills. The combination of our highly prospective project and skilled team means investors can be extremely confident that the funds raised through the IPO will be used to maximum effect in the drive to create Shareholder value; and
- ideally placed to create substantial value for Shareholders by exploring what is a highly promising nickel land holding in a tier-one location. This will in turn enable the Company to capitalise on the strong supply/demand fundamentals which are emerging in the global nickel market.

On behalf of the Board, I encourage you to read this Prospectus in full, including the risks outlined in Section 4, and again invite you to become a Shareholder of Nimy Resources.

**Yours faithfully,**

**Simon Lill**

Chairperson

Nimy Resources Limited



# 1 | Investment Overview





The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

Topic	Summary	For More Information
<b>1.1. Background</b>		
What is Nimy?	Nimy Resources Limited ( <b>Nimy, or the Company</b> ) was incorporated as an Australian proprietary limited company on 22 February 2012 as Cloonmore Group Pty Ltd. The Company was subsequently renamed Nimy Resources Limited and became a public company limited by shares on 24 September 2021.	Section 3.1
What is the nature of Nimy's interests in its project?	Nimy has a 100% interest in the Mons Nickel Project via its wholly owned subsidiary, Nimy Pty Ltd, the holder of the Tenements.	Section 3.2
Why is the Offer being conducted?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> <li>a) raise a minimum of A\$6,000,000 and up to a maximum of A\$7,500,000 (<b>Proceeds</b>) to fund:               <ul style="list-style-type: none"> <li>1) the Company's expenditure commitments and operating costs in relation to exploration costs on the projects;</li> <li>2) general working capital requirements;</li> <li>3) corporate overhead and administrative costs; and</li> <li>4) the costs of the Offer.</li> </ul> </li> <li>b) provide a liquid market for the Company's Shares;</li> <li>c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX;</li> <li>d) provide the Company with the benefits of an increased profile that arises from being listed; and</li> <li>e) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.</li> </ul>	Section 2.4
<b>1.2. Key Features of Nimy's Business Model</b>		
What is the Company's vision and strategy?	<p><b>Our Vision</b></p> <ul style="list-style-type: none"> <li>a) The Company's vision is to define an economic project transitioning into a mineral producer delivering downstream value.</li> </ul> <p><b>Our Strategy</b></p> <ul style="list-style-type: none"> <li>a) systematically explore and develop new prospects at the Mons Nickel Project;</li> <li>b) use of best practice exploration techniques;</li> <li>c) define further drilling targets on the company's projects through systematic exploration and mining programs and interpretation of previous results;</li> <li>d) advance the Mons Nickel Project to the development stage while also exploring and advancing new prospects at the Mons Nickel Project; and advance discoveries to the development stage while also exploring and advancing a pipeline of other projects; and</li> <li>e) undertake regular communication with investors and the ASX.</li> </ul>	Section 3

Topic	Summary	For More Information
What is the nature of the Company's business?	<p>The Company is a speculative mineral exploration company. Upon completion of the IPO and admission of the Company to the Official List, the Company will be a publicly listed junior explorer and will aim to develop nickel projects to define an economic project and become a mineral producer and downstream value adder.</p> <p>Once defined, the Company's resource targets will progress through an exploration targeting model and project pipeline that applies historical data with best-practice exploration and discovery methods. A full suite of geological, geochemical, petrographic and geophysical exploration methods will be applied at each stage of the exploration program.</p>	Section 3.1
What is the Company's growth strategy?	<p>Following completion of the Offer, the Company's proposed business model will be to continue the exploration and development of the Mons Nickel Project.</p> <p>The Company intends to drive growth by seeking to commercialise its Mons Nickel Project.</p> <p>More specifically, the Company's growth strategy and objectives are as follows:</p> <ul style="list-style-type: none"> <li>a) advance the Mons Nickel Project using best practice exploration techniques;</li> <li>b) identify opportunities for strategic partnerships with mid-tier and major mining companies;</li> <li>c) realising the value of the Mons Nickel Project by development, or joint venturing and/or partial/full sale;</li> <li>d) develop nickel prospects via systematic exploration across the Karroun Greenstone Belt;</li> <li>e) systematically explore existing and develop new prospects at the Mons Nickel Project; and</li> <li>f) evaluation of the gold potential within the Mons Nickel Project.</li> </ul>	Section 3.5
How will the Company finance its start-up and ongoing operations?	<p>The Company:</p> <ul style="list-style-type: none"> <li>a) believes that the net Proceeds of the Offer, together with current cash reserves, will be sufficient to fund the Company's operational requirements, and position Nimy to achieve its short-term growth strategy and business objectives; and</li> <li>b) will consider the use of further funding initiatives where appropriate to further accelerate growth or fund a specific project, transaction or expansion.</li> </ul>	Sections 3 and 5.
How does the Company generate revenue and what are its key expenses?	<p>As at the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Mons Nickel Project (or one of its other future projects, if any) is successfully developed. The Company is unable to guarantee or forecast successful receipt of any revenue.</p>	Section 2.22



Topic	Summary	For More Information								
What are the material contracts that will affect the Company's operations?	<p>The contracts entered into by Nimy which are material to its operations are as follows:</p> <ul style="list-style-type: none"> <li>• Lead Manager Agreement;</li> <li>• Letter of Appointment with Mr Simon Lill (non-executive Chairperson);</li> <li>• Corporate Services Agreement for the appointment of Mr John Palermo (Chief Financial Officer and Company Secretary);</li> <li>• Executive Service Agreement with Mr Luke Hampson (executive Director);</li> <li>• Executive Service Agreement with Mr Christian Price (Managing Director);</li> <li>• Deeds of Access, Indemnity and Insurance for all Directors and the Company Secretary;</li> <li>• Service Agreement with Cloonmore Pty Ltd; and</li> <li>• Sublease Agreement with Cloonmore Pty Ltd.</li> </ul>	Section 8								
What is the competition facing the business?	The Company will be involved in a global industry and will be subject to domestic and global competition in the nickel market.	Section 4.2(t)								
<b>1.3. Financial Information</b>										
What is the historical financial performance and pro-forma financial position of the Company?	<p>The statutory audited historical statements of profit or loss and statements of cash flows of the Company for the three years ended 30 June 2021 are set out in the Financial Information section at Section 5.</p> <p>The pro forma statement of financial position of the Company as at 30 June 2021 is set out in Section 5.5.</p> <p>On a pro forma basis at the Minimum Subscription, following the Offer, Nimy's financial position is:</p> <table border="1" data-bbox="502 1447 1046 1628"> <thead> <tr> <th data-bbox="502 1447 775 1491">As at 30 June 2021</th> <th data-bbox="775 1447 1046 1491">(AU\$'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 1491 775 1536">Total assets</td> <td data-bbox="775 1491 1046 1536">6,137</td> </tr> <tr> <td data-bbox="502 1536 775 1581">Total liabilities</td> <td data-bbox="775 1536 1046 1581">57</td> </tr> <tr> <td data-bbox="502 1581 775 1628">Net assets</td> <td data-bbox="775 1581 1046 1628">6,080</td> </tr> </tbody> </table>	As at 30 June 2021	(AU\$'000)	Total assets	6,137	Total liabilities	57	Net assets	6,080	Section 5
As at 30 June 2021	(AU\$'000)									
Total assets	6,137									
Total liabilities	57									
Net assets	6,080									

Topic	Summary	For More Information
What is the financial outlook for the Company?	Given the current status of the Company's projects and the speculative nature of mineral exploration and development, the Directors do not consider it is appropriate to forecast future earnings. Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Sections 2.22 and 5
<b>1.4. Summary of Key Investment Risks</b>		
What are the key risks for the Company?	<p>There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. Further details about those listed below and other risks associated with an investment in Nimy are set out in Section 4.</p> <p>Potential investors should consider an investment in the Company as speculative and should consult their professional advisors before deciding whether to apply for Shares under the Offer.</p> <p><b>COVID-19 impact risk</b></p> <p>The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates.</p> <p>While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.</p> <p>Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access (including to Aboriginal communities and reserves) and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases.</p>	Section 4



Topic	Summary	For More Information
<p><i>What are the key risks for the Company?</i></p> <p><i>Continued.</i></p>	<p><b>Exploration and evaluation risk</b></p> <p>No mineral resources or ore reserves have been defined at the Company's projects. The future value of Nimy will depend on its ability to find and develop resources that are economically recoverable within Nimy's exploration licences. Mineral exploration and mine development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as development costs, supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.</p> <p>Furthermore, while the Company has confidence in its Mons Nickel Project, should this project not prove profitable and the Company is unable to secure new exploration and mining areas and resources, there could be a material adverse effect on the Company's prospects for nickel exploration and its success in the future.</p> <p><b>No history of production</b></p> <p>The Company's properties are exploration stage only. The Company has never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of nickel will be discovered at any of the properties of the Company or any future properties, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results.</p> <p><b>Environmental risks</b></p> <p>The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.</p> <p>These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.</p> <p>As with most exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's...</p>	

Topic	Summary	For More Information
<p><i>What are the key risks for the Company?</i></p> <p><i>Continued.</i></p>	<p>intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.</p> <p>There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of gold companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.</p> <p><b>Permit risks</b></p> <p>The rights to mineral permits carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the permit and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.</p> <p>There is no guarantee that current or future exploration and mining permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration and mining permits.</p> <p><b>Grant risk for exploration licence applications</b></p> <p>Tenements E 77/2810, E 77/2811, E 77/2812, E 77/2813, E 77/2818 and E 77/2833 are applications for exploration licences which must be granted before the Company (or its subsidiary Nimy Pty Ltd) may acquire 100% legal and beneficial interest in those Tenements. As at the date of this Prospectus, licence application 77/2833 has not yet been assessed as being compliant with the relevant mining legislation and recommended for grant. There is a risk that, if granted, these applications may be granted on conditions which restrict access to the ground to conduct exploration activities.</p> <p>If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets of the Company. Information in respect of the tenement applications is provided in this Prospectus to provide investors with sufficient information about each in the event such applications are granted.</p> <p><b>Title risk</b></p> <p>The exploration and mining permits in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted.</p> <p>All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.</p>	



Topic	Summary	For More Information
<p><i>What are the key risks for the Company?</i></p> <p><i>Continued.</i></p>	<p>Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.</p> <p><b>Native title</b></p> <p>The Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. There is a risk that a claim for compensation for impacts on native title rights and interests may be made in relation to the grant of the Tenements over native title lands.</p> <p>Please refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for further details of the applicable Native Title agreements, claims and Aboriginal heritage sites.</p> <p><b>Aboriginal heritage risk</b></p> <p>There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.</p> <p><b>Changes in commodity price</b></p> <p>The Company's possible future revenues may be derived mainly from nickel and/or from royalties gained from potential joint ventures or other arrangements.</p> <p>Consequently, the Company's potential future earnings will likely be closely related to the price of nickel.</p> <p><b>Land access risk</b></p> <p>Land access is critical for exploration and mining and evaluation to succeed. In all cases the acquisition of prospective permits is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.</p> <p>Access to land for exploration and mining purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.</p> <p>Some areas of the Tenements are affected by Crown Reserves, access to those areas requires Ministerial consent. In some instances, it is unlikely that Ministerial consent will be granted for mining on the areas affected by Crown Reserves. Please refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for further details.</p> <p><b>Reliance on key personnel</b></p> <p>Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and mining evaluation programmes within the time frames and within the...</p>	

Topic	Summary	For More Information																				
<p><i>What are the key risks for the Company?</i></p> <p><i>Continued.</i></p>	<p>costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.</p> <p>Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.</p>																					
<b>1.5. Directors and Key Management</b>																						
<p>Who are the Directors of the Company?</p>	<p>The Board of Directors comprises:</p> <ul style="list-style-type: none"> <li>• Mr Simon Lill, Non-Executive Chairperson</li> <li>• Mr Christian Price, Managing Director</li> <li>• Mr Luke Hampson, Executive Director</li> </ul>	Section 6.1																				
<p>Who are the key members of management?</p>	<p>Management comprises:</p> <ul style="list-style-type: none"> <li>• Mr John Palermo, Chief Financial Officer and Company Secretary</li> <li>• Mr Christian Price, Managing Director</li> <li>• Mr Luke Hampson, Executive Director</li> <li>• Mr Stuart Peterson, Chief Geologist</li> </ul>	Section 6.2																				
<b>1.6. Key People, Interests and Benefits</b>																						
<p>Who are the significant Existing Shareholders of the Company and what will their interests be after completion of the Offer?</p>	<p>The current significant Existing Shareholders of the Company and their interests on Completion of the Offer (assuming that no Options are exercised and the Shareholders do not apply for New Shares under the Offer):</p> <table border="1" data-bbox="427 1458 1165 2000"> <thead> <tr> <th data-bbox="427 1458 612 1619">Shareholder</th> <th data-bbox="612 1458 796 1619">Number of Shares</th> <th data-bbox="796 1458 979 1619">% holding after Offer based on Minimum Subscription</th> <th data-bbox="979 1458 1165 1619">% holding after Offer based on Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 1619 612 1691">Ian Victor Berry</td> <td data-bbox="612 1619 796 1691">4,553,636</td> <td data-bbox="796 1619 979 1691">4.06%</td> <td data-bbox="979 1619 1165 1691">3.80%</td> </tr> <tr> <td data-bbox="427 1691 612 1794">SJJSG Pty Ltd ACN 141 680 417</td> <td data-bbox="612 1691 796 1794">9,108,000</td> <td data-bbox="796 1691 979 1794">8.13%</td> <td data-bbox="979 1691 1165 1794">7.60%</td> </tr> <tr> <td data-bbox="427 1794 612 1865">Christian Price</td> <td data-bbox="612 1794 796 1865">4,000,000</td> <td data-bbox="796 1794 979 1865">3.57%</td> <td data-bbox="979 1794 1165 1865">3.34%</td> </tr> <tr> <td data-bbox="427 1865 612 2000">Luke Hampson (and associates)</td> <td data-bbox="612 1865 796 2000">33,352,962</td> <td data-bbox="796 1865 979 2000">29.77%</td> <td data-bbox="979 1865 1165 2000">27.83%</td> </tr> </tbody> </table>	Shareholder	Number of Shares	% holding after Offer based on Minimum Subscription	% holding after Offer based on Maximum Subscription	Ian Victor Berry	4,553,636	4.06%	3.80%	SJJSG Pty Ltd ACN 141 680 417	9,108,000	8.13%	7.60%	Christian Price	4,000,000	3.57%	3.34%	Luke Hampson (and associates)	33,352,962	29.77%	27.83%	Section 3.7
Shareholder	Number of Shares	% holding after Offer based on Minimum Subscription	% holding after Offer based on Maximum Subscription																			
Ian Victor Berry	4,553,636	4.06%	3.80%																			
SJJSG Pty Ltd ACN 141 680 417	9,108,000	8.13%	7.60%																			
Christian Price	4,000,000	3.57%	3.34%																			
Luke Hampson (and associates)	33,352,962	29.77%	27.83%																			



Topic	Summary	For More Information																				
<p>What are the Director shareholdings?</p>	<p>The Directors are expected to hold a direct or indirect interest in the following Shares on completion of the Offer (assuming that no Options are exercised and the Directors do not apply for New Shares under the Offer):</p> <table border="1" data-bbox="432 544 1158 925"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>% holding assuming Minimum Subscription under the Offer</th> <th>% holding assuming Maximum Subscription under the Offer</th> </tr> </thead> <tbody> <tr> <td>Simon Lill</td> <td>3,000,000</td> <td>2.68%</td> <td>2.50%</td> </tr> <tr> <td>Christian Price</td> <td>4,000,000<sup>1</sup></td> <td>3.57%</td> <td>3.34%</td> </tr> <tr> <td>Luke Hampson</td> <td>33,352,962<sup>2</sup></td> <td>29.77%</td> <td>27.83%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li>Shares held through Christian Michael Price and Kate Louise Price as trustees for the Addis Superannuation Fund.</li> <li>Shares held through associates, being Angela Hampson, Cloonmore Pty Ltd and Strathnaver Pty Ltd ACN 603 168 761. Angela Hampson has held Shares in the Company since its incorporation and has transferred some 1,252,024 existing Shares to related and unrelated parties. The Company considers that Luke Hampson holds a relevant interest in up to 33,352,962 existing Shares.</li> </ol>	Director	Shares	% holding assuming Minimum Subscription under the Offer	% holding assuming Maximum Subscription under the Offer	Simon Lill	3,000,000	2.68%	2.50%	Christian Price	4,000,000 <sup>1</sup>	3.57%	3.34%	Luke Hampson	33,352,962 <sup>2</sup>	29.77%	27.83%	<p>Section 2.5</p>				
Director	Shares	% holding assuming Minimum Subscription under the Offer	% holding assuming Maximum Subscription under the Offer																			
Simon Lill	3,000,000	2.68%	2.50%																			
Christian Price	4,000,000 <sup>1</sup>	3.57%	3.34%																			
Luke Hampson	33,352,962 <sup>2</sup>	29.77%	27.83%																			
<p>What significant benefits are payable to the Directors?</p>	<p>The Directors are entitled to the following remuneration and fees (inclusive of superannuation):</p> <table border="1" data-bbox="432 1368 1158 1688"> <thead> <tr> <th>Director</th> <th>Remuneration/ Fees</th> <th>No. of Options (exercisable at \$0.30)</th> <th>No. of Options (exercisable at \$0.35)</th> <th>No. of Options (exercisable at \$0.45)</th> </tr> </thead> <tbody> <tr> <td>Simon Lill</td> <td>A\$110,000</td> <td>500,000</td> <td>500,000</td> <td>500,000</td> </tr> <tr> <td>Christian Price</td> <td>A\$242,000</td> <td>3,000,000</td> <td>1,500,000</td> <td>1,500,000</td> </tr> <tr> <td>Luke Hampson</td> <td>A\$110,000</td> <td>250,000</td> <td>250,000</td> <td>250,000</td> </tr> </tbody> </table>	Director	Remuneration/ Fees	No. of Options (exercisable at \$0.30)	No. of Options (exercisable at \$0.35)	No. of Options (exercisable at \$0.45)	Simon Lill	A\$110,000	500,000	500,000	500,000	Christian Price	A\$242,000	3,000,000	1,500,000	1,500,000	Luke Hampson	A\$110,000	250,000	250,000	250,000	<p>Sections 6.4 to 6.6</p>
Director	Remuneration/ Fees	No. of Options (exercisable at \$0.30)	No. of Options (exercisable at \$0.35)	No. of Options (exercisable at \$0.45)																		
Simon Lill	A\$110,000	500,000	500,000	500,000																		
Christian Price	A\$242,000	3,000,000	1,500,000	1,500,000																		
Luke Hampson	A\$110,000	250,000	250,000	250,000																		

<b>Topic</b>	<b>Summary</b>	<b>For More Information</b>
What escrow arrangements will be in place as at completion of the Offer?	<p>Shares and Options held by Directors and certain Existing Shareholders, and the Lead Manager upon completion of the Offer will be subject to escrow arrangements in the period immediately following completion of the Offer as required by the ASX Listing Rules.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to its Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval). During the period in which any Shares (or Options) are restricted securities, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company confirms its 'free float' (being the percentage of Shares that are not restricted and are held by Shareholders who are not related parties or their associates of the Company) at the time of admission to the Official List will not be less than 20% in compliance with ASX Listing Rule 1.1, condition 7.</p>	Section 9.2
What Corporate Governance Policies does the Company have in place?	A summary of the Corporate Governance policies adopted by the Company is set out in Section 7, together with a summary of the status of compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) set out in Schedule 4.	Section 7
Are there any significant related party transactions?	Since incorporation, the Company has entered into a number of transactions with related parties. The agreements currently in place with related parties of the Company are set out in Section 6.9.	Section 6.9
<b>1.7. Key terms of the Offer</b>		
Who is the issuer of this Prospectus?	Nimy Resources Limited ACN 155 855 986 is the issuer of this Prospectus.	
What is the Offer?	<p>This Prospectus provides investors with the opportunity to participate in the initial public offering of Shares in the Company.</p> <p>The Company is undertaking a public offer of a minimum of 30,000,000 Shares and a maximum of 37,500,000 Shares at A\$0.20 per Share.</p>	Section 2.1



Topic	Summary	For More Information																																			
How will the proceeds of the Offer be used?	<p>Proceeds are intended to be used to as follows:</p> <table border="1" data-bbox="432 450 1161 880"> <thead> <tr> <th data-bbox="432 450 660 521">Uses of Funds</th> <th colspan="2" data-bbox="660 450 820 521">Minimum Subscription</th> <th colspan="2" data-bbox="820 450 1161 521">Maximum Subscription</th> </tr> <tr> <td></td> <th data-bbox="660 521 820 573">A\$</th> <th data-bbox="820 521 911 573">%</th> <th data-bbox="911 521 1070 573">A\$</th> <th data-bbox="1070 521 1161 573">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 573 660 613">Exploration</td> <td data-bbox="660 573 820 613">\$3,380,726</td> <td data-bbox="820 573 911 613">53.51</td> <td data-bbox="911 573 1070 613">\$4,288,576</td> <td data-bbox="1070 573 1161 613">54.86</td> </tr> <tr> <td data-bbox="432 613 660 687">Administration costs</td> <td data-bbox="660 613 820 687">\$673,400</td> <td data-bbox="820 613 911 687">10.66</td> <td data-bbox="911 613 1070 687">\$889,600</td> <td data-bbox="1070 613 1161 687">11.38</td> </tr> <tr> <td data-bbox="432 687 660 728">Working capital</td> <td data-bbox="660 687 820 728">\$1,587,050</td> <td data-bbox="820 687 911 728">25.12</td> <td data-bbox="911 687 1070 728">\$1,873,000</td> <td data-bbox="1070 687 1161 728">23.96</td> </tr> <tr> <td data-bbox="432 728 660 801">Costs of the Offer<sup>1</sup></td> <td data-bbox="660 728 820 801">\$676,700</td> <td data-bbox="820 728 911 801">10.71</td> <td data-bbox="911 728 1070 801">\$766,700</td> <td data-bbox="1070 728 1161 801">9.81</td> </tr> <tr> <td data-bbox="432 801 660 880">Total uses of funds</td> <td data-bbox="660 801 820 880">A\$6,317,876</td> <td data-bbox="820 801 911 880">100%</td> <td data-bbox="911 801 1070 880">A\$7,817,876</td> <td data-bbox="1070 801 1161 880">100%</td> </tr> </tbody> </table> <p data-bbox="419 913 488 936">Notes:</p> <p data-bbox="480 954 1161 1032">1) Costs of the Offer of A\$676,700 based on a Minimum Subscription and A\$766,700 based on a Maximum Subscription are described in Section 9.5.</p>	Uses of Funds	Minimum Subscription		Maximum Subscription			A\$	%	A\$	%	Exploration	\$3,380,726	53.51	\$4,288,576	54.86	Administration costs	\$673,400	10.66	\$889,600	11.38	Working capital	\$1,587,050	25.12	\$1,873,000	23.96	Costs of the Offer <sup>1</sup>	\$676,700	10.71	\$766,700	9.81	Total uses of funds	A\$6,317,876	100%	A\$7,817,876	100%	
Uses of Funds	Minimum Subscription		Maximum Subscription																																		
	A\$	%	A\$	%																																	
Exploration	\$3,380,726	53.51	\$4,288,576	54.86																																	
Administration costs	\$673,400	10.66	\$889,600	11.38																																	
Working capital	\$1,587,050	25.12	\$1,873,000	23.96																																	
Costs of the Offer <sup>1</sup>	\$676,700	10.71	\$766,700	9.81																																	
Total uses of funds	A\$6,317,876	100%	A\$7,817,876	100%																																	
Is the Offer underwritten?	No, the Offer is not underwritten.																																				
What are the key dates of the Offer?	<p>Applications Open – 14 October 2021</p> <p>Applications Close – 10 November 2021</p> <p>Allotment of Shares – 17 November 2021</p> <p>Dispatch Holding Statements – 17 November 2021</p> <p>Listing of Shares on ASX – 22 November 2021</p> <p>These dates are indicative only. The Company reserves the right to vary the dates and times of the Offer, including the Closing Date, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.</p>	Section 2.3																																			
What are the costs of the Offer and who is paying them?	<p>The total estimated cash costs of the Offer, which will be borne by the Company, are estimated between A\$676,700 (Minimum Subscription) and A\$766,700 (Maximum Subscription) and include ASIC and ASX fees, adviser fees, prospectus printing costs and miscellaneous expenses.</p> <p>In addition, the Company will issue 825,000 Shares (at Minimum Subscription) or 1,125,000 Shares (at Maximum Subscription) to the Lead Manager on completion of the Offer.</p>	Section 2.4, 2.9 and 9.5.																																			

Topic	Summary	For More Information
When will I receive dividends on the Shares?	<p>The Company is a nickel explorer and anticipates that significant expenditure will be incurred in the evaluation and potentially, development of the Company's projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the period following the date of this Prospectus. Accordingly, the Company does not intend to declare a dividend in the coming financial year.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	
How can I obtain further information?	By speaking to your sharebroker, solicitor, professional adviser, banker or accountant.	
How can I contact the Company?	For contact details, see the Corporate Directory at the end of this Prospectus.	Corporate Directory
What will the market capitalisation of the Company be upon listing on the ASX?	<p>The undiluted market capitalisation of the Company on listing is expected to be approximately A\$22,405,168 assuming a minimum of A\$6,000,000 is raised under the Offer to approximately A\$23,965,168, assuming a maximum of A\$7,500,000 is raised under the Offer.</p> <p>For indicative purposes only the market capitalisation is based on the Offer Price and total number of Shares on issue on completion of the Offer (assuming that no Options are exercised). Shares may not trade at the Offer Price after listing on the ASX. If Shares trade below the Offer Price then the market capitalisation will be lower than the amount shown.</p>	Section 2.2
How is the Offer structured?	The Offer will consist of an offer of a minimum of 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 and a maximum of 37,500,000 Shares at an issue price of A\$0.20 to raise up to A\$7,500,000. The Shares offered by this Prospectus will be issued as fully paid shares and, when issued, will rank equally in all respects with the existing Shares.	Section 2.6
What is the allocation policy applicable to the Offer?	<p>The Directors, in conjunction with the Lead Manager, will allocate Shares under the Offer at their sole discretion with a view of ensuring an appropriate Shareholders base for the Company going forward (subject to any regulatory requirements).</p> <p>There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the relevant Closing Date.</p>	Section 2.10



Topic	Summary	For More Information
What is the minimum Application under the Offer?	Applications under the Offer must be for a minimum of A\$2,000 worth of Shares and in multiples of A\$500 worth of Shares thereafter.	See "Application Form"
When will I receive confirmation that my Application has been successful?	Holding statements, confirming Applicants' allocations under the Offer, are expected to be dispatched to Shareholders on 17 November 2021.	Section 2.11
Is there any brokerage, commission or stamp duty payable by Applicants?	<p>No brokerage or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.</p> <p>The Company reserves the right to pay a commission of up to 4% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.</p> <p>Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Lead Manager will be responsible for paying all commissions that the Lead Manager and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under the Lead Manager Agreement.</p>	Section 2.9
What are the tax implications of investing in the Company?	The taxation implications of investing in Shares will depend on an investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing.	Section 9.6
How can I apply for Shares?	<p>Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus.</p> <p>To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.</p>	Section 2.8
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants.</p> <p>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.</p>	Section 2.19
Where can I find more information about this Prospectus or the Offer?	<p>All enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 (08) 9261 4600 between 9:00am and 5:00pm AWST, Monday to Friday.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether Nimy is a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, tax advisor, stock broker, lawyer or other professional advisor before deciding whether to invest in the Shares.</p>	Section 2.25

# 2 | Details of the Offer





This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

## 2.1 The Offer

This Prospectus constitutes an offer of a minimum of 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 (**Minimum Subscription**) and a maximum of 37,500,000 Shares at an issue price of A\$0.20 to raise up to A\$7,500,000 (**Maximum Subscription**) (**Offer**). The Shares offered by this Prospectus will be issued as fully paid shares and, when issued, will rank equally in all respects with the existing Shares.

## 2.2 Key Terms

	Minimum Subscription	Maximum Subscription
Offer Price	A\$0.20	A\$0.20
Number of Shares to be offered under this Prospectus	30,000,000	37,500,000
Shares on issue prior to this Offer	81,200,840	81,200,840
Shares to issue to Lead Manager	825,000	1,125,000
Total issued Shares to be listed on ASX*	112,025,840	119,825,840
Market Capitalisation of the Company at Offer Price (undiluted)	A\$22,405,168	A\$23,965,168
Options on issue at completion of the Offer	12,450,000	12,450,000

\*Some of the existing Shares will be classified as restricted securities in addition to Shares to be issued to Lead Manager.

## 2.3 Key Dates

Prospectus lodged with ASIC	6 October 2021
Applications Open	14 October 2021
Applications Close	10 November 2021
Allotment of Shares under this Prospectus	17 November 2021
Dispatch of Statements of Shareholder Entitlements	17 November 2021
Anticipated Date of trading of Shares on ASX	22 November 2021

These dates are indicative only. The Company reserves the right to vary the closing date of the Offer, which may have a consequential effect on other dates. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

## 2.4 Purpose of the Offer and proposed use of funds

a) The purpose of the Offer is to raise funds to:

- 1) raise a minimum of A\$6,000,000 and up to A\$7,500,000 to fund:
  - A) the Company's expenditure commitments and operating costs in relation to costs and exploration on the Mons Nickel Project;
  - B) general working capital requirements including potential new acquisitions;
  - C) corporate overhead and administrative costs; and
  - D) the costs of the Offer;
- 2) fund the operating costs of the Company;
- 3) provide a liquid market for the Company's Shares;
- 4) list on ASX;
- 5) provide the Company with the benefits of an increased profile that arises from being listed; and
- 6) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.

b) The Offer will also:

- 1) provide a liquid market for the Company's Shares;
- 2) provide the Company with the benefits of an increased profile that arises from being listed; and
- 3) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.

c) Assuming that the Minimum Subscription under the Offer is achieved, the Directors are satisfied that upon completion of the Offer, Nimy will have sufficient funds to meet its stated objectives.

The proposed uses of funds associated with the Offer are as follows:

Use of Funds	Minimum Subscription		Maximum Subscription	
	A\$	%	A\$	%
Geochem and geophysical	\$489,000	7.74	\$489,000	6.25
Drilling and assay costs	\$1,937,145	30.66	\$2,632,762	33.68
Technical expert and studies	\$439,008	6.95	\$651,241	8.33
Tenement and site access costs	\$515,573	8.16	\$515,573	6.59
<b>Total Exploration Costs</b>	<b>\$3,380,726</b>	<b>53.51</b>	<b>\$4,288,576</b>	<b>54.85</b>
Working capital	\$1,587,050	25.12	\$1,873,000	23.96
Costs of the Offer	\$676,700	10.71	\$766,700	9.81
Administration costs	\$673,400	10.66	\$889,600	11.38
<b>Total uses of funds*</b>	<b>A\$6,317,876</b>	<b>100%</b>	<b>A\$7,817,876</b>	<b>100%</b>

\*Inclusive of the Company's existing available cash reserves.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Board believes that the Company's current cash reserves, plus the net Proceeds of the Offer will be sufficient to fund the Company's short-term business objectives. The Board will consider the use of further equity funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.



## 2.5 Capital structure post Offer

Upon completion of the Offer and allotment of Shares pursuant to this Prospectus, the Company's capital will be as follows:

### a) Share Capital

Shareholder	Number of Shares on Minimum Subscription	% holding after Offer based on Minimum Subscription	Number of Shares on Maximum Subscription	% holding after Offer based on Maximum Subscription
Existing Shareholders	81,200,840	72.5%	81,200,840	67.8%
Shares issued to public	30,000,000	26.8%	37,500,000	31.3%
Shares issued to Lead Manager under IPO	825,000	0.7%	1,125,000	0.9%
<b>TOTAL</b>	<b>112,025,840</b>	<b>100%</b>	<b>119,825,840</b>	<b>100%</b>

In addition to Shares, the Company also has as at the date of this Prospectus 12,450,000 Options held by Directors and key management. Further details are provided below at Section 2.5(b).

### b) Directors' interests in Nimy

The Directors and any associates of them are expected to hold a direct or indirect interest in the securities of the Company on completion of the Offer (assuming that the Directors do not apply for New Shares under the Offer) are as follows:

Name	Number of Shares	Options at \$0.30, expiring 3 years from issue <sup>1</sup>	Options at \$0.35, expiring 4 years from issue <sup>1</sup>	Options at \$0.40 expiring 5 years from issue <sup>1</sup>
Simon Lill	3,000,000	500,000	500,000	500,000
Christian Price	4,000,000 <sup>2</sup>	3,000,000	1,500,000	1,500,000
Luke Hampson	33,352,962 <sup>3</sup>	250,000	250,000	250,000

Notes:

1. Issued on 24 September 2021 and vesting subject to the Company listing on the ASX
2. Shares held through Christian Michael Price and Kate Louise Price as trustees for the Addis Superannuation Fund
3. Shares held through associates, being Angela Hampson, Cloonmore Pty Ltd and Strathnaver Pty Ltd ACN 603 168 761. Angela Hampson has held Shares in the Company since its incorporation and has transferred some 1,252,024 existing Shares to related and unrelated parties. The Company considers that Luke Hampson holds a relevant interest in up to 33,352,962 existing Shares.

Each of the Directors has been issued with Options under the Company's Employee Share Option Plan (ESOP), a summary of which is included in Section 6.8 and a copy is available at the Company Website, [www.nimy.com.au](http://www.nimy.com.au). The vesting of the Options is subject to the Company successfully listing on the ASX. Each Option is convertible to one fully paid ordinary Share in the Company. Further details are provided at Section 6.6.

## 2.6 Structure of the Offer

The Offer consists of an offer of a minimum of 30,000,000 Shares at an issue price of A\$0.20 each to raise A\$6,000,000 and a maximum of 37,500,000 Shares at an issue price of A\$0.20 to raise up to A\$7,500,000. The Shares offered by this Prospectus will be issued as fully paid Shares and, when issued, will rank equally in all respects with the existing Shares.

The Lead Manager and the Company will determine the allocation of Shares for the Offer. Consideration will be given to the allocation policy outlined in Section 2.10.

## 2.7 Overview of main terms

Topic	Summary
What is the type of security being offered?	Fully paid ordinary Shares in the capital of Nimy.
What are the rights and liabilities attached to the securities?	A description of the rights and liabilities attaching to the Shares is set out in Section 9.1.
What is the Offer Price?	A\$0.20 per Share
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out in the Key Offer Information of this Prospectus.
Is the Offer underwritten?	No, the Offer is not underwritten
Is there a minimum subscription under the Offer?	Yes, there is a minimum subscription under the Offer of \$6,000,000 (being 30,000,000 Shares).
What is the minimum and maximum Application size under the Offer?	Applications under the Offer must be for a minimum of A\$2,000 worth of Shares and in multiples of A\$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Offer.  The Lead Manager and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 17 November 2021.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 22 November 2021 on a normal T +2 settlement basis.  It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.  The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Nimy Offer Information Line, a broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.2.
Are there any tax considerations?	Yes. Refer to Section 9.6



Topic	Summary
Are there any brokerage, commission of stamp duty considerations?	<p>No brokerage or stamp duty is payable by Applicants on acquisition of Shares under the Offer.</p> <p>The Lead Manager may pay a commission of up to 4% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Lead Manager and bearing the stamp of the licensed securities dealer or Australian financial services licensee.</p> <p>Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Lead Manager will be responsible for paying all commissions that the Lead Manager agrees with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under the Lead Manager Agreement.</p>
What should I do with any enquiries?	<p>All enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 (08) 9261 4600 between from 9.00am and 5.00pm AWST, Monday to Friday.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether Nimy is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>

## 2.8 Application and payment for Shares

### a) Who may apply?

The Offer is open to institutional and retail Investors, who are persons who have a registered address in Australia or New Zealand.

### b) How to apply

An application constitutes an offer by you to subscribe for Shares on the terms and conditions as contained in the Offer. An application to subscribe for Shares can only be made on the Application Form contained in this Prospectus. Applications must be for a minimum of 10,000 Shares representing a minimum investment of A\$2,000 and thereafter in multiples of 2,500 Shares.

An application for Shares can only be made by:

- 1) completing and lodging the Application Form for Shares contained at the end of this Prospectus; or
- 2) completing a paper copy of the relevant Application Form which accompanies the electronic version of this Prospectus, both of which can be downloaded from [www.nimy.com.au](http://www.nimy.com.au).

The Application Form contains detailed instructions on how it is to be completed. Applications for Shares under this Prospectus may be made under the Offer:

- 1) by applying online at <https://investor.automic.com.au/#/ipo/nimyresources> and paying by BPAY® or EFT; or
- 2) by completing a printed copy of the Application Form attached to or accompanying this Prospectus and paying by cheque, bank draft or money order.

Cheques, bank drafts or money orders must be made payable to "Nimy Resources Limited". Payment for the Shares must be made in full at the issue price of A\$0.20 per Share for each Share subscribed. Applications for Shares must be for a minimum of 10,000 Shares and then in multiples of 2,500 Shares. Applications received by the Company that do not meet these requirements may be refused at the discretion of the Directors.

Subject to the Minimum Subscription of the Offer being achieved for the Shares as well as permission of the ASX for the Shares to be listed for official quotation, the Directors will allot the Shares as soon as possible after the closing date of the Offer.

An application for Shares may be accepted in full, for any lesser number or rejected by the Company. If any application is rejected, in whole or in part, the relevant application moneys will be repaid without interest.

- 1) Completed Application Forms and accompanying cheques should be lodged with the Share Registry, at the following address:
  - A) By post:  
C/- Automic Pty Ltd  
GPO Box 5193  
SYDNEY NSW 2001
  - B) By hand delivery:  
C/- Automic Pty Ltd  
Level 5, 126 Philip Street  
SYDNEY NSW 2000
- 2) Completed Application Forms and cheque(s) must be received at the above address before 5.00pm (AWST) on the Closing Date of the Offer.
- 3) Completed Application Forms and cheque(s) should be sent to the required address as soon as possible after the Offer opens as the Directors may elect to close the Offer early.

### c) Closing Date for receipt of Applications

The opening date of the Offer will be 14 October 2021 at 9.00am (AWST), and the closing date will be 10 November 2021 at 5.00pm (AWST).

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- 1) close the Offer early without prior notice; or
- 2) vary any of the important dates set out in this Prospectus, including extending the Offer.

### d) How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- 1) you can download a copy at [www.nimy.com.au](http://www.nimy.com.au); or
- 2) request a copy directly from the Company via email to [info@nimyresources.com.au](mailto:info@nimyresources.com.au) or by calling +61 (08) 9261 4600 between 9.00am and 5.00pm AWST, Monday to Friday.

## 2.9 No brokerage or stamp duty

No brokerage or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.



## 2.10 Allocation Policy

The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.

## 2.11 Application Monies

The broker, the Share Registry or the Lead Manager, will hold all Application Monies in trust in a separate account, until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

## 2.12 Allotment

- a) Allotment of the Shares under this Prospectus will take place as soon as practicable after the closing date of the issue. Application moneys will be held in a subscription account until allotment.
- b) This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.
- c) Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque within 30 days of the closing date for applications. Where no allotment is made, the amount tendered on application will be returned in full by cheque within 30 days of the closing date for applications. Interest will not be paid on monies refunded.
- d) The Shares will be allotted and holding statements dispatched to holders as soon as possible after determination by the Company of entitlements.

## 2.13 ASX listing of Shares

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares to be granted Official Quotation by ASX. The Company is not currently seeking a listing of its Shares on any other stock exchange.

The admission of the Company to the Official List of ASX and Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within 3 months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares to successful Applicants as soon as practicable after the Closing Date. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 17 November 2021.

Trading of Shares on the ASX is expected to commence on 22 November 2021 on a normal T + 2 settlement basis.

If you sell Shares before receiving an initial holding statement, you may contravene the ASX Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker.

## 2.14 Clearing House Electronic Sub-Register System (CHES)

The Company will apply to participate in CHES and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHES holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

## **2.15 Overseas distribution**

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

## **2.16 Offer only made where lawful to do so**

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia or New Zealand. Investors in New Zealand should refer to the important information in relation to the making of the Offer in those jurisdictions as set out under the “Important Information” section at the start of this Prospectus.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on acquisition or distribution of this Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

## **2.17 Electronic Prospectus**

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus within Australia.

An electronic version of this Prospectus is available from the Company website at [www.nimy.com.au](http://www.nimy.com.au).

Persons who receive a copy of this Prospectus in electronic form at [www.nimy.com.au](http://www.nimy.com.au) are entitled to obtain a paper copy of the Prospectus (including any relevant accompanying Application Form) free of charge, during the Offer period, by contacting the Company on (08) 9261 4600 or by email at [info@nimyresources.com.au](mailto:info@nimyresources.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act. While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus ought immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

## **2.18 Restricted securities**

It is expected that ASX will, as a condition of granting the Company’s application for official quotation of its Shares, classify certain Shares and Options of the Company as restricted securities. If so, prior to official quotation of the Company’s Shares, the holders of the Shares and Options that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company. Refer to Section 9.2 for details.



## 2.19 Discretion regarding the Offer

The Company may, in consultation with the Lead Manager, withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

## 2.20 Lead Manager

Raven Corporate Management Pty Ltd ABN 15 635 827 191 has been appointed as Lead Manager to the Offer. The terms of the Lead Manager Agreement with Raven Corporate Management Pty Ltd ABN 15 635 827 191 are summarised in Section 8.1.

## 2.21 Commissions payable

The Lead Manager reserves the right to pay a commission of up to 4% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Lead Manager and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Lead Manager will be responsible for paying all commissions that the Lead Manager agrees with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under the Lead Manager Agreement.

## 2.22 No financial forecast

The Mons Nickel Project is an exploration project which has no defined resources or reserves and has no historical performance. There are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

## 2.23 Corporate social responsibility

The Company recognises the importance of managing and developing human capital and that a positive work environment would attract, motivate and retain talent. The Company is an equal opportunity employer that adopts fair employment practices in recruitment.

## 2.24 Minimum Subscription

No Shares will be issued if the Minimum Subscription is not raised. If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus or such period as varied by ASIC, the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

## 2.25 Questions or further information

If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- a) contact your broker;
- b) contact the Company directly on +61 (08) 9261 4600 between 9.00am and 5.00pm AWST, Monday to Friday; or
- c) visit the Company Website to download an electronic copy of this Prospectus at [www.nimy.com.au](http://www.nimy.com.au).

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.

3

# Company Overview





### 3.1 Company overview

#### a) Company history and background

Nimy Resources Limited (**Nimy, or the Company**) was incorporated as an Australian proprietary limited company on 22 February 2012 as Cloonmore Group Pty Ltd. The Company was subsequently renamed Nimy Resources Limited and became a public company limited by shares on 24 September 2021. The Company also incorporated an Australian wholly owned subsidiary being, Nimy Pty Ltd ACN 161 299 305 (**Nimy Pty Ltd**), on 19 November 2012, which holds all of the Tenements.

The Company has been engaged in the acquisition and exploration of certain prospective tenements at the Mons Nickel Project in the Karroun Hill District in Western Australia. The area has been explored for gold and other commodities since 1994 with limited, shallow exploration focused on specific commodity targeting rather than a regional potential overview.

Over the past 6 years Nimy has developed the Mons Nickel Project area into a regional scale, nickel-sulphide focused exploration project.

Post listing, Nimy will continue to develop the Mons Nickel Project with targeted exploration programs.

#### b) Business model

The Company is a mineral explorer. Upon completion of the IPO and admission of the Company to the Official List, the Company will be a publicly listed junior explorer and will aim to, subject to the nature and extent of exploration success, develop a number of nickel projects to define an economic project and become a mineral producer and downstream value-adder.

The Company aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of mineral projects by undertaking project development, construction and mining activities. Once defined, the Company's resource targets will progress through an exploration targeting model and project pipeline that applies historical data with best-practice exploration and discovery methods. A full suite of geological, geochemical, petrographic and geophysical exploration methods will be applied at each stage of the exploration program.

The Company broadly plans to:

- 1) undertake initial exploration focused on the results from the analysis and refinement of high priority nickel sulphides targets;
- 2) optimise and refine the local exploration modelling and targeting methodology, specifically for nickel sulphide geology at the Mons Nickel Project exploration site;
- 3) expand and interpret the revised targeting model over the entire "District Scale" Mons Nickel Project area, using low-cost target generation and staged expansion of the exploration program; and
- 4) seek opportunities to expedite the development process in order to maximise the exploration potential of the Mons Nickel Project.

As the development of the Mons Nickel Project progresses, the Company may also consider other opportunities to increase Shareholder value such as joint ventures, asset sales (whole or part), strategic partnerships or product off-take arrangements.

The Company also intends to identify, evaluate and, if warranted, acquire additional resource projects and assets, if the Board considers that they have the potential to add Shareholder value.

### 3.2 Project overview - Mons Nickel Project

The mineral assets of the Company and Nimy Pty Ltd comprise the Mons Nickel Project. The Mons Nickel Project is located in the north of the Central Wheatbelt district of Western Australia, approximately 70km north-east of Wialki. The project is located within the Youanmi Terrain of the Yilgarn Craton of Western Australia on the boundary of the Murchison and Southern Cross Domains.

The Mons Nickel Project is considered prospective for nickel sulphide mineralisation similar to the Kambalda nickel deposits, which are hosted in ultramafic units, as well as shear-hosted gold mineralisation associated with structural complexities in the Archaean greenstone terrane.

#### a) Tenements

The Mons Nickel Project consists of six granted exploration licences covering 202 graticular blocks and six exploration licence applications covering 390 graticular blocks over a continuous north-south strike of approximately 80km. All licences are 100% held by Nimy Pty Ltd and no third-party royalties are present. Details of the tenements (**Tenements**) are set out in the table below:

Tenement	State	Status	Holder	Area (Blocks)	Grant Date	Expiry Date
<b>Granted Exploration Licences</b>						
E 77/2255	WA	Live	Nimy Pty Ltd	7	10 March 2015	9 March 2025
E 77/2332	WA	Live	Nimy Pty Ltd	54	4 July 2016	3 July 2026
E 77/2438	WA	Live	Nimy Pty Ltd	16	9 October 2017	8 October 2022
E 77/2683	WA	Live	Nimy Pty Ltd	9	29 March 2021	28 March 2026
E 77/2714	WA	Live	Nimy Pty Ltd	75	15 April 2021	14 April 2026
E 77/2741	WA	Live	Nimy Pty Ltd	41	7 July 2021	6 July 2026
<b>Exploration Licence Applications</b>						
E 77/2810	WA	Pending	Nimy Pty Ltd	66	-	-
E 77/2811	WA	Pending	Nimy Pty Ltd	37	-	-
E 77/2812	WA	Pending	Nimy Pty Ltd	135	-	-
E 77/2813	WA	Pending	Nimy Pty Ltd	112	-	-
E 77/2818	WA	Pending	Nimy Pty Ltd	20	-	-
E 77/2833	WA	Pending	Nimy Pty Ltd	20	-	-

Further details on the Tenements can be found in the Solicitor's Report on Tenements at Schedule 2 of this Prospectus.

Once the exploration licence applications are granted, it is expected that the Mons Nickel Project will consist of 12 contiguous exploration tenements totalling 1,761sqkm extending over an 80km strike across a large metallogenic province. The Company has no reason to believe that the grant of the exploration licences will not be completed in the ordinary course of business.

Access to the Tenements is through a road adjacent to the vermin-proof fence.

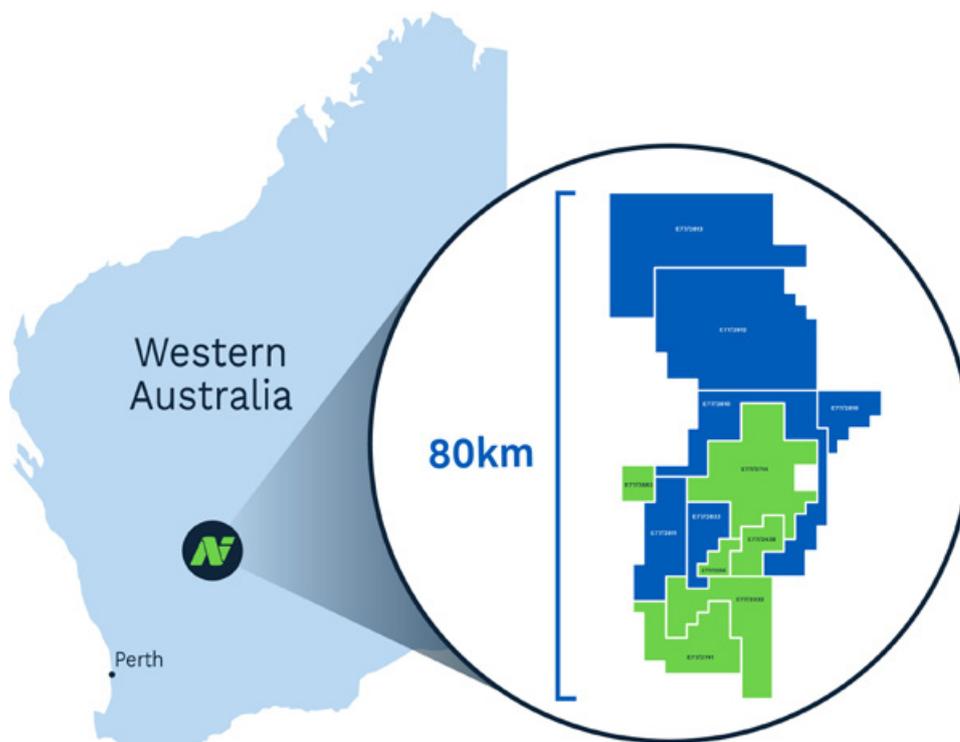


Image created on the 04/10/2021 by Stuart Peterson using information from DMIRS

Figure 1 - Nimy, Mons Nickel Project Location Map.

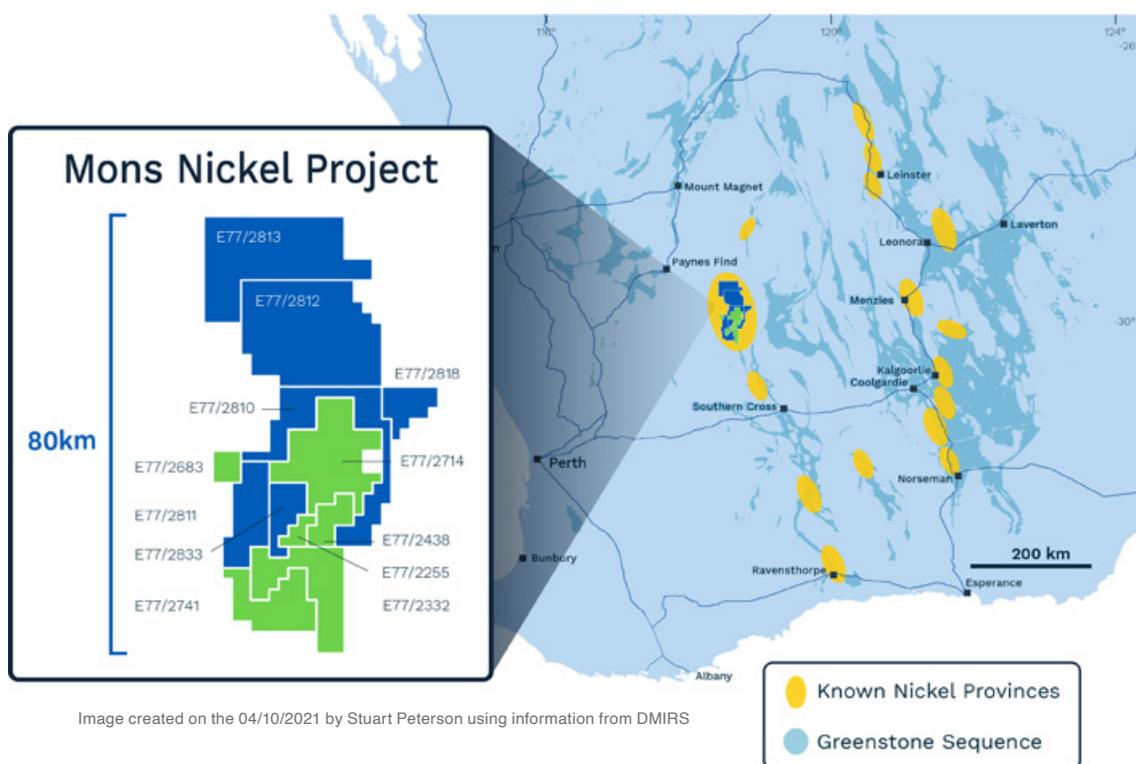


Image created on the 04/10/2021 by Stuart Peterson using information from DMIRS

Figure 2 - Nickel Regions (Yellow) in Yilgarn and Nimy lease map (insert)

With respect to the Tenements, granted tenements are coded green and tenements in application are coded blue.

## b) History

Exploration in the Mons Nickel Project mineral region was first gazetted for gold in the late 1970's. However, little or no exploration was completed at that time due to the harsh nature of the terrain, depth of cover, and limited access. Gold and nickel have been the main target commodity with rare earths and diamonds also targeted. Previous explorers have noted prospective areas and assay results that did not fit into their exploration focus or target commodity for later follow up but, due to budget or market restraints, were never followed up.

Exploration work completed on the granted Tenements by current and previous holders to date includes:

- 1) large scale surface geochemical exploration;
- 2) detailed geological mapping of the region;
- 3) updated aerial magnetics interpretation;
- 4) re-analysis of previous shallow drilling programs;
- 5) detailed geology modelling through geochemistry analysis;
- 6) high-resolution ground magnetics fixed loop EM (which identified conductive trends); and
- 7) targeted R/C drilling (which intercepted fertile komatiites host rocks).

The R/C drilling (which was completed by the Company in October 2020) found a large-scale, thick flow mafic/ultramafic sequence. These results indicate the potential for the greater area to be a "District Scale" fertile zone.

The geochemical and petrography analysis of the contained nickel, copper, magnesium oxide and chromium results confirm a Kambalda-style fertile komatiite host rock with strong indicator mineral ratios that point towards hosting high-grade nickel sulphides at depth.

Post-IPO the Company plans to target nickel sulphides within this "District Scale" fertile zone, which will include staged expansion of the exploration program.

## Previous Explorers

Historical exploration data for the greater project region contains information on previous drill holes and surface sampling programs including:

- 1) 457 historical drill holes, 208 of which are located within the current Nimy tenement area;
- 2) 2,320 soil samples, which are located within the current Nimy tenement area; and
- 3) 22 rock chip samples, which are located within the current Nimy tenement area.

All relevant information concerning the Mons Nickel Project was downloaded from the DMIRS website and loaded into the Company's Micromine mining database software for analysis.

Given the lack of deeper drilling and only recent modern attention (post 1994), the area is deemed largely under explored. AngloGold Ashanti utilised high resolution aeromagnetic imagery to interpret the geology of the area directly north of tenement E77/2255 but incorrectly labelled the magnetic domains as gneissic supra-crustal rocks without separating individual units. A magnetic bullseye defined by ground magnetics has remained untested and it represents an excellent target for the source of mineralisation. Similarly, there are a number of untested magnetic highs south of the magnetic bullseye.

The tenement area has been subject to partial inclusion on many holdings through the late 1980's through to 2013. Minimal exploration has been carried out with various reasons noted in surrender reports, including access issues, poor drilling conditions and focus on other areas of the tenement holding.

Despite surrendering the project, previous explorers recorded mineralisation as:

- 1) primary ortho-magmatic mafic and ultramafic undivided; and
- 2) secondary nickel in Dunite phase of thick komatiite flow.

Initial soil and auger sampling also defined a 10km-long anomalous corridor of gold and base metals.

A compilation of historical exploration data relevant to the Mons Nickel Project has been undertaken. This study used digital data available from the DMIRS website and focused on historical soil sampling and drilling programmes.



Below is summary of the explorers and the timeline for when the ground was held:

Explorer	Activities / Results
Western Mining Corporation Pty Ltd Commodity: Targeting Gold Period: 1994 – 1996	<ul style="list-style-type: none"> <li>Komatiites discovered at surface confirmed by assay (Ni, Cr, Cu).</li> </ul>
Image Resources NL / Troy Resources Commodity: Targeting Gold Period: 2002 - 2005	<ul style="list-style-type: none"> <li>Auger sampling defined anomalous corridor of 10km gold and base metals.</li> <li>Shallow RAB drilling established an unexplored greenstone strike 10km (length) x 5km (width) estimated be 30km in length.</li> <li>Anomalous nickel, copper, platinum group elements intersected across 3 drill lines.</li> <li>Magnetic anomalies (bedrock conductors) identified from air and ground magnetics.</li> </ul>
Image Resources NL / Emu Nickel NL Commodity: Targeting Gold and Base Metals Period: 2005 – 2009	<ul style="list-style-type: none"> <li>AC drilling completed – two drill lines intersect anomalous nickel cobalt copper gold (both on Mons Nickel Project Tenements).</li> </ul>
Emu Nickel NL / Brendon Deshon Commodity: Targeting Gold Period: 2009 - 2012	<ul style="list-style-type: none"> <li>Sulphide replacement identified under microscope (WGRB -01 drill hole reporting anomalous nickel 1.0% over 1 metre).</li> </ul>

Full details on the history of exploration in the mineral region are provided in the Independent Geologist’s Report, including at section 3.3.

### 3.3 Industry and regional overview

#### a) Regional geology and local geological setting

The Mons Nickel Project is located within the Archean, Murchison Domain on the boundary between the Youanmi and Southern Cross Terrane of the Yilgarn Craton.

The Murchison Domain has been subject to supracrustal, plutonism and mineralisation events throughout its long history containing VMS (Volcanic Massive Sulphide), mafic/ultramafic and granite/gneissic intrusions. The domain contains large, layered intrusive rock suites bearing copper, nickel, vanadium, titanium, gold, molybdenum, iron, chromite and platinum group elements.

Mafic/Ultramafic rocks in structurally dismembered layered intrusions comprise approximately 40% by volume of greenstones in the Murchison Domain of the Youanmi Terrain of the Yilgarn Craton. All suites are demonstrably contemporaneous with packages of high-Mg tholeiitic lavas and/or felsic volcanic rocks in greenstone belts. The distribution, ages and compositions of the earlier Mafic/Ultramafic rocks are most consistent with genesis in a mantle plume setting.

#### Local Geology

Nimy’s exploration work has unearthed a new, regional scale geological domain comprising of an intrusive greenstone rock suite that contains large strike lengths of mafic/ultramafic sequences. Interpretation of the geochemical and petrographical analysis from the Nimy drilling program data has identified rock sequences within the system which may potentially host nickel sulphides deposits based on comparisons with known Kambalda-style geochemical and geophysical factors.

The potential host rocks have been identified as Amphibole after komatiite and display synclinal folds ranging from horizontal to near vertical orientation across the Mons Nickel Project. The sequence is interbedded with mafic and sediment layers that show strong alteration and contain regions of quartz and garnet schist, and this is overlain by highly weathered ironstone metasediments in certain areas. The strong deformation of the rock suite has destroyed its original magmatic textures and it has been sheared and recrystallized at amphibolite facies and the region has been subjected to several hydrothermal events.

The discovery of this new province is contrary to the previous reported exploration ideology that was based on shallow drilling and was constrained by market economics. The new area when re-interpreted across the magnetic trend lines in the enhanced geophysical imagery has a projected strike length of over 18kms locally and up to 230kms regionally.

The Company has used this new information to accurately target the nickel sulphide mineralisation within the mafic/ultramafic sequence and possible gold mineralisation along the regional scale quartz shear zones. (Figure 3)

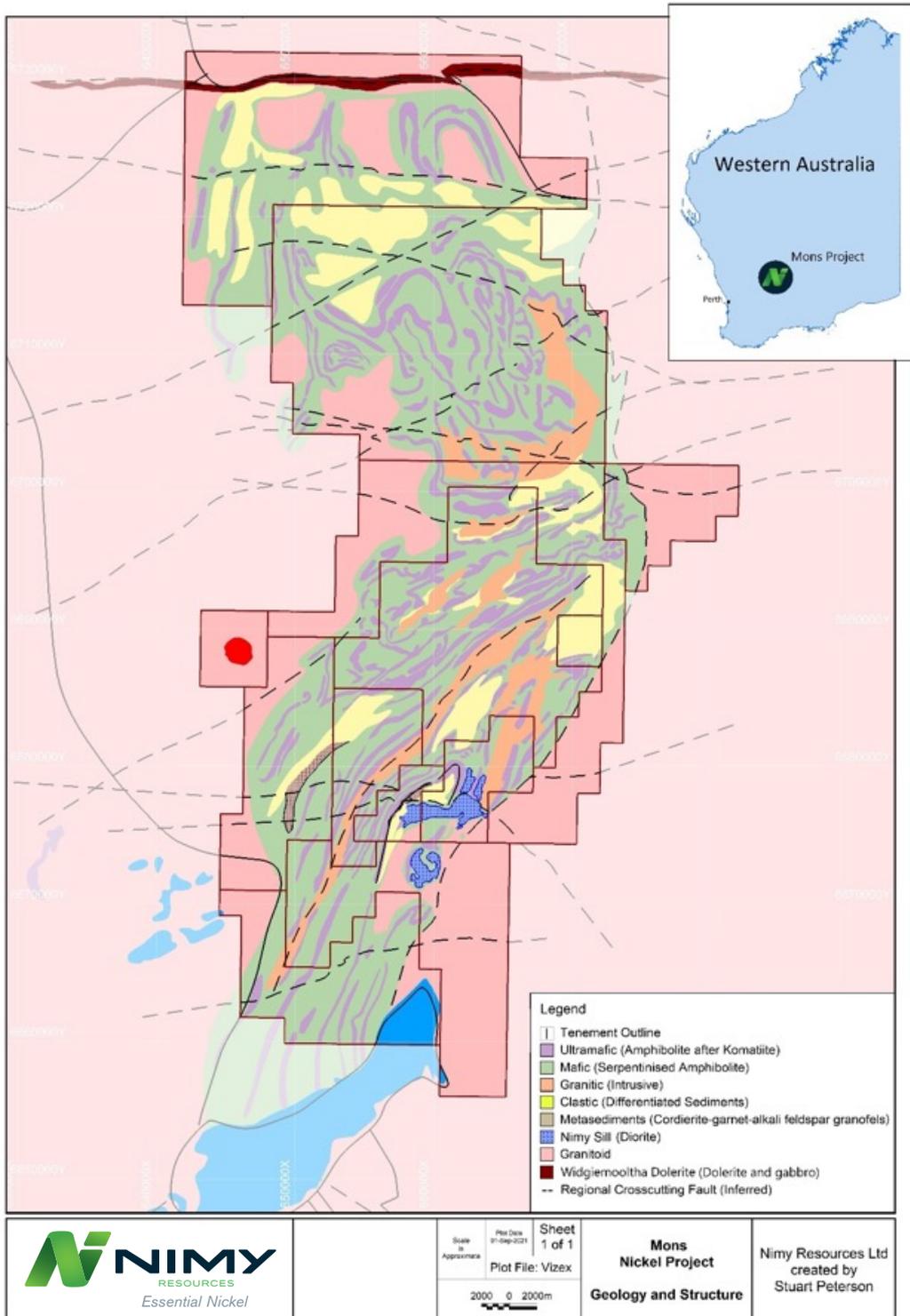


Figure 3 - Nimy, Mons Nickel Project Updated Geological Map



#### b) Nickel geology and mineralisation

The targeting of nickel sulphide and disseminated nickel sulphides at the Mons Nickel Project is a result of information gained through interpretive work completed from historic and current reporting, petrographic analysis, extensive rock chip sampling and on ground mapping plus a preliminary RC drilling program.

The exploration programs have concentrated on identifying the mafic/ultramafic units along the strongly faulted and folded anticline structure, especially in conjunction with regional scale cross cutting faults.

Within the Mons Nickel Project, the regional mafic/ultramafic sequences are considered to be analogous to the Kambalda area. The Mons Nickel Project is considered prospective for nickel sulphide mineralisation in komatiite and disseminated Nickel Sulphide in Dunite. RC drilling has encountered thick homogeneous nickel intervals in upper komatiite/Dunite unit with nickel and magnesium oxide levels increasing with depth, indicating an exploration target strike length of 18kms locally and up to 230kms regionally. The upper komatiite unit has been intersected by RC drilling and petrographic analysis places the rock type as a homogenous, serpentinised amphibole-rich unit after komatiite.

Historical drilling has been shallow. Previous drilling into regolith intersected weathered ultramafic rocks and levels of nickel in mottled clay of up to 0.3 % nickel and in saprolite up to 1.05% nickel. No fresh rock was encountered. Ground loop Magnetic targeting is planned to identify bedrock conductors with associated follow up with deeper drilling.

### 3.4 Exploration strategy

#### a) Nickel sulphide

The Company has planned exploration work programs to test for nickel sulphide and other mineralisation across its Tenement holding. The Company intends to undertake the following across the Tenements:

- 1) MLEM - testing the vertically stacked mafic/ultramafic sequence using the proven electromagnetic technique of Moving Loop EM (**MLEM**), which is the industry standard technique for bedrock conductor plate identification;
- 2) Geochemical analysis of soil samples across the greater MLEM area to fine tune the conductor plate targeting prior to drilling;
- 3) Diamond & R/C Drilling – identifying bedrock conductor plates from the MLEM results to specifically target nickel sulphides;
- 4) Aeromagnetic surveys - to be flown to complete the tenements coverage of high resolution magnetic imagery, which will also assist in gold targeting and identification; and
- 5) Regional sampling and regolith identification programs to expand the knowledge of the greater tenement holding ground position.

This will include a staged exploration strategy that expands across six zones, A to F (Figure 4). The zones have been grouped based around their known geological setting and level of geological understanding. Exploration results will enable a refinement of the exploration model at each stage further increasing the exploration targeting across each of these zones and the greater tenement package.



Figure 4 - Nimy Resources Exploration Zones

### b) Gold

The Mons Nickel Project area is located on the boundary of the Youanmi and Southern Cross Terrain within the Yilgarn Craton, which hosts many economic gold mines. Prospective areas for gold have been targeted due to the close proximity to the regional fault structure that was previously highlighted for gold mineralisation in historical exploration reporting.

Nimy has consolidated all available information and has developed a strategy to enhance the knowledge base around gold mineralisation at the Mons Nickel Project, including finding a model to further explore anomalous gold assays. Currently the Company's exploration modelling is based on that of the Penny West Gold Mine (132kms to the north), as the lithology and structure of the Tenements is comparative to that of Penny West and Youanmi. The

Tenements' structural model supports north/south regional shear fault that is cross-cut by east/west fault (both faults supported by soil anomalies).

The gold mineralisation will be systematically targeted along the regional shear boundaries to the east through further sampling and shallow air core drilling programs to narrow down host structure. All anomalous drill assays show clear association of gold in mafic amphibolite (similar to Penny West model) or in clay above amphibolite intersections.

While targeting nickel and gold is the Company's priority, there are several additional commodities such as lithium, rare earth and platinum group elements that are currently being captured in the exploration process that the Company will plan work programs for in the future.



### c) Exploration budget

The below table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the type of drilling ultimately required to be undertaken and the risk factors outlined in Section 4), actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances

have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results from the respective exploration activities. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

Timing of exploration program and costs	Year 1		Year 2	
	Level of Subscription		Level of Subscription	
Items	Minimum	Maximum	Minimum	Maximum
Geochem, Geophys, MLEM	\$489,000	\$489,000	-	-
Drilling and assay costs (diamond, R/C drilling, assay and interp)	\$994,876	\$1,292,234	\$942,269	\$1,340,528
Technical Expert and Studies	\$310,728	\$406,245	\$128,280	\$244,996
Tenement and Site Access Costs (Holding, Heritage, Access)	\$326,023	\$303,523	\$189,550	\$212,050
Total exploration costs	\$2,120,627	\$2,491,002	\$1,260,099	\$1,797,574

## 3.5 Vision and growth strategy

Following completion of the Offer, the Company intends to execute its proposed systematic exploration strategy. Successful execution of strategy targeting exploration and development of the Karroun Hill Nickel Belt is intended to deliver significant growth in terms of nickel endowment and resultant value to Shareholders.

Growth is the primary driver targeted to deliver value for Shareholders. The Company's vision is to define an economic project transitioning into a mineral producer delivering downstream value.

Specifically, upon admission of the Company to the Official List, the Company proposes to undertake the exploration programs discussed in Section 3.4. The results of the exploration program will determine the economic viability and potential timing for the commencement of additional technical studies, including studies that assess the economic viability of the Mons Nickel Project, and ultimately the commencement of mining operations.

No forecast is made of whether the project will be economically viable or that the Company's objectives will be realised, and further funding would be required before studies can be conducted to assess that. More specifically, the

Company's growth strategy and objectives are as follows:

### a) Strategy

- 1) advance the Mons Nickel Project using best practice exploration techniques;
- 2) identify opportunities for strategic partnerships with mid-tier and major mining companies;
- 3) realising the value of the Mons Nickel Project by development, or joint venturing and/or partial/full sale;
- 4) develop nickel prospects via systematic exploration across the Karroun Greenstone Belt;
- 5) systematically explore existing and develop new prospects at the Mons Nickel Project; and
- 6) evaluation of the gold potential within the Mons Nickel Project.

### b) Objectives

- 1) determine the potential for a near-term development opportunity at the Mons Nickel Project; and
- 2) determine the potential for economic mineralisation at the Mons Nickel Project.

### 3.6 Corporate structure

The group structure of the Company after the Offer and on admission to ASX will be as follows:



### 3.7 Significant shareholders in the Company

The significant Shareholders of the Company and their interests on completion of the Offer (assuming that no Options are exercised and the applicable Shareholders do not apply for New Shares under the Offer):

Shareholder	Number of Existing Shares held	% holding after Offer based on Minimum Subscription	% holding after Offer based on Maximum Subscription
Ian Victor Berry	4,553,636	4.06%	3.80%
SJJSJ Pty Ltd ACN 141 680 417	9,108,000	8.13%	7.60%
Christian Price <sup>1</sup>	4,000,000 <sup>1</sup>	3.57%	3.34%
Luke Hampson <sup>2</sup>	33,352,962 <sup>2</sup>	29.77%	27.83%

Notes:

1. Shares held through Christian Michael Price and Kate Louise Price as trustees for the Addis Superannuation Fund.
2. Shares held through associates, being Angela Hampson, Cloonmore Pty Ltd and Strathnaver Pty Ltd ACN 603 168 761. Angela Hampson has held Shares in the Company since its incorporation and has transferred some 1,252,024 existing Shares to related and unrelated parties. The Company considers that Mr Hampson holds a relevant interest in up to 33,352,962 existing Shares.



### 3.8 Corporate objectives

The broad objectives of Nimy are to continue the development of the Mons Nickel Project to bring it to production. The Company's primary objective is to achieve ongoing exploration success to commercialise the Company's existing mineral resources thereby enabling the Company to position itself as a critical actor in providing a pipeline of nickel-sulphide development projects.

The Company has undertaken significant exploration and discovery work on the Mons Nickel Project to date with geophysical, geological mapping and geochemistry pathfinders developed into a target defined geological model. The exploration development team can now utilise this experience and knowledge of the district's potential resources and undertake:

- a) an aggressive exploration program to explore high priority targets in the initial Zone A with moving loop EM and follow up diamond drilling along with RC drilling other priority targets;
- b) systematic exploration activities including surface stratigraphic, geochemical and structural modelling to determine the origin and extent of the mineralised zone to assist in the targeting; and
- c) an extension of exploration activities from the initial target zone to realise the potential of the target zone and refine the targeting model across the Karroun Greenstone Belt as a first mover in a new district.

As a parallel, but secondary, objective to the above strategy, Nimy will develop a multi-commodity profile of exploration targets and geology models in the future to ensure a wide range of further mineral development potential is added to its resource development pipeline.

### 3.9 Key Company strengths

The Company has a number of key strengths:

- a) New exploration focussed company – following completion of the IPO, the Company will be able to focus on progressing the Mons Nickel Project by exploring for minerals at the Tenements and evaluating the results. The Company will also continue to consider potential for new project opportunities and joint ventures (though no such new projects or joint ventures have been identified as at the date of this Prospectus). Further details of the Company's proposed exploration plans at the Mons Nickel Project are provided at Section 3.4 of the Prospectus.
- b) Strong financial position – on completion of the IPO, the Company will be in a strong financial position with a pro forma cash balance of approximately \$6.1 million (assuming Minimum Subscription is achieved) to carry out its stated objectives. Further financial information is set out in Section 5 in relation to the Company, together with the Investigating Accountant's Report at Schedule 3.
- c) Quality assets – the Company has a portfolio of quality assets in Western Australia considered by the Board to be highly prospective for nickel and gold;
- d) Experienced board and leadership team – the Company has an experienced Board of Directors and management team to progress exploration and accelerate potential development of the Mons Nickel Project.

### 3.10 Regulatory requirements

The Board intends to progress the necessary regulatory requirements for the continuation of its exploration activities on the Mons Nickel Project, and the transition of its tenements to production licences as needed.

### 3.11 Reports

Prospective investors are referred to and encouraged to read in its entirety both the:

- a) the Independent Geologist Report in Schedule 1 for further details about the geology, location and mineral potential of the Mons Nickel Project; and
- b) the Solicitor's Report on Tenements in Schedule 2 for further details in respect to the Company's interests in the Tenements.

4

# Investment Risks





## 4.1 Introduction

As with any equities investment, there are risks involved with investing in the Company. This Section 4 seeks to identify the major areas of risk associated with an investment in the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Potential investors should be aware that the risks outlined in Section 1 and this Section 4 should be considered in conjunction with the other information in this Prospectus. In deciding whether or not to invest in the Company, potential investors should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

## 4.2 Specific risks

In addition to the general market and economic risks noted in Section 4.3, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

### a) COVID-19 impact risk

The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access (including to Aboriginal communities and reserves) and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases.

### b) Exploration and evaluation risk

No mineral resources or ore reserves have been defined at the Company's Mons Nickel Project. The future value of Nimy will depend on its ability to find and develop resources that are economically recoverable within Nimy's exploration licences. Mineral exploration and mine development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as development costs, supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its Mons Nickel Project, should this project not prove profitable and the Company is unable to secure new exploration and mining areas and resources, there could be a material adverse effect on the Company's prospects for nickel exploration and its success in the future.

### c) Reserves and resource estimates

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice, prepared in accordance with the JORC Code (2012). These estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or, even if valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. Any adjustments to reserves could affect the Company's exploration and development plans which may, in turn, affect the Company's performance.

#### **d) No history of production**

The Company's properties are exploration stage only. The Company has never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of nickel will be discovered at any of the properties of the Company or any future properties, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results. Even if commercial quantities of nickel are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where nickel can profitably be produced thereon. Factors which may limit the ability of the Company to produce nickel from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any nickel deposits.

#### **e) Commercialisation, infrastructure access and contractual risks**

The Company's potential future earnings, profitability, and growth are likely to be dependent upon the Company resources being able to successfully implement some or all of its commercialisation plans detailed in Section 3. The ability for the Company to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.

The Company is a party to various contracts, including those set forth in Section 8. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, the Company will be successful in securing compliance.

#### **f) Future capital requirements**

Mineral exploration companies do not generate cash revenue. Accordingly, the Company will be required to raise new equity and capital or access debt funding.

There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company to explore and develop its projects or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on the terms acceptable to it.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.

#### **g) Environmental risks**

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of nickel companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

#### **h) Permit risks**

The rights to mineral permits carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the permit and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.



There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration and mining permits.

**i) Grant risk for exploration licence applications**

Tenements E 77/2810, E 77/2811, E 77/2812, E 77/2813, E 77/2818 and E 77/2833 are applications for exploration licences which must be granted to the Company before the Company may acquire 100% legal and beneficial interest in those Tenements. As at the date of this Prospectus, licence application 77/2833 has not yet been assessed as being compliant with the relevant mining legislation and recommended for grant. There is a risk that, if granted, these applications may be granted on conditions which restrict access to the ground to conduct exploration activities.

If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets of the Company. Information in respect of the tenement applications is provided in this Prospectus to provide investors with sufficient information about each in the event such applications are granted.

**j) Tenement risks**

The rights to mineral tenements (including exploration and retention licences) carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment, community and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a tenement or tenements.

There is no guarantee that current or future tenement applications or existing tenement renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration tenement.

**k) Title risk**

The exploration and mining permits in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permits, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

**l) Native title**

The Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

There is a risk that a claim for compensation for impacts on native title rights and interests may be made in relation to the grant of the Tenements over native title lands.

Please refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for further details of the applicable Native Title agreements, claims and Aboriginal heritage sites.

**m) Aboriginal heritage risk**

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

#### **n) Sovereign risk**

The Company's exploration and development activities are to be carried out in Western Australia. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country.

#### **o) Changes in commodity price**

The Company's possible future revenues may be derived mainly from nickel and/or from royalties gained from potential joint ventures or other arrangements.

Consequently, the Company's potential future earnings will likely be closely related to the price of nickel.

Nickel prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, nickel. If the Company is producing nickel and the market price of nickel were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

#### **p) Operational risk**

If the Company decides to develop into nickel production in the future, the operations of the Company including exploration and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

#### **q) Sustainability of growth and margins**

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in the nickel sector is likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

#### **r) Failure to satisfy expenditure commitments and licence conditions**

Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Please refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for further details of the applicable licence conditions.

#### **s) Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.



#### **t) Competition**

The Company will compete with other companies, including major nickel companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

#### **u) Financing**

The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities.

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its interests in certain properties, and reduce or terminate its operations entirely. If the Company raises additional funds through the issue of equity securities, this may result in dilution to the Existing Shareholders and/or a change of control at the Company.

#### **v) Management actions**

The success of the Company is currently largely dependent on the performance of its Directors and officers.

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security. There is no assurance that the Company can maintain the services of its Directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects

#### **w) Exchange rate risk**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

#### **x) Industrial risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

#### **y) Insurance arrangements**

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the nickel industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### **z) Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land in Western Australia for mining and exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.

Some areas of the Tenements are affected by Crown Reserves, access to those areas requires Ministerial consent. In some instances, it is unlikely that Ministerial consent will be granted for mining on the areas affected by Crown Reserves. Please refer to the Solicitor's Report on Tenements in Schedule 2 of this Prospectus for further details.

#### **aa) Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Western Australia or at the federal level, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in Western Australia and, potentially, other jurisdictions. There is a risk that such changes may affect the Company's exploration and development plans or, indeed, its rights and/or obligations with respect to the tenements.

#### **bb) Reliance on key personnel**

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key

personnel as the Company's exploration and mining programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

#### **cc) Limited operating history**

Nimy is a relatively new exploration and mining company with limited operating history. Nimy was incorporated in 2012 and has yet to generate a profit from its activities. Accordingly the Company has no operating history in Australia and has limited historical financial information and record of performance. The Company's business plan requires significant expenditure, particularly capital expenditure, during its nickel exploration and mining phase. Any future revenue and profitability from the Company's business will be dependent upon the successful exploration and mining and development of the Company's permits, and there can be no assurance that the Company will achieve profitability in future.

### **4.3 General risks**

#### **a) Liquidity risk**

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at completion of the Offer certain Shares and Options on issue will not be able to be traded for a period of 24 months commencing on the date of listing, or in some cases a period up to 12 months.

Given there will be a number of Shares restricted from trading, there will only be liquidity with respect to a portion of the Shares on issue at completion of the Offer until such time as applicable escrow periods end.

The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.



#### **b) Investment risk**

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

#### **c) Share market risk**

The market price of Shares, Options and other securities (including Shares) can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration and mining companies in particular.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

#### **d) Future funding requirements**

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short-term business objectives, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

If adequate funds are not available on acceptable terms, the Company may be required to reduce the scope of its anticipated activities and may not be able to take advantage of opportunities or respond to competitive pressures.

#### **e) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

#### **f) Force majeure events**

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

#### **g) Speculative nature of investment**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

# 5

# Financial Information





## 5.1 Introduction

The financial information set out in this Section 5 contains the following financial information in relation to the Company:

- a) the historical consolidated statements of profit or loss of the Company for the three financial years ended 30 June 2021;
  - b) the historical consolidated statements of cash flows of the Company for the three financial years ended 30 June 2021; and
  - c) the historical consolidated statement of financial position of the Company as at 30 June 2021;
- (together, the **Historical Financial Information**); and
- d) the consolidated pro forma statement of financial position of the Company as at 30 June 2021, prepared on the basis that the pro forma adjustments and subsequent events detailed in Section 5.6(b) had occurred at 30 June 2021 (the **Pro Forma Statement of Financial Position**);

(collectively referred to as the **Financial Information**).

The Financial Information should be read together with the other information contained in this Prospectus, including:

- a) the risk factors described in Section 4;
- b) the description of the use of the Proceeds of the Offer described in Section 2.4;
- c) the Investigating Accountant's Report, set out in Schedule 3; and
- d) the capital structure described in Section 2.5.

Please note that past performance is not an indication of future performance.

## 5.2 Basis of preparation and presentation of the Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and the accounting policies adopted by the Company (as detailed in Section 5.6(c)). The Pro Forma Statement of Financial Position has been derived from the Historical Financial Information and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer as if those events and transactions had occurred as at 30 June 2021.

The Historical Financial Information has been extracted from the Company's special purpose financial statements for the years ended 30 June 2019 and 30 June 2020 and its general purpose financial statements for the year ended 30 June 2021, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners issued an unmodified audit opinion on the Company's financial statements for each of the three years ended 30 June 2021.

The Directors are of the view that, following receipt of the Proceeds of the Offer, the Company will have sufficient funding to pursue its planned activities and continue as a going concern.

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. RSM Corporate Australia Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is attached to this Prospectus at Schedule 3.

The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in a general purpose financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

### 5.3 Historical statement of profit or loss

The table below details the Consolidated Statement of Profit or Loss of the Company for the three years ended 30 June 2021.

Table 1: Historical Consolidated Statement of Profit or Loss

	Year ended 30-Jun-19 Audited \$	Year ended 30-Jun-20 Audited \$	Year ended 30-Jun-21 Audited \$
<b>Revenue</b>			
Other revenue	-	-	90,517
<b>Expenses</b>			
Operating expenses	(15,665)	(34,530)	(457,664)
Administrative expenses	(5,183)	(16,359)	(138,409)
Employee benefits expense	-	-	(129,505)
Occupancy expense	(4,870)	(4,947)	(13,360)
Management fees	(109,188)	(114,374)	(22,500)
Depreciation and amortisation expense	-	-	(7,050)
<b>Loss before income tax expense</b>	<b>(134,906)</b>	<b>(170,210)</b>	<b>(677,971)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense</b>	<b>(134,906)</b>	<b>(170,210)</b>	<b>(677,971)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss:</i>	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(134,906)</b>	<b>(170,210)</b>	<b>(677,971)</b>

#### Notes to the Statement of Profit or Loss

- Other revenue in the year ended 30 June 2021 relates to a refund for a portion of drilling activities from the Department of Mines, Industry, Regulation and Safety (**DMIRS**) under the Western Australian government's exploration incentive scheme.
- Operating expenses comprise drilling, protective clothing, equipment rental, car rental, sample testing and analysis and mining tenement expenditure. The increase in operating expenses between FY20 and FY21 was driven by higher expenses relating to drilling, sample testing and mining tenement rent.
- Employee costs comprise wages and salary and superannuation.



## 5.4 Historical statement of cash flows

The table below details the Consolidated Statement of Cash Flows of the Company for the three years ended 30 June 2021.

Table 2: Historical Consolidated Statement of Cash Flows

	Year ended 30-Jun-19 Audited \$	Year ended 30-Jun-20 Audited \$	Year ended 30-Jun-21 Audited \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government subsidies	-	-	90,517
Payments to suppliers	(134,906)	(176,248)	(715,701)
<b>Net cash used in operating activities</b>	<b>(134,906)</b>	<b>(176,248)</b>	<b>(625,184)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	-	-	(50,630)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(50,630)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	-	293,000	1,627,269
Share issue transaction costs	-	-	(52,275)
Proceeds from loans from related party	134,872	117,797	35,048
Repayment of loans from related party	-	(16,014)	(180,212)
<b>Net cash from financing activities</b>	<b>134,872</b>	<b>394,783</b>	<b>1,429,830</b>
Net increase/(decrease) in cash and cash equivalents	(34)	218,535	754,016
Cash and cash equivalents at the beginning of the period	147	113	218,648
<b>Cash and cash equivalents at the end of the period</b>	<b>113</b>	<b>218,648</b>	<b>972,664</b>

## 5.5 Historical and pro forma statement of financial position

The table below sets out the historical Consolidated Statement of Financial Position of the Company as at 30 June 2021 and the Pro Forma Statement of Financial Position as at that date. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Table 3: Historical and Pro Forma Consolidated Statement of Financial Position

	Note	Audited 30-Jun-21 \$	Subsequent events Unaudited 30-Jun-21 \$	Minimum Pro forma adjustments Unaudited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma adjustments Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	5.6(d)	972,664	(178,541)	5,323,300	6,117,423	6,733,300	7,527,423
Trade and other receivables		16,937	-	-	16,937	-	16,937
<b>Total current assets</b>		<b>989,601</b>	<b>(178,541)</b>	<b>5,323,300</b>	<b>6,134,360</b>	<b>6,733,300</b>	<b>7,544,360</b>
<b>Non-current assets</b>							
Intangibles		1,563	-	-	1,563	-	1,563
Property plant & equipment	5.6(e)	43,580	(42,805)	-	775	-	775
<b>Total non-current assets</b>		<b>45,143</b>	<b>(42,805)</b>	<b>-</b>	<b>2,338</b>	<b>-</b>	<b>2,338</b>
<b>Total assets</b>		<b>1,034,744</b>	<b>(221,346)</b>	<b>5,323,300</b>	<b>6,136,698</b>	<b>6,733,300</b>	<b>7,546,698</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables		56,636	-	-	56,636	-	56,636
Related party loans	5.6(f)	346,346	(346,346)	-	-	-	-
<b>Total current liabilities</b>		<b>402,982</b>	<b>(346,346)</b>	<b>-</b>	<b>56,636</b>	<b>-</b>	<b>56,636</b>
<b>Total liabilities</b>		<b>402,982</b>	<b>(346,346)</b>	<b>-</b>	<b>56,636</b>	<b>-</b>	<b>56,636</b>
<b>Net assets</b>		<b>631,762</b>	<b>125,000</b>	<b>5,323,300</b>	<b>6,080,062</b>	<b>6,733,300</b>	<b>7,490,062</b>
<b>Equity</b>							
Issued capital	5.6(g)	1,234,741	1,280,000	5,580,273	8,095,014	6,980,737	9,495,478
Reserves	5.6(h)	855,000	338,130	-	1,193,130	-	1,193,130
Accumulated losses	5.6(i)	(1,457,979)	(1,493,130)	(256,973)	(3,208,082)	(247,437)	(3,198,546)
<b>Total equity</b>		<b>631,762</b>	<b>125,000</b>	<b>5,323,300</b>	<b>6,080,062</b>	<b>6,733,300</b>	<b>7,490,062</b>



## 5.6 Notes to the Financial Information

### a) Historical statement of financial position

The Historical Consolidated Statement of Financial Position of the Company detailed above has been extracted without adjustment from the audited financial statements of the Company for the three years ended 30 June 2021.

### b) Pro forma historical statement of financial position

The Pro Forma Statement of Financial Position has been compiled by extracting the Historical Statement of Financial Position of the Company as at 30 June 2021 from the audited financial statements and reflecting the Directors' pro forma adjustments for the impact of the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offer.

The following adjustments have been made in relation to events subsequent to 30 June 2021:

- 1) the issue of 5,500,000 Shares at \$0.16 each to raise gross Proceeds of \$880,000, of which a total amount of \$855,000 was received prior to 30 June 2021 and an amount of \$25,000 was received after 30 June 2021;
- 2) the settlement of an outstanding related party loan of \$346,346 by way of a cash payment of \$203,541, the issue of 625,000 Shares at a deemed issue price of \$0.16 per Share, and the provision of a truck with a net book value of \$42,805;
- 3) the issue of 1,375,000 Shares to Christian Price and 500,000 Shares to Simon Lill at a deemed issue price of \$0.16 per Share in lieu of remuneration for services provided to the Company;
- 4) a subdivision of the issued capital of the Company on the basis that every 1 Share held be split into 2 Shares, resulting in a total of 81,200,840 Shares (post share split) on issue; and
- 5) the issue of 12,450,000 unlisted options (**Director and Management Options**) to certain Directors and management. Director and Management Options are in three tranches with exercise prices of \$0.30, \$0.35, and \$0.40, and expire three, four and five years from the issue date, being 24 September 2021.

The following pro forma adjustments have been made in relation to events which are expected to occur immediately before or following completion of the Offer:

- 6) the issue of a minimum of 30,000,000 and a maximum of 37,500,000 fully paid ordinary shares in the Company at \$0.20 each, to raise a minimum of \$6,000,000 up to a maximum of \$7,500,000 before costs pursuant to the Offer;
- 7) the payment of cash costs related to the Offers estimated to be between \$676,700 (at Minimum Subscription) and \$766,700 (at Maximum Subscription); and
- 8) the issue of between 825,000 Shares (Minimum Subscription) and 1,125,000 Shares (Maximum Subscription) to the Lead Manager (and/or its Nominees) at a deemed issue price of \$0.20 each (**Lead Manager Shares**) on successful completion of the IPO.

### c) Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Information are detailed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1) New or amended Accounting Standards and interpretations adopted

The consolidated entity 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.

## 2) Basis of preparation

### *Historical cost convention*

The Financial Information has been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### *Critical accounting estimates*

The preparation of the Financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

## 3) Principles of consolidation

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of Nimy Resources Limited (formerly Cloonmore Group Pty Ltd) as at 30 June 2021 and the results of all subsidiaries for the three financial years then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial information, all intra-group balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss

## 4) Revenue recognition

The consolidated entity recognises revenue as follows:

### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### *Other revenue*

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

## 5) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

The company and its wholly-owned Australian subsidiary are part of a tax-consolidated group. All members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Nimy.

## 6) Current and non-current classifications

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.



A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### 7) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents excludes outstanding bank overdrafts.

#### 8) 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

#### 9) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

##### *Impairment of non-financial assets*

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An

impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### 10) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the diminishing value method or straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - 7.5% to 37.5% diminishing value
- Motor vehicles - 13% to 30% diminishing value

The residual values, useful lives and amortisation methods for assets are reviewed, and adjusted if appropriate, at each financial year end.

#### 11) Investments and other financial assets

Investments and other financial assets, other than interests in subsidiaries or associates, 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 consolidated entity 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 amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### *Impairment of financial assets*

The consolidated entity 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 consolidated entity'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.

#### **12) Trade and other payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the accounting period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **13) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### **14) Employee benefits**

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Long-term employee benefits*

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### **15) Share based payments**

Employees (including directors and senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees receive equity instruments as consideration for services rendered (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



## 16) Issued capital

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.

## 17) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

## 18) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated in the presentation of the Financial Information. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, is set out below.

### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application

of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

d) Cash and cash equivalents

	Notes	Audited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
Cash and cash equivalents		972,664	6,117,423	7,527,423
<hr/>				
Nimy cash and cash equivalents as at 30 June 2021			972,664	972,664
 <i>Subsequent events are summarised as follows:</i>				
Proceeds from issue of Shares	5.6(b)(1)		25,000	25,000
Settlement of cash portion of related party loan	5.6(b)(2)		(203,541)	(203,541)
<hr/>				
			(178,541)	(178,541)
 <i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>				
Proceeds from the Offer pursuant to the Prospectus	5.6(b)(6)		6,000,000	7,500,000
Capital raising costs	5.6(b)(7)		(676,700)	(766,700)
<hr/>				
			5,323,300	6,733,300
<hr/>				
<b>Pro forma cash and cash equivalents</b>			<b>6,117,423</b>	<b>7,527,423</b>
<hr/>				



e) Property, plant and equipment

	Notes	Audited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
Property, plant & equipment		43,580	775	775
Nimy property, plant & equipment as at 30 June 2021			43,580	43,580
<i>Subsequent events are summarised as follows:</i>				
Transfer of Company truck in settlement of related party loan	5.6(b)(2)		(42,805)	(42,805)
			(42,805)	(42,805)
<b>Pro forma property, plant and equipment</b>			<b>775</b>	<b>775</b>

f) Related party loans

	Notes	Audited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
Related party loans		346,346	-	-
Nimy related party loans as at 30 June 2021			346,346	346,346
<i>Subsequent events are summarised as follows:</i>				
Settlement of related party loan	5.6(b)(2)		(346,346)	(346,346)
			(346,346)	(346,346)
<b>Pro forma related party loans</b>			<b>-</b>	<b>-</b>

g) Issued capital

	Note	Minimum		Maximum	
		Pro forma Unaudited 30-Jun-21			
		No. of Shares	\$	No. of Shares	\$
Issued Capital		112,025,840	8,095,014	119,825,840	9,495,478
Nimy Resources issued capital as at 30 June 2021		32,600,420	1,234,741	32,600,420	1,234,741
<i>Subsequent events are summarised as follows:</i>					
Issue of Shares	5.6(b)(1)	5,500,000	880,000	5,500,000	880,000
Settlement of equity portion of the related party loan	5.6(b)(2)	625,000	100,000	625,000	100,000
Issue of Shares to Christian Price	5.6(b)(3)	1,375,000	220,000	1,375,000	220,000
Issue of Shares to Simon Lill	5.6(b)(3)	500,000	80,000	500,000	80,000
		8,000,000	1,280,000	8,000,000	1,280,000
2:1 share split	5.6(b)(4)	40,600,420	-	40,600,420	-
		81,200,840	2,514,741	81,200,840	2,514,741
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>					
Proceeds from the Offer	5.6(b)(6)	30,000,000	6,000,000	37,500,000	7,500,000
Cash costs associated with the Offer	5.6(b)(7)	-	(419,727)	-	(519,263)
Issue of Lead Manager Shares	5.6(b)(8)	825,000	165,000	1,125,000	225,000
Cost of Lead Manager Shares	5.6(b)(8)	-	(165,000)	-	(225,000)
		30,825,000	5,580,273	38,625,000	6,980,737
<b>Pro forma Issued Capital</b>		<b>112,025,840</b>	<b>8,095,014</b>	<b>119,825,840</b>	<b>9,495,478</b>



### 1) Unlisted Options

On 24 September 2021 the Company issued 12,450,000 Options to certain directors and management of the Company.

The Options have been valued using a standard binomial pricing model on the assumption that the Offer price represents the fair value of a Share at the grant date, using the following assumptions:

Assumptions	Tranche 1	Tranche 2	Tranche 3
Stock price	\$0.200	\$0.200	\$0.200
Exercise price	\$0.300	\$0.350	\$0.400
Expiry	23-Sep-24	23-Sep-25	23-Sep-26
Expected future volatility	100%	100%	100%
Risk free rate	0.16%	0.63%	0.63%
Dividend yield	0%	0%	0%

### h) Reserves

	Notes	Audited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
Reserves		855,000	1,193,130	1,193,130
Nimy Reserves as at 30 June 2021			855,000	855,000
<i>Subsequent events are summarised as follows:</i>				
Issue of Shares	5.6(b)(1)		(855,000)	(855,000)
Issue of Director and Management Options	5.6(b)(5)		1,193,130	1,193,130
			<b>338,130</b>	<b>338,130</b>
<b>Pro forma reserves</b>			<b>1,193,130</b>	<b>1,193,130</b>

## i) Accumulated losses

	Notes	Audited 30-Jun-21 \$	Minimum Pro forma Unaudited 30-Jun-21 \$	Maximum Pro forma Unaudited 30-Jun-21 \$
Accumulated losses		(1,457,979)	(3,208,082)	(3,198,546)
Nimy accumulated losses as at 30 June 2021			(1,457,979)	(1,457,979)
<i>Subsequent events are summarised as follows:</i>				
Issue of Shares to Christian Price	5.6(b)(3)		(220,000)	(220,000)
Issue of Shares to Simon Lill	5.6(b)(3)		(80,000)	(80,000)
Issue of Director and Management Options	5.6(b)(5)		(1,193,130)	(1,193,130)
			(1,493,130)	(1,493,130)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>				
Listing costs expensed	5.6(b)(7)		(256,973)	(247,437)
			(256,973)	(247,437)
<b>Pro forma accumulated losses</b>			<b>(3,208,082)</b>	<b>(3,198,546)</b>

## j) Contingent Liabilities and Commitments

As at 30 June 2021, the Company had no material contingent liabilities.

## 5.7 Dividend Policy

The Company does not intend to declare a dividend in the coming financial year. The Company may distribute dividends in the future based on future growth prospects and capital requirements.



6

# Directors & Management





## 6.1 Board of Directors

The Directors bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.

### a) Simon Lill, Independent Non-Executive Chairperson

Mr Lill has a Bachelor of Science and a Masters of Business Administration, both from the University of Western Australia.

Mr Lill is the current Non-Executive Chairperson of De Grey Mining Limited (ASX:DEG), an ASX 300 gold exploration/development company with 100% ownership of one of Western Australia's largest greenfield discoveries – Hemi – in the Pilbara region of Western Australia.

Experienced in capital raising and ASX listing activities throughout 25 years of Board representation and management. Mr Lill is also an Executive Director of Purifloh Limited (ASX:PO3) and recent listing Iris Metals Limited (ASX: IR1).

Mr Lill is considered to be an independent Director.

### b) Christian Price, Managing Director

Mr Price is a Mining Engineer and Mineral Economist with over 18 years of experience in operation, technical and senior leadership roles in operating, development and exploration Australia.

Most recently Mr Price was the COO & Interim CEO of Resources & Energy Group Ltd (ASX:REZ), which is an explorer and developer of projects in Western Australia and Queensland.

### c) Luke Hampson, Executive Director

Mr Hampson has been in the mining industry for more than 35 years. During this time he has held senior positions within Asset Management, Exploration, Business Improvement, Logistics, Marketing, and Human Resources. Mr Hampson is a major shareholder and principal of the Cloonmore group of companies that provide mining and engineering services, being specifically the managing director of Cloonmore Pty Ltd and Cloonmore People Pty Ltd.

An experienced 6 Sigma Master Black Belt, Mr Hampson has worked throughout the Asia Pacific region and delivered on a broad spectrum of projects. During his career Mr Hampson has led project management teams planning and delivering physical assets to existing and new projects. Mr Hampson's

management responsibility at Rio Tinto encompassed the entire asset life cycle for mobile equipment through capital planning, procurement, delivery, operate, maintain and disposal.

Mr Hampson's previous appointments have been at WesTrac (Caterpillar Dealer), Rio Tinto (Iron Ore) and Improvement Partners (Business Improvement Consultants).

## 6.2 Management

Management comprises the following:

### a) Christian Price and Luke Hampson

Refer sections 6.1(b) and 6.1(c) above.

### b) John Palermo, Chief Financial Officer and Company Secretary

Mr Palermo has over 20 years of experience in public practice, with expertise in corporate transaction execution and strategic business management.

Mr Palermo is Chairperson of Chartered Accountants Australia and New Zealand, a Non-Executive Director of Alterra Ltd (ASX:1AG) and a Director of Royal Perth Hospital Medical Research Foundation. Mr Palermo is also Company Secretary of Wellfully Limited (ASX:WFL) and Helios Energy Limited (ASX:HE8).

### c) Stuart Peterson, Chief Geologist

Mr Peterson is a specialist exploration geologist with over 15 years of industry experience in targeting Nickel, Lithium, Iron ore, Manganese and Gold working across Australia and international project portfolios. Mr Peterson has demonstrated expertise in resource identification and asset development through targeted field operations and strong technical knowledge.

## 6.3 Director disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that such Director was an officer or within a 12 month period after they ceased to be an officer.

## **6.4 Directors' and Management's remuneration**

### **a) Simon Lill (Non-Executive Chairperson)**

The Company has entered into an agreement with Mr Lill for the purposes of discharging his role as non-executive director and Chairperson. This arrangement is summarised at Section 8.4. Under the agreement, Mr Lill is entitled to a base remuneration of A\$110,000 per annum (inclusive of superannuation contributions).

In addition, Mr Lill has been issued with a total of 1,500,000 Options (refer Section 6.6).

Mr Lill is entitled to participate in the Company's ESOP.

### **b) Christian Price (Non-independent Managing Director)**

The Company has entered into an agreement with Mr Price for the purposes of discharging his role as Managing Director. This arrangement is summarised at Section 8.2. Under the agreement, Mr Price is entitled to a base remuneration of A\$242,000 per annum (inclusive of superannuation contributions). Mr Price's role is full time.

In addition, Mr Price has been issued with a total of 6,000,000 Options (refer Section 6.6).

Mr Price is entitled to participate in the Company's ESOP.

### **c) Luke Hampson (Executive Director)**

The Company has entered into an agreement with Mr Hampson for the purposes of discharging his role as Executive Director. This arrangement is summarised at Section 8.3. Under the agreement, Mr Hampson is entitled to a base remuneration of A\$110,000 per annum (inclusive of superannuation contributions). Mr Hampson's role is part time on the basis of 2 days per week.

In addition, Mr Hampson has been issued with a total of 750,000 Options (refer Section 6.6).

Mr Hampson is entitled to participate in the Company's ESOP.

### **d) John Palermo (Company Secretary and Chief Financial Officer)**

The Company has entered into the Corporate Services Agreement for the purposes of providing Mr Palermo with his role as Chief Financial Officer and Company Secretary. This agreement is summarised at Section 8.6. Under the agreement, Mr Palermo is entitled to a base fee of A\$7,000 per month (exclusive of GST).

In addition, Mr Palermo has been issued with a total of 400,000 Options (refer Section 6.6).

Mr Palermo is entitled to participate in the Company's ESOP.

## **6.5 Directors' fees**

The Constitution of the Company provides that the non-executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate maximum remuneration currently determined by the Company is A\$250,000 per annum. Additionally, non-executive Directors will be entitled to be reimbursed for properly incurred expenses.



## 6.6 Disclosure of interests

The proposed annual remuneration of each Director for the financial year following the Company being listed on the ASX, along with each Director's relevant interest in securities of the Company at the date of this Prospectus, are set out in the tables below:

Director	Remuneration (inclusive of superannuation)	Description of Services
Simon Lill	A\$110,000/annum	Non-Executive Director Chairperson
Christian Price	A\$242,000/annum	Executive Director
Luke Hampson	A\$110,000/annum	Executive Director
<b>Total</b>	<b>A\$462,000/annum</b>	

Director	Shares	Tranche 1 Options <sup>1</sup>	Tranche 2 Options <sup>2</sup>	Tranche 3 Options <sup>3</sup>	% holding on the Maximum Subscription (undiluted)	% holding on the Maximum Subscription (fully diluted)
Simon Lill	3,000,000	500,000	500,000	500,000	2.50%	3.40%
Christian Price	4,000,000 <sup>4</sup>	3,000,000	1,500,000	1,500,000	3.34%	7.56%
Luke Hampson	33,352,962 <sup>5</sup>	250,000	250,000	250,000	27.83%	25.78%

Notes:

1. Subject to the success of the IPO, the Tranche 1 Options will be capable of exercise with an exercise price of \$0.30, expiring 3 years from the date of issue, being 24 September 2024.
2. Subject to the success of the IPO, the Tranche 2 Options will be capable of exercise with an exercise price of \$0.35, expiring 4 years from the date of issue.
3. Subject to the success of the IPO, the Tranche 3 Options will be capable of exercise with an exercise price of \$0.40, expiring 5 years from the date of issue.
4. Shares held through Christian Michael Price and Kate Louise Price as trustees for the Addis Superannuation Fund.
5. Shares held through associates, being Angela Hampson, Cloonmore Pty Ltd and Strathnaver Pty Ltd ACN 603 168 761. Angela Hampson has held Shares in the Company since its incorporation and has transferred some 1,252,024 existing Shares to related and unrelated parties. The Company considers that Mr Hampson holds a relevant interest in up to 33,352,962 existing Shares.

## 6.7 Deeds of indemnity, insurance and access for Directors

The Company has entered into a deed of indemnity, insurance and access with each of the Directors to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director was, or is threatened to be made, a party by reason of the fact that such Director is or was a Director, officer, employee or agent of the Company, provided that such Director acted in good faith and in a manner that the Director reasonably believed to be in, or not opposed to, the Company's best interests. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

## 6.8 Employee Share and Option Plan

The Company has established an employee share option plan (**ESOP**) to assist in the motivation, retention reward of senior executives and other employees that may be invited to participate in the ESOP from time to time. The ESOP was adopted on 9 September 2021. The ESOP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Company.

The ESOP provides flexibility for the Company to grant Shares or Options as incentives, subject to the terms of individual offers and the satisfaction of performance and vesting conditions determined by the Board from time to time.

A summary of the key terms of the ESOP are as follows:

- a) The ESOP is to extend to Eligible Persons or Eligible Associates (as the case may be and as defined in the ESOP) of the Company or an associated body corporate of the Company as the Board may in its discretion determine.
- b) If the Company is relying on ASIC Class Order 14/1000, the total number of Securities which may be offered by the Company under this ESOP shall not at any time exceed 5% of the Company's total issued Shares (being 5,601,292 on the basis of raising the Minimum Subscription and 5,991,292 on the basis of raising the Maximum Subscription) when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three-year period under:
  - 1) an employee incentive scheme covered by ASIC Class Order 14/1000; or
  - 2) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

Any Securities issued under the ESOP, not utilising ASIC Class Order 14/1000 (for example, issued under the disclosure exemption in section 708(12) of the Corporations Act) do not count towards the 5% limit;

- c) The Options are to be issued for no consideration.
- d) The Shares are to be issued at an issue price determined by the Board.
- e) The exercise price of an Option is to be determined by the Board.
- f) The Option commencement date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.

g) The Option period commences on the Option commencement date and ends on the earlier of:

- 1) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option, but being not less than two years;
- 2) if an Eligible Person's employment or engagement with the Company or an associated body corporate ceasing because of an Uncontrollable Event (as defined below), the earlier of:
  - A) the expiry of the Option period; or
  - B) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement;
- 3) if an Eligible Person's employment or engagement with the Company or an associated body corporate ceasing because of a Controllable Event (as defined below):
  - A) the expiry of the Option Period; or
  - B) three months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
- 4) the Eligible Person ceasing to be employed or engaged by the Company or an associated body corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an associated body corporate.
- h) Eligibility to participate in the ESOP is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates as the case may be) of the Company or an associated body corporate of the Company. The Board is entitled to determine:
  - 1) subject to paragraph (b), the total number of Shares and Options to be offered in any one year to Eligible Persons or Eligible Associates;
  - 2) the Eligible Persons to whom offers will be made; and
  - 3) the terms and conditions of any Shares and Options granted, subject to the ESOP.
- i) In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
- j) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. If the Company is listed on ASX, the Company will, where required pursuant to the ASX Listing Rules, provide Option holders with



notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.

- k) In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options, the Company may adjust the exercise price for the Options in accordance with the formula in the terms of the ESOP.
- l) The Board has the right to vary the entitlements of participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
- m) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the exercise price, increase the number of Options or change any period for exercise of the Options.
- n) The Board may impose as a condition of any offer of Shares and Options under the ESOP any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
- o) The Board may vary the ESOP.
- p) The ESOP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.
- q) At any time from the date of an offer under the ESOP until the acceptance date of that offer, the Board undertakes that it shall provide information as to:
  - 1) the current market price of the Shares (if the Company is listed); and
  - 2) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the offer, to any participant within three Business Days of a written request to the Company from that participant to do so.
- r) Any offer made pursuant to this ESOP will specify whether subdivision 83A-C of the applicable Tax Laws applies to that offer such that any tax payable by a participant under the offer will be deferred to the applicable deferred taxing point described in that subdivision.

In the ESOP:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

- a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or associated body corporate;
- b) forced early retirement, retrenchment or redundancy; or
- c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or associated body corporate and which the Board determines is an Uncontrollable Event.

A total of 12,450,000 Options have been issued under the ESOP as at the date of this Prospectus.

For the purposes of Listing Rule 7.2 (Exception 13(a)), the maximum number of securities to be issued under the ESOP (excluding the 12,450,000 currently on issue) is 5,000,000.

## 6.9 Related Party Transactions

Chapter 2E of the Corporations Act governs related party transactions with respect to public companies. Related parties include Directors and entities controlled by Directors. Related party transactions require Shareholder approval unless they fall within one of the exceptions in Chapter 2E. Transactions entered into by proprietary companies are not regulated by Chapter 2E.

The Company was incorporated on 22 February 2012 and was converted to a public company on 24 September 2021. The Company has not entered into any related party transactions subsequent to Conversion.

Prior to Conversion to a public company, the Company entered into a number of arrangements with Related Parties. These transactions with related parties that may be otherwise have been captured under Chapter 2E of the Corporations Act as set out below.

a) Securities have been issued to the Directors (or associated entities) in the following manner:

- 1) the issue of 10,898 Shares issued at an issue price of \$1.00 each to Ms Angela Hampson, an associate of Mr Luke Hampson, a founder of the Company, during its formative stages. Through a number of share transfers Angela Hampson's shareholding increased to 13,928 and following share subdivisions on 5 May 2020 (1:1,124.91) and 11 August 2021 (1:2), Angela Hampson's shareholding further increased to 31,335,492. Following the transfer of 1,250,000 Shares at a price of \$0.08 to Mr Christian Price on 14 September 2021, Angela Hampson presently has a shareholding of 30,085,492;
- 2) the issue of 1,008,735 Shares to Strathnaver Pty Ltd ACN 603 168 761, an entity associated with Mr Hampson, on 16 June 2020 for cash issue price of \$201,747. The Board considers this to be a reasonable arm's length transaction for the purposes of section 210 of the Corporations Act (to the extent that were to apply);
- 3) the issue of 1,375,000 Shares to Mr Price on 10 August 2021 in satisfaction for debt for services (\$220,000) payable to Mr Price, considered to be reasonable remuneration for the purposes of sections 210 and 211 of the Corporations Act (to the extent they were to apply) that member approval was obtained;
- 4) the issue of 1,000,000 Shares to Mr Lill on 16 June 2020 for cash issue price of \$80,000. Further, an issue of 500,000 Shares to Mr Lill on 10 August 2021 in satisfaction for debt for services (\$80,000) payable to Mr Lill, considered to be reasonable remuneration for the purposes of sections 210 and 211 of the Corporations Act (to the extent they were to apply) that member approval was obtained;

5) the issue of 625,000 Shares to Cloonmore Pty Ltd, an entity associated with Mr Hampson, on 10 August 2021 for the part loan repayment (\$100,000) and concurrently the agreement to repay of the balance of the debt (totalling \$200,000 in cash and the balance satisfied by the transfer of a non-essential asset to Cloonmore Pty Ltd (valued at \$42,805). Cloonmore Pty Ltd provided a loan for payment of mining and other expenses on behalf of the Company from time to time, such loan being non-secured, interest free and payable on demand. The loan and the loan repayment terms are considered to constitute a reasonable arm's length transaction for the purposes of section 210 of the Corporations Act (to the extent it were to apply), and no outstanding loan will exist as at completion of the Offer;

- 6) the transfer of 1,250,000 Shares from Ms Angela Hampson to Mr Price on 14 September 2021 in exchange for a cash payment (\$100,000), having regard to the circumstances at the time of the transfer;
- 7) the issue of Options to the following Directors:

Director	Number of Options
Simon Lill	1,500,000
Christian Price	6,000,000
Luke Hampson	750,000

The terms of the Options are set out in Sections 6.6 and 6.8. The issue of these Director Options were issued by the Board on the basis they were considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act (to the extent it were to apply) and as such, member approval of the transaction was not required, and the Options were issued pursuant to the Company's Employee Share Option Plan.

- b) the Company (through its wholly owned subsidiary) entered into a services agreement with Resource Dynamics Pty Ltd ABN 13 615 147 487 (**Resource Dynamics**), an entity associated with Mr Price, for the provision of consultant services to the Company prior to Mr Price's appointment as a Director. Since Mr Price's appointment as a Director on 16 August 2021, no fee has been payable to Resource Dynamics (Mr Price or a nominee) under this agreement. The Board considers that this constitutes a reasonable arm's length transaction for the purposes of section 210 of the Corporations Act;



- c) the Company entered into a sublease agreement with Cloonmore Pty Ltd for the premises (being 254 Adelaide Terrace, Perth WA 6000) for a term of 6 months. The terms of this agreement are set out in Section 8.8. The Board considers that this constitutes a reasonable arm's length transaction for the purposes of section 210 of the Corporations Act;
- d) the Company entered into a services agreement with Cloonmore Pty Ltd for the provision of, among other things, office management, human resources, bookkeeping and payroll services. The terms of this agreement are set out in Section 8.7. The Board considers that this constitutes a reasonable arm's length transaction for the purposes of section 210 of the Corporations Act;
- e) an executive service agreement for services as Executive Director with Christian Price. The terms of this agreement are set out in Section 8.2. The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transaction was not required;
- f) an executive service agreement for services as Executive Director with Luke Hampson. The terms of this agreement are set out in Section 8.3. The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transaction was not required;
- g) the Company has entered into a letter of appointment with the Non-Executive Director, Simon Lill. The terms of this agreement are set out in Section 8.4; and
- h) the Company has entered into Deeds of Indemnity, Insurance and Access with each Director. The terms of these agreements are set out in Section 8.5.

# 7

# Corporate Governance





## 7.1 Corporate governance material

The Corporate Governance Charter of Nimy was adopted on 9 September 2021 (**Corporate Governance Charter**).

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines.

The Company's main corporate governance policies and practices are outlined in this Section 7 below and a summary of the status of compliance with the Recommendations is set out in Schedule 4.

The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company Website.

## 7.2 Board of Directors

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

A Director may seek independent advice, including legal advice, where he or she believes it is necessary to properly discharge his or her duties as a Director. The Company will pay for the reasonable cost of this advice provided that the Director has obtained prior written approval of the Chairperson (including the cost of the advice).

## 7.3 Composition of the Board

The Board is currently comprised of one Non-Executive Director and two Executive Directors. Biographies of the Directors are provided in Section 6.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities determined within the limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the Recommendations. The Corporate Governance Charter sets out further matters that the Board will consider when determining the independence of Directors of the Company.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or an Executive Director, as applicable, without constraint from other commitments.

## 7.4 Nominations Committee

The Board has not formally established a nominations committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a nominations committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate nominations committee and in doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether a nominations committee needs to be established.

## 7.5 Remuneration Committee

The Board has not formally established a remuneration committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a remuneration committee. The Board considers that it is able to deal efficiently and effectively with monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company without establishing a separate remuneration committee and in doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether a remuneration committee needs to be established.

## 7.6 Identification and Management of Risk

The Company has not formally established an audit and risk committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of an audit and risk committee. The Board considers that it is able to deal efficiently and effectively with monitoring and reviewing any matters of significance affecting the integrity of the financial reporting process and risk management processes without establishing a separate audit and risk committee and in doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether an audit and risk committee needs to be established.

## 7.7 External Audit

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by Shareholders at the next annual general meeting of the Company.

The Board will be responsible for:

- a) considering and implementing the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- b) monitoring and reviewing the external auditor's independence, objectivity, and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor; and
- c) developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services.

## 7.8 Corporate Ethics and Continuous Disclosure Policy

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate ethics policy (**Corporate Ethics Policy**) and a corporate code of conduct (**Code of Conduct**). The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

To assist Directors in discharging their duty to the Company in compliance with the relevant laws to which they are subject, the Company has adopted a Corporate Ethics Policy. The Corporate Ethics Policy sets out the rules binding Directors in respect of:

- a) a Director's legal duties as an officer of the Company;
- b) a Director's obligations to make disclosure to the ASX and the market generally; and
- c) dealings by Director's in shares in the Company.



Alongside the Corporate Ethics Policy, the Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include:

- d) to conduct business with honesty, integrity and fairness; and
- e) to comply with all relevant laws and regulations applicable to it.

## 7.9 Diversity Policy

The Company respects and values the competitive advantage of diversity and the benefit of its integration throughout the Company to enrich the Company's perspective, improve corporate performance, increase Shareholder value and maximise the probability of achievement of the Company's goals.

In accordance with recommendation 1.5 of the Recommendations, the Company has adopted a diversity policy and will implement that Recommendation in a number of ways, including by:

- a) being attuned to diverse strategies to deliver the Company's objectives with respect to diversity;
- b) being attuned to diverse corporate, business and market opportunities;
- c) adding to, nurturing and developing the collective relevant skills, and diverse experience and attributes of personnel within the Company; and
- d) ensuring that the Company's culture and management systems are aligned with and promote the attainment of recommendation 1.5.

## 7.10 Anti-Bribery and Corruption Policy

The Company has adopted an Anti-bribery and Corruption Policy to establish controls to ensure compliance with all applicable anti-corruption laws and regulations, and to ensure that the Company conducts business in a socially responsible manner.

The Company and the Board take a zero-tolerance approach to corruption and are committed to acting professionally, ethically and with integrity in all of the Company's business dealings and relationships. This extends to implementing and enforcing effective systems to counter corruption.

The Anti-Bribery and Corruption Policy imposes various obligations and responsibilities upon Company Personnel and Associated Persons' (as those terms are defined in the Anti-Bribery and Corruption Policy), the Board and the Company to ensure:

- a) neither Associated Persons nor Company Personnel engage in bribery;
- b) the giving and receiving of gifts and hospitality is limited to circumstances where it is proportionate and reasonable; and
- c) the giving of charitable and political contributions made on behalf of the Company is limited to strict circumstances and always with the approval from the Board having regard to stringent considerations.

## 7.11 Trading Policy

The Company has adopted a trading policy which is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, do not abuse, and do not place themselves under suspicion of abusing Inside Information that they may be thought to have, especially in periods leading up to an announcement of the Company.

Under the terms of the trading policy, a Restricted Person must not deal with Securities of the Company unless a clearance to deal is obtained in accordance with the Trading Policy or the dealing is an Excluded Dealing. Further, a Restricted Person must not deal with Securities of the Company if such a dealing would involve:

- a) use of inside information;
- b) short-term trading;
- c) short selling; or
- d) hedging transactions.

## 7.12 Related Party Policy

The Company has adopted a Related Party Policy to record the Company's commitment to complying with all related party transaction requirements under the Corporations Act and the Listing Rules, set out a framework for obtaining approvals for all related party transactions and establish a clear process to comply with the Company's related party transaction obligations.

In summary, the Related Party Policy requires that all related party transactions must be:

- a) notified to the Company Secretary (prior to their execution);
- b) on arm's length terms; and
- c) approved by the Board.

Related party transactions not on arm's length terms must be approved by the Company's Shareholders.

## 7.13 Whistleblower Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance across the Company. As part of that commitment, the Company has adopted a separate Whistleblower Policy, in compliance with applicable laws and practices.

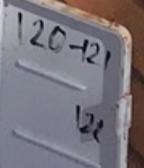
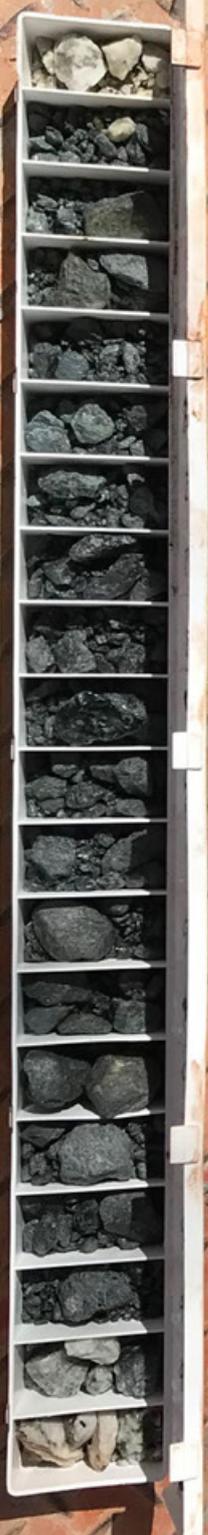
In supporting the Company's corporate governance practices, the Policy has various objectives and purposes, including to:

- a) encourage disclosures of wrongdoing;
- b) help deter wrongdoing, in line with the Company's risk management and governance framework;
- c) provide transparency around the Company's framework for receiving, handling and investigating disclosures;
- d) support the Company's values as stated in its Code of Conduct;
- e) meet the Company's legal and regulatory obligations;
- f) provide a process for investigating and dealing with disclosures and how the Company will support disclosers and protect them from detriment; and
- g) align with the Recommendations.

The Whistleblower Policy is intended to supplement all applicable laws, rules and other corporate policies including, without limitation, the Company's Corporate Code of Conduct and Anti-Bribery and Corruption Policy.

## 7.14 ASX corporate governance - Compliance with Recommendations

The table set out in Schedule 4 summarises how the Company complies with the Recommendations, and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted in Schedule 4 it otherwise complies with all of the Recommendations.



# 8

# Summary of Material Contracts





The Directors consider that certain contracts entered into by Nimy are material to the Company, are referred to in the Solicitor's Report on Tenements at Schedule 2 or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for securities under the Offer. The provisions of such material contracts are summarised in the Solicitor's Report on Tenements or as follows:

### 8.1 Lead Manager Agreement

The Company has entered into an agreement with Raven Corporate Management Pty Ltd ABN 15 635 827 191 (**Raven Corporate**) appointing Raven Corporate as lead manager (**Lead Manager**) to the Offer (**Lead Manager Agreement**).

Under the terms of the Lead Manager Agreement, Raven Corporate will provide certain services to the Company, including:

- a) advising on the Company's future equity structure;
- b) raising equity capital;
- c) advising on the IPO structure; and
- d) providing ongoing corporate advice.

The retainer period is a period of 12 months, starting 3 months prior to the Offer (**Term**).

The Company has agreed, pursuant to the terms of the Lead Manager Agreement, to pay the Lead Manager:

- a) upon settlement of the Offer, a management fee of 6% of the gross proceeds raised under the Offer;
- b) upon successful completion of the Offer, the Lead Manager will be issued 825,000 Shares if the Minimum Subscription is raised (or up to \$1 less than the Maximum Subscription) or 1,125,000 Shares if the Maximum Subscription is raised, at a deemed issue price of A\$0.20, to be escrowed for 24 months; and
- c) a retainer fee to be paid monthly of:
  - 1) A\$7,500 per month for the first 6 months of the Term; and
  - 2) A\$5,000 per month thereafter.

Either the Company or Raven Corporate may terminate the Lead Manager Agreement with or without cause upon 7 days written notice to the other party. Unless otherwise operates until terminated by the Company or Raven Corporate in accordance with the terms of the engagement.

Raven Corporate agrees to indemnify the Company against all claims, action, proceedings, demands, liabilities, losses, damages, costs and expenses it suffers as a result, directly or indirectly from or in connection with any misleading or deceptive conduct, fraud, negligence, recklessness, or dishonest act by Raven Corporate or its personnel in providing the services under the Lead Manager Agreement.

The warranties and indemnities in the Lead Manager Agreement are otherwise of the kind which we would normally expect to be contained in a lead manager engagement contract.

### 8.2 Executive Service Contract – Christian Price

The Company entered into an executive services agreement with Mr Price on 10 August 2021 to appoint Mr Price as Managing Director on a full-time basis (**Price Services Agreement**).

Under the terms of the Price Services Agreement, Mr Price receives a base salary of A\$242,000 per year (inclusive of statutory superannuation contributions). In addition to this fee, Mr Price has been issued 6,000,000 Options pursuant to the Company's Employee Share Option Plan pursuant to an exemption under section 708(12) of the Corporations Act (refer Sections 6.6 and 6.8).

The Price Services Agreement will continue until terminated. Either party may give the other 3 months to terminate the Services Agreement. The Company may terminate the Price Services Agreement without notice for serious misconduct by Mr Price.

### **8.3 Executive Service Contract – Luke Hampson**

Mr Luke Hampson was initially appointed as Director on 22 February 2012. The Company entered into an executive services agreement with Mr Hampson on 10 August 2021 to appoint Mr Hampson as Executive Director on a part-time basis (**Hampson Services Agreement**).

Under the terms of the Hampson Services Agreement, Mr Hampson receives a base salary of A\$110,000 per year (inclusive of statutory superannuation contributions). Mr Hampson's role is part time, being 2 days per week. In addition to this fee, Mr Hampson has been issued 750,000 Options pursuant to the Company's Employee Share Option Plan pursuant to an exemption under section 708(12) of the Corporations Act (refer Sections 6.6 and 6.8).

The Hampson Services Agreement will continue until terminated. Either party may give the other 3 months to terminate the Hampson Services Agreement. The Company may terminate the Hampson Services Agreement without notice for serious misconduct by Mr Hampson.

### **8.4 Non-Executive Director Letter of Appointment**

The Company has entered into a letter of appointment with Mr Simon Lill for his appointment as non-executive Director and Chairperson of the Company. The letter of appointment is in a standard form and detail the nature of the non-executive Director's appointment, his duties and remuneration entitlements (as set out in Section 6.5).

### **8.5 Deeds of Indemnity, Insurance and Access**

Each of the Directors and the Company Secretary of the Company have entered into a Deed of Indemnity, Insurance and Access with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and the Company Secretary, and to effect and maintain insurance in respect of Directors and the Company Secretary and provide certain indemnities to each of the Directors and the Company Secretary, to the extent permitted by law.

### **8.6 Corporate Services Agreement**

On 1 April 2021, Nimy Pty Ltd (the Company's wholly owned subsidiary) entered into a services agreement with Gratia Australia Pty Ltd (**Gratia**) to provide secretarial and accounting services. The terms of the agreement were subsequently assigned to the Company with effect from 1 August 2021 and in the case of Gratia, to Nexia with effect from 1 October 2021 (**Corporate Services Agreement**).

Under the terms of the agreement, Nexia is engaged by the Company to assist with the secretarial services which include but are not limited to the coordination of corporate governance procedures, lodgement of ASIC and ASX documents and assistance with the management of capital raises as required. In addition, Nexia is to provide accounting services which include the maintenance and compliance of the Company's accounts and financial reports.

The Company has agreed to be charged on a retainer basis at a rate of \$7,000 (exclusive of GST) per month for the secretarial services until the end of retainer being 1 April 2022.

### **8.7 Cloonmore Pty Ltd Services Agreement**

On 1 June 2021, the Company entered into a services agreement with Cloonmore Pty Ltd (an associated entity of Luke Hampson) to provide, among other things, office management, human resources, bookkeeping and payroll services.

The Company has agreed to be charged on a retainer basis at a rate of \$4,000 (exclusive of GST) per month for the services until the end of retainer being 1 June 2022.

### **8.8 Sublease Agreement**

The Company entered into a sublease agreement with Cloonmore Pty Ltd for the premises (being 254 Adelaide Terrace, Perth WA 6000) for a term of 6 months beginning 1 June 2021 with an option to extend the lease terms by an additional 6 months (**Sublease Agreement**). The Company has agreed to be charged \$3,000 (exclusive of GST) per month for rent, which will increase by 4% on 31 March 2021.



# 9

# Additional Information





## 9.1 Rights attaching to Shares in the Company

The following is a summary of the more significant rights attaching to Shares under the Company's Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice:

### a) ASX Listing Rules

To the extent of any inconsistency between the Constitution and the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

### b) Voting

Subject to any special rights or restrictions as to voting attached to any Shares or class of Shares, at a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

### c) Dividends

The Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement is justified.

### d) Winding up

Upon paying the Application moneys, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

### e) Transfer of securities

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

### f) Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings. The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules. For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

## 9.2 Escrow arrangements

The ASX is expected to, as a condition of granting the Company's application for official quotation of its Shares, classify certain Shares and Options of the Company as restricted securities. Prior to official quotation of the Company's Shares, the holders of those Shares and Options that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company or comply with a restriction notice with the Company and an escrow agent.

While ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that Shares and Options held by Directors and certain Existing Shareholders, and the Lead Manager upon completion of the Offer will be subject to escrow arrangements in the period immediately following completion for 24 months.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by Shareholders who are not related parties (or their associates) of the Company) at the time of admission to the Official List of ASX will be not less than 20% in compliance with ASX Listing Rule 1.1 condition 7.

### 9.3 Options

As at completion of the Offer, the Company will have 12,450,000 Options over Shares on issue as follows and on the terms summarised in Section 6.8:

Number	Issue Date	Exercise Price	Vesting Condition	Expiry date
5,150,000	24 September 2021	30 cents	Admission to the Official List	3 years from Issue Date
3,650,000	24 September 2021	35 cents	Admission to the Official List	4 years from Issue Date
3,650,000	24 September 2021	40 cents	Admission to the Official List	5 years from Issue Date

### 9.4 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

### 9.5 Costs of the Offer

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be approximately A\$676,700 (Minimum Subscription) and A\$766,700 (Maximum Subscription) as follows:

Item of Expenditure	Amount of Expenditure (excluding GST)	
	Minimum Subscription	Maximum Subscription
ASX and ASIC fees	93,668	95,381
Legal fees	120,000	120,000
Audit fees	13,200	13,200
Lead Manager*	360,000	450,000
Other capital raising costs	32,282	30,569
Investigating Accountant fees	28,500	28,500
Independent Geologist fee	29,050	29,050
<b>Total costs of the Offer</b>	<b>\$676,700</b>	<b>\$766,700</b>

\* Excludes equity costs payable to the Lead Manager – refer Section 8.1.



## 9.6 Australian Taxation implications of investing under the Offer

The following general taxation comments consider the Australian taxation implications for Shareholders of the Company, subject to exclusion of certain types of Shareholder as noted below, as they relate to the receipt of dividends and realisation of potential gains and losses on the disposal of Shares.

The comments do not purport to provide tax advice to any particular Shareholder and should not be relied upon, as the tax position of each Shareholder may vary depending on the specific circumstances of the Shareholder. The Company recommends that each Shareholder seeks their own independent income tax advice based on their particular circumstances. All current or potential Shareholders in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

## 9.7 Dividends

### *Australian resident Shareholders*

For Australian resident individual Shareholders, dividends should be treated as assessable income in the year in which the dividend is paid. As detailed below, if the relevant dividend is 'franked', the amount of tax payable in relation to the receipt of that dividend income may effectively be reduced, where the Shareholder is entitled to a franking tax offset, as a result of receiving a franked dividend.

In this regard, Australian tax resident companies, such as Nimy, can pay dividends to Shareholders on a fully, partly or un-franked basis.

To 'frank' a dividend, means to attach franking credits to that dividend. Franking credits are, broadly, generated from the payment of Australian income tax.

The overarching objective of the franking credit regime is, inter alia, to give recipient shareholders credit for income tax already paid in relation to the dividend(s) received

(to the extent that those dividends are franked), so that the recipients' income tax liability in relation to those dividends is effectively reduced, through the recipients claiming a tax offset for that credit received.

Accordingly, a company, when paying dividends to its shareholders, can pass to those shareholders credit for income tax paid by the company on the underlying profits out of which the dividend is paid. This is done by allocating franking credits to the dividend received by shareholders.

It should be noted that the general entitlement to franking credits can be impacted in certain circumstances. For example, over a de minimis threshold, shareholders must own their shares for at least 45 days (or 90 days for preference shares) in order to benefit from franking credits.

### *Non-Australian resident Shareholders*

We note that the franking credit regime also impact the extent to which dividends paid to non-Australian resident Shareholders is subject to dividend withholding tax (DWT).

In this regard:

- dividends paid to non-resident Shareholders that are franked should not be subject to DWT (to the extent of such franking); and
- to the extent that the dividends paid to non-resident Shareholders are unfranked and do not constitute 'conduit foreign income':
  - prima facie, those dividends should be subject to a DWT rate of 30%; however
  - this rate may be reduced to the extent that the Shareholder is a resident of a country that is subject to a Double Taxation Agreement (DTA) with Australia. For example, for a US resident shareholder who owns less than 10% of the Company, the DWT rate on unfranked dividends would generally be reduced to 15%.

Such Shareholders may also be taxable in their country of tax residence on receiving such dividends, and, depending upon the laws of the relevant country, a credit may be available in relation to any Australian withholding tax suffered thereon.

## 9.8 Disposal of Shares

Please note that the below comments relate only to Australian resident individual Shareholders who hold their shares on capital account.

For any sophisticated individual Shareholders who actively trade in shares, or Shareholders who have purchased their shares solely to derive profit on their re-sale in the short to medium term, please seek independent advice as then any gains made on the sale of Shares may be subject to income tax on revenue account, without any capital gains tax (CGT) discounts being available.

These comments do not apply to Shareholders that are banks, insurance companies, management investment trusts or taxpayers that carry on a business of trading in shares or who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the ITAA 1997.

### *Australian Resident Shareholders holding Shares on capital account*

To the extent that the shares are held on capital account (which is required to be determined on a case-by-case basis, and independent advice should be sought in relation to this issue), the disposal of Shares by a Shareholder will be a CGT event.

For Australian resident Shareholders, a capital gain will arise where the capital proceeds on disposal exceed the cost base of the Shares (broadly, the amount paid to acquire the Shares plus any transaction costs incurred in relation to the acquisition or disposal of the Shares).

In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied in arriving at the Shareholder's net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event.

The applicable CGT discount that is applied in arriving at the Shareholder's net capital gain arising from the disposal of Shares is as follows:

- 50 per cent for individuals and trustees; and
- 33 1/3 per cent for a complying superannuation entity.

The CGT discount is applied to the capital gain after any available current or prior year capital losses of the Shareholder are first offset against that capital gain (i.e. on the net gain).

Corporate Shareholders and Non-Australian resident individual Shareholders are not eligible for the general CGT discount concession.

Any net capital gain (after applying capital losses and the CGT discount, as applicable) should be included in the Shareholder's assessable income. The applicable tax payable on the net capital gain will be dependent on the type of Shareholder. An Australian tax resident individual Shareholder will be taxed at their individual marginal rate, with the highest marginal tax rate applying being 45%, exclusive of 2% Medicare levy.

A capital loss will be realised on the disposal of Shares where the reduced cost base of the Shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

### *Non-Australian Resident Shareholders holding Shares on capital account*

Non-Australian resident Shareholders who hold Shares on revenue account are advised to consult their taxation advisors to determine that application of Australian taxation laws to their holding of shares in the Company and the application of any relief under Australia's double tax treaties, which may exclude such profits from Australian taxation.

However, in the event that a profit is excluded under a double tax treaty, it is still relevant to consider the Australian CGT rules if the Shares constitute 'Taxable Australian Property' (refer below).

Generally, all other Non-Australian resident Shareholders will hold their Shares on capital account. These Non-Australian resident Shareholders should consider the impact of the Australian CGT rules on the disposal of their Shares.



Under the existing law, a Non-Australian resident Shareholder disposing of their shares in an Australian company for a gain should not be subject to CGT in Australia, subject to the following two main exceptions, where the shares will be “Taxable Australian Property”:

- shares are held as part of a trade or business conducted through a permanent establishment in Australia; or
- broadly, Shares are held in a company where:
  - the Shareholder and its associates hold (or have held for a 12 month period during the last 24 months) an interest of 10 per cent or more in the issued capital of the company; and
  - more than 50 per cent of the value of the company’s assets are attributable to taxable Australian real property (see definition below).

Taxable Australian real property includes real property situated in Australia (including a lease of land, if the land is situated in Australia) or a mining, quarrying or prospecting right (to the extent that the right is not a real property), if the minerals, petroleum or quarry materials are situated in Australia.

## 9.9 Goods and Services Tax (GST)

The acquisition or disposal of Shares should not have any direct GST implications in Australia other than in respect of GST incurred on expenses related to acquiring or disposing of Shares (e.g. GST on brokers’ commissions).

Australian resident Shareholders who are registered for GST will need to consider their individual circumstances as to whether they are entitled to claim input tax credits for GST incurred on expenses related to acquiring or disposing of Shares.

## 9.10 Stamp Duty

While the Shares remain quoted on the ASX, the acquisition or disposal of those Shares will not have any stamp duty implications in Australia.

Australian stamp duty however may arise if a person, together with related persons, acquires a significant interest in the company (90 per cent or greater interest) while the company is listed on the ASX and the landholder threshold in any relevant Australian State or Territory is exceeded. If landholder duty applies it will apply at the sliding scale which applies in the relevant State or Territory.

## 9.11 Interests of experts and advisers and remuneration

Sections 8 and 9.12 of this Prospectus set out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than set out in this Prospectus, no:

- a) Director or proposed Director of Nimy;
  - b) person named in this Prospectus and who has performed a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;
  - c) promoter of Nimy; or
  - d) stockbroker or underwriter (but not a sub-underwriter) to the Offer, holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
    - e) the formation or promotion of Nimy;
    - f) property acquired or proposed to be acquired by Nimy in connection with its formation or promotion, or in connection with the Offer; or
    - g) the Offer; and
- no amount (whether in cash, Shares, Options or otherwise) has been paid or agreed to be paid, nor has any benefit been given to any such persons for services in connection with the formation or promotion of Nimy or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of Nimy.

## 9.12 Consent of experts

HopgoodGanim Lawyers are named in the Corporate Directory as solicitors to the Company in relation to the Offer and have been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. HopgoodGanim Lawyers has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. HopgoodGanim has also prepared the Solicitor's Report on Tenements, which is set out in Schedule 2 of the Prospectus, and has given its consent for inclusion of that report in the Prospectus. They do not make any other statement in this Prospectus. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time-based charge out rates and estimate their professional costs at A\$120,000 (excluding disbursements and GST), at the date of this Prospectus.

RSM Australia Partners is named in the Corporate Directory as Auditors to the Company. RSM Australia Partners has given its consent to be named in the form and context in which is named in the Prospectus. RSM Australia Partners audited the Company's financial statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 and will be paid A\$13,200 (excluding disbursements and GST) for this work.

RSM Corporate Australia Pty Ltd (**RSM**) is named in the Corporate Directory as Investigating Accountants to the Company. RSM prepared the Investigating Accountant's Report set out in Schedule 3 of this Prospectus. RSM has given its consent for inclusion of Investigating Accountant's Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those contained in the Investigating Accountant's Report, RSM does not make any other statement in this Prospectus. RSM will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at A\$28,500 (excluding disbursements and GST), at the date of this Prospectus.

Raven Corporate Management Pty Ltd ABN 15 635 827 191 (**Lead Manager**) is named in the Corporate Directory as a Lead Manager to the Offer. Raven has given its consent to be named as Lead Manager to the Offer in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. the Lead Manager makes no statement in this Prospectus nor are any statements made in this Prospectus based on any statement by it, other than being named as Lead Manager, and has not authorised or caused the issue of, this Prospectus. In consideration for the Lead Manager's role in relation to the Offer they are entitled to receive a fee as set out in Section 8.1 of this Prospectus.

Optiro Pty Ltd (**Optiro**) is named in the Corporate Directory as Independent Consulting Geologist to the Company and has prepared the Independent Geological Report, which is set out in Schedule 1 of the Prospectus. Optiro has given its consent for inclusion of the Independent Geological Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those included in the Independent Geological Report, it does not make any other statement in this Prospectus. Optiro will be paid for work performed in accordance with usual time-based charge out rates and estimate their professional costs at approximately A\$29,050 (excluding disbursements and GST) at the date of this Prospectus.

Automatic Share Registry (**Automatic**) has given its written consent to be named as the Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Automatic has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registry to the Company. Automatic has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.



### 9.13 Working capital statement

The Board believes that the Company's current cash reserves plus the net Proceeds of the Offer will be sufficient to fund the Company's stated business objectives.

The Board will consider the use of further equity funding or placements if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

### 9.14 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- a) the operations of the Company;
- b) the results of those operations; or
- c) the state of affairs of the Company.

### 9.15 Inspection of documents

Copies of following documents may be inspected free of charge at the registered office of the Company during normal business hours:

- a) the Material Contracts in Section 8 of this Prospectus;
- b) the Constitution of the Company; and
- c) the consents referred to in Section 9.12 of this Prospectus.

### 9.16 Governing Law

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

### 9.17 Electronic Prospectus

- a) An electronic version of this Prospectus is available from the Company at [www.nimy.com.au](http://www.nimy.com.au).
- b) The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.
- c) The Company will not accept a completed Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.
- d) While the Company believes that it is extremely unlikely that in the Issue period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus ought immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

### 9.18 Consent to lodgement

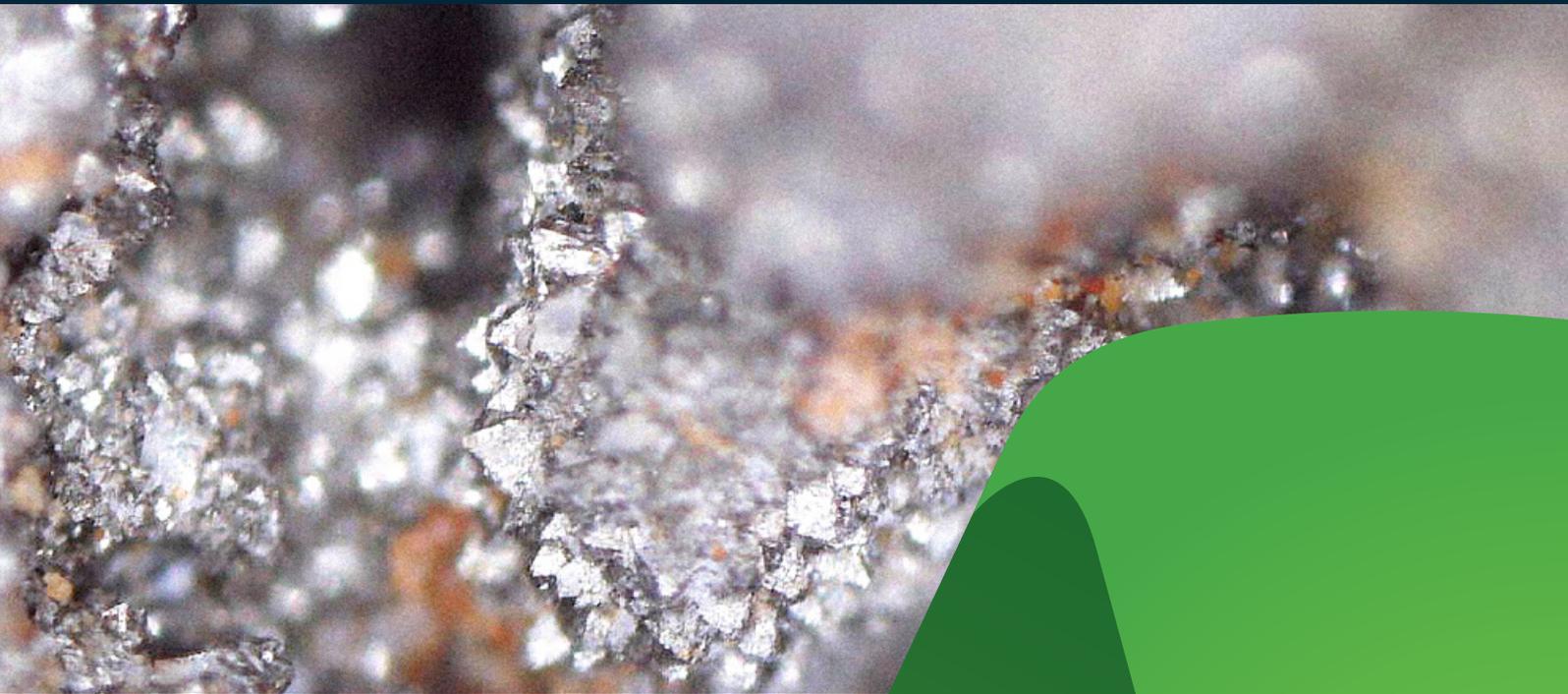
Each of the Directors of the Company has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Company by:

.....  
Chairperson

10

# Glossary of Defined Terms





<b>A\$</b>	Australian Dollars.
<b>Applicant</b>	a person applying for Shares offered by this Prospectus.
<b>Application Form</b>	the application form enclosed with and forming part of this Prospectus for use by investors.
<b>Application Monies</b>	monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an Application.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX Listing Rules or Listing Rules</b>	the Official Listing Rules of the ASX as amended or waived from time to time.
<b>ASX Settlement Operating Rules</b>	the operating rules of the ASX Settlement which apply while the Company is an issuer of CHESS-approved securities, each as amended or replaced from time to time.
<b>ASX</b>	ASX Limited ABN 98 008 624 691.
<b>AWST</b>	Australian Western Standard Time.
<b>Board</b>	the board of Directors of the Company from time to time.
<b>Business day</b>	has the meaning ascribed to it in the ASX Listing Rules.
<b>CGT</b>	Capital Gains Tax.
<b>CHESS</b>	the Clearing House Electronic Sub-registry System operated by ASX.
<b>Closing Date</b>	10 November 2021 (subject to the right of the Directors to close the Offer earlier or to extend this date without notice).
<b>Company or Nimy</b>	Nimy Resources Limited ACN 155 855 986.
<b>Company Website</b>	<a href="http://www.nimy.com.au">www.nimy.com.au</a> .
<b>Constitution</b>	the Constitution of the Company.
<b>Conversion</b>	Conversion of the Company to a public company on 24 September 2021.
<b>Corporate Services Agreement</b>	has the meaning ascribed to its in Section 8.6.
<b>Cloonmore Pty Ltd</b>	means Cloonmore Pty Ltd ACN 147 906 394.
<b>Corporate Governance Charter</b>	the corporate governance charter adopted by the Company on 9 September 2021 and summarised in Section 7.
<b>Corporate Governance Principles and Recommendations</b>	the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
<b>Directors</b>	the Directors of the Company.
<b>Existing Shareholders</b>	all holders of Shares in the Company at the date of this Prospectus.

<b>Exposure Period</b>	the 7 day period from the date of lodgement of the Prospectus, unless otherwise extended by ASIC.
<b>Gratia</b>	Gratia Australia Pty Ltd ACN 606 054 586.
<b>Group</b>	means Nimy and its subsidiary Nimy Pty Ltd.
<b>GST</b>	Goods and Services Tax.
<b>HIN</b>	Holder Identification Number.
<b>IPO</b>	means initial public offering.
<b>Lead Manager</b>	Raven Corporate Management Pty Ltd ABN 15 635 827 191. Raven Corporate Management Pty Ltd (CAR 001281413) is an authorised representative of Alphington Private Investor Services (AFSL 341759).
<b>Maximum Subscription</b>	means the maximum amount to be raised under the Offer, being A\$7,500,000.
<b>Minimum Subscription</b>	means minimum amount to be raised under the Offer, being A\$6,000,000.
<b>MLEM</b>	has the meaning given to the term in Section 3.4(a)(1).
<b>New Shares</b>	Shares in the Company to be issued under this Offer.
<b>Nexia</b>	Nexia Australia Pty Ltd ABN 38 008 665 316.
<b>Nimy Pty Ltd</b>	Nimy Pty Ltd ACN 161 299 305.
<b>Offer</b>	the Offer of Shares under this Prospectus.
<b>Official List</b>	the Official List of ASX.
<b>Official Quotation</b>	quotation on the Official List of ASX.
<b>Opening Date</b>	14 October 2021.
<b>Options</b>	options to subscribe for Shares.
<b>Prospectus</b>	this Prospectus, which is dated 6 October 2021.
<b>Shareholders</b>	holders of Shares in the Company.
<b>Share Registry or Registry</b>	Automic Pty Ltd ACN 152 260 814, trading as Automic Registry Services.
<b>Shares</b>	fully paid ordinary shares in the capital of the Company.
<b>Solicitor's Report on Tenements</b>	the Independent Solicitor's Report on Tenements prepared by HopgoodGanim Lawyers in Schedule 2.
<b>Tenements</b>	has the meaning ascribed to it in Section 3.2(a).

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.

References in this Prospectus to dollars (\$) are to the currency of Australia unless stated otherwise.



# Corporate Directory

## Board of Directors

Mr Simon Lill  
Mr Christian Price  
Mr Neville Luke Hampson

## Company Secretary

Mr John Palermo

Registered Office	Lead Manager to the Offer
254 Adelaide Terrace PERTH WA 6000 Telephone: (08) 9261 4600 Facsimile: (08) 9261 4699 Email: info@nimyresources.com.au Website: www.nimy.com.au	Raven Corporate Management Pty Ltd ABN 15 635 827 191 Level 5, 171 Collins Street MELBOURNE VIC 3000 Telephone: (03) 8609 2000 Website: www.ravencorporate.com.au
Investigating accountant	Solicitors to the Offer
RSM Corporate Australia Pty Ltd Level 32 Exchange Tower 2 The Esplanade PERTH WA 6000 Telephone: (08) 9261 9100 Facsimile: (08) 9261 9111 Website: www.rsm.global/australia	HopgoodGanim Lawyers Level 27, Allendale Square 77 St Georges Terrace PERTH WA 6000 Telephone: (08) 9211 8111 Facsimile: (08) 9221 9100 Website: www.hopgoodganim.com.au
Independent Consulting Geologist	Share Registry
Optiro Pty Ltd ACN 131 922 739 Level 1, 16 Ord Street WEST PERTH VIC 6005 Telephone: (08) 9215 0000 Email: contact@optiro.com Website: www.optiro.com	Automic Pty Ltd ACN 152 260 814 t/a Automic Registry Services Level 2, 267 St Georges Terrace PERTH WA 6000 Australia Telephone: (02) 9698 5414 Facsimile: (02) 8583 3040 Email: hello@automic.com.au Website: www.automic.com.au
Auditor	
RSM Australia Partners* Level 32 Exchange Tower 2 The Esplanade PERTH WA 6000 Telephone: (08) 9261 9100 Facsimile: (08) 9261 9111 Website: www.rsm.global/australia	

\* For information only. This party has not been involved in the preparation of the Prospectus.

## Schedule 1 | Independent Geologist Report



### Nimy Resources Limited Independent Technical Assessment Report – Mons Nickel Project



**J\_2968**

Principal Author:  
Justine Tracey, *BSc (Hons), MAusIMM(CP)*

Principal Reviewer:  
Ian Glacken *FAusIMM(CP), FAIG, CEng*

September 2021



**Perth Office**

Level 1, 16 Ord Street  
West Perth WA 6005

PO Box 1646  
West Perth WA 6872  
Australia

Tel: +61 8 9215 0000  
Fax: +61 8 9215 0011

Optiro Pty Limited  
ABN: 63 131 922 739  
[www.optiro.com](http://www.optiro.com)

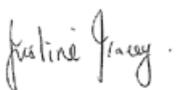
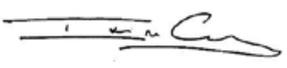
Doc Ref:

20211028\_Nimy ITAR\_Optiro\_Final Report.docx

Number of copies:

Optiro: 1

Nimy Resources Pty Ltd: 1

Principal Authors:	Justine Tracey <i>BSc Hons, MAusIMM(CP)</i>	Signature:	
		Date:	28 September 2021
Contributors:			
Principal Reviewer:	Ian Glacken <i>BSc Hons, MSc, FAusIMM(CP), FAIG, MIMMM, CEng</i>	Signature:	
		Date:	28 September 2021

**Important Information:**

This Report is provided in accordance with the proposal by Optiro Pty Ltd ('Optiro') to Nimy Resources Limited and the terms of Optiro's Consulting Services Agreement ('the Agreement'). Optiro has consented to the use and publication of this Report by Nimy Resources Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. Nimy Resources Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.

Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by Nimy Resources Limited which it has relied in compiling the Report. We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of Optiro acting as an independent technical expert to perform any due diligence procedures on behalf of the Company. The Directors of the Nimy Resources Limited are responsible for conducting appropriate due diligence in relation to mineral projects. Optiro provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of Optiro is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete. The terms of engagement are such that Optiro has no obligation to update this report for events occurring subsequent to the date of this report.



Level 1, 16 Ord Street  
West Perth WA 6005  
PO Box 1646  
West Perth WA 6872  
Australia

T: +61 8 9215 0000  
F: + 61 8 9215 0011

28 September 2021

Our Ref: J\_2698

The Directors,  
Nimy Resources Limited  
254 Adelaide Terrace Perth  
Perth  
WA 6000

Dear Sirs,

**INDEPENDENT TECHNICAL ASSESSMENT REPORT – MONS NICKEL PROJECT**

At the request of Nimy Resources Limited (Nimy or the Company), Optiro has prepared an Independent Technical Assessment Report (Report) on the mineral assets held by Nimy. This Report has been prepared in accordance with the Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and additionally the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets held by Nimy. It is our understanding that this Report will be included in a Prospectus to be published by the Company in connection with its proposed admission of the shares in the Company to trading on the ASX. Optiro has been informed by Nimy that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical and geochemical surveys, geological mapping and the drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

The mineral assets of Nimy comprise the Mons Nickel Project, located in Western Australia. The objectives of this Report are to provide an overview of the geological setting of the mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the project areas and comment on the completed exploration work with regards to project prospectivity.

Nimy has provided to Optiro drilling and sampling data and other information generated by Nimy, its consultants and subsidiaries and by previous owners of the mineral assets. Optiro completed a site visit of the Mons Project tenements on the 17 June 2021 to establish reasonable grounds as to the soundness and conclusions of the data presented. Furthermore, Optiro has based its assessment of the Project on a review of the technical information compiled by Nimy.

Based on Optiro's assessment of Nimy's mineral assets, it is our opinion that they are of value and contain exploration potential as presented. Optiro has considered the expenditure schedules, studies and exploration programmes outlined by Nimy and considers them to be reasonable and appropriate to progress the projects. However, all exploration projects are subject to risks from unforeseen future issues and events beyond the control of the company; in this sense, Nimy is no exception.



Consent has been sought from Nimy and its representatives to include technical information and opinions expressed by Nimy. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

Optiro has prepared this Report on the understanding that the mineral assets held by Nimy are currently in good legal standing, and has not independently verified Nimy's legal tenure over its tenements. Optiro is not qualified to make statements in this regard and has relied upon information provided by Nimy. Optiro understands that Nimy has engaged HopgoodGanim Lawyers to review the tenement status, which is included elsewhere in Nimy's Prospectus.

Optiro has endeavoured, by making reasonable enquiry of Nimy, to ensure that all material information in the possession of Nimy has been fully disclosed. However, Optiro has not carried out any type of audit of the records of Nimy to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of Nimy, along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has been relied upon by Optiro. Optiro has based its findings upon information supplied up until 16 July 2021.

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. Optiro declares that the author and reviewer of this Report have no material interest in Nimy, its associated entities or in the assets described in this Report. Optiro has charged Nimy a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely

**OPTIRO PTY LTD**

**I M Glacken**, BSc (Hons), MSc, FAusIMM(CP),  
FAIG, MIMMM, CEng, DIC  
Principal

**J Tracey** BSc (Hons), MAusIMM(CP)  
Principal

## TABLE OF CONTENTS

<b>1.</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>7</b>
1.1.	PURPOSE.....	7
1.2.	MONS NICKEL PROJECT .....	7
1.3.	EXPLORATION AND DEVELOPMENT POTENTIAL.....	7
<b>2.</b>	<b>INTRODUCTION AND TERMS OF REFERENCE .....</b>	<b>7</b>
2.1.	TERMS OF REFERENCE.....	7
2.2.	VALIDATION OF TENURE .....	9
2.3.	LEGISLATION AND PERMITTING .....	11
2.4.	RESPONSIBILITY FOR THE INDEPENDENT TECHNICAL REPORT.....	12
<b>3.</b>	<b>MONS NICKEL PROJECT.....</b>	<b>13</b>
3.1.	INTRODUCTION.....	13
3.2.	GEOLOGY .....	14
3.2.1.	REGIONAL GEOLOGY.....	14
3.2.2.	PROJECT GEOLOGY .....	16
3.2.3.	MINERALISATION.....	18
3.3.	PREVIOUS EXPLORATION .....	21
3.4.	EXPLORATION BY NIMY .....	23
3.4.1.	SIGNIFICANT DRILL INTERCEPTS .....	30
3.4.2.	EXPLORATION POTENTIAL .....	31
<b>4.</b>	<b>WORK PROGRAMME .....</b>	<b>32</b>
<b>5.</b>	<b>DECLARATIONS BY OPTIRO .....</b>	<b>34</b>
5.1.	INDEPENDENCE.....	34
5.2.	QUALIFICATIONS.....	34
<b>6.</b>	<b>REFERENCES .....</b>	<b>36</b>
<b>7.</b>	<b>GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS.....</b>	<b>37</b>

### TABLES

Table 2.1	Nimy’s exploration tenure in Western Australia at the Mons Nickel Project (source: Nimy, DMIRS) .....	9
Table 3.1	Historic exploration over Nimy tenements .....	21
Table 3.2	Significant drill intercepts from Nimy RC drilling 2020, Mons Nickel Project (source: Nimy) .....	30
Table 4.1	Proposed use of funds - A\$6.0 M minimum raise (source: Nimy) .....	33
Table 4.2	Proposed work programme budget (source: Nimy) .....	33

### FIGURES

Figure 2.1	Location of Nimy’s West Australian Mons Nickel Project (source: Nimy) .....	8
Figure 2.2	Nimy’s exploration tenure at the Mons Nickel Project in Western Australia (source: Nimy) .....	10
Figure 3.1	Location and tenure of the Mons Nickel Project (source: Nimy) .....	13



Figure 3.2	Interpreted Mons Project mafic ultramafic outline imposed on the mafic ultramafic magmatic events of the Yilgarn Craton, Western Australia (Source: Nimy) .....	15
Figure 3.3	Local bedrock geology of the Mons Nickel Project (source: Nimy) .....	17
Figure 3.4	Kambalda stratigraphy showing the age of gold and nickel mineralisation (source: Gold Fields).....	19
Figure 3.5	Heat map for anomalous auger gold.....	20
Figure 3.6	Mons Project auger soil anomaly heat maps showing Cu, Pb, An and Au (source: Nimy) .....	21
Figure 3.7	Image Resources ground magnetics (left) and Nimy reprocessing of the survey data (right) (source: Nimy) .....	24
Figure 3.8	Nimy collar location map of RC drillholes and associated target areas with overlain magnetics (source: Nimy) .....	25
Figure 3.9	PVC collar pipe in Nimy RC hole NRRC004 .....	25
Figure 3.10	Area B Dease Flats, interpreted geology and target zone for mineralisation (source: Nimy) .....	26
Figure 3.11	Mons Project Area C and Area D plan geological interpretation (top), magnetics (middle) and cross section (lower) with recent RC drillholes (source: Nimy) .....	27
Figure 3.12	Outcrop at King Hill Area, Mons Project, showing upright ultramafic at surface.....	28
Figure 3.13	Satellite view showing fault structure (red) and location of rock chip gold and bismuth anomalies on Nimy tenure .....	32
Figure 4.1	Mons Project cross section 6679555 mN showing interpreted deep geology and proposed 600m deep test hole (source: Nimy) .....	34

## 1. EXECUTIVE SUMMARY

### 1.1. PURPOSE

At the request of Nimy Resources Limited (Nimy or the Company), an Independent Technical Assessment Report (Report) on the mineral assets held by Nimy has been prepared by Ms Justine Tracey (Principal) under the guidance of Mr Ian Glacken (Geology Director) who is acting as the Competent Person (CP), both of Optiro Pty Ltd (Optiro). This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed admission of its shares to trading on the ASX. Optiro has been informed by Nimy that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

### 1.2. MONS NICKEL PROJECT

The Mons Nickel Project is located in the north of the Central Wheatbelt district in Western Australia, approximately 70 km northeast of Wialki, and is situated within the Murchison Domain of the Yilgarn Craton.

The Project is considered prospective for nickel sulphide mineralisation similar to the Kambalda nickel deposits, which are hosted in ultramafic units, as well as shear-hosted gold mineralisation associated with structural complexities in the Archaean greenstone terrane.

### 1.3. EXPLORATION AND DEVELOPMENT POTENTIAL

In Optiro's opinion, Nimy's mineral project is of merit and worthy of further exploration. The planned work programmes are appropriate for the various development stages of the project areas and will provide suitable data to assess the technical risks and the further exploration potential of the identified prospects.

## 2. INTRODUCTION AND TERMS OF REFERENCE

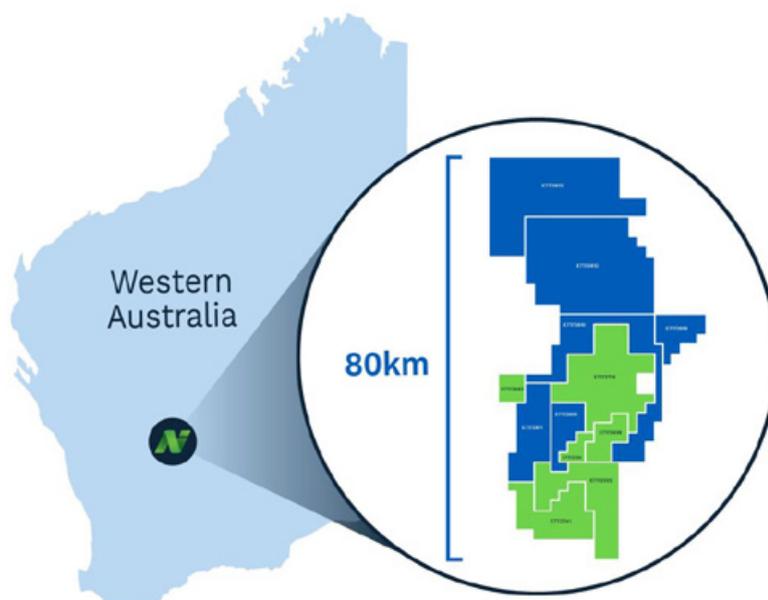
### 2.1. TERMS OF REFERENCE

At the request of the Company, an Independent Technical Assessment Report (Report) on the mineral assets of Nimy has been prepared.

This Report represents an independent assessment of the geology, exploration data and exploration potential of the various mineral assets. It is our understanding that this Report will be included in a Prospectus to be published by the Company in connection with the proposed admission of its securities to trading on the ASX. Optiro has been informed by Nimy that the principal purpose of the offering is to raise funds to complete further exploration, including geophysical surveys, geochemical sampling, geological mapping and drilling of existing mineral anomalies and exploration targets, with the aim of defining Mineral Resources.

Nimy is an Australian registered and focused metals exploration and development company. The mineral assets of Nimy consist of the Mons Nickel Project located in Western Australia (Figure 2.1).

**Figure 2.1** Location of Nimyo’s West Australian Mons Nickel Project (source: Nimyo)



This report has been prepared by Ms Justine Tracey (Principal) under the direction of Mr Ian Glacken (Geology Director), who is acting as Competent Person, both of Optiro. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code, 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012) and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111, 112 and 228.

Mr Ian Glacken and Ms Justine Tracey meet the competency criteria as set out under Section 11 of the JORC Code, 2012 and Section 3.1 of the VALMIN Code, 2015. Mr Glacken (FAUSIMM, FAIG) is responsible for this report. Mr Glacken is Geology Director with Optiro and has sufficient experience, which is relevant to the style of mineralisation, type of deposits under consideration and to the activities being undertaken to qualify as a CP as described by the VALMIN Code, 2015 and the JORC Code, 2012. Mr Glacken consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

The objectives of this Report are to provide an overview of the geological setting of Nimyo’s mineral assets and the associated mineralisation, outline the recent and historical exploration work undertaken over the Project areas and comment on the exploration potential of the Project areas and the proposed future work programmes.

Consent has been sought from Nimyo’s representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

## 2.2. VALIDATION OF TENURE

Optiro has prepared this Report upon the understanding that the mineral licences held by Nimy are currently in good legal standing. Optiro has not independently verified Nimy's legal tenure over its tenements and has relied on information provided by Nimy. Optiro understands that Nimy has engaged the law firm HopgoodGanim Lawyers, to review the Company's tenement status and provide a report which is included elsewhere in Nimy's Prospectus. Among other things, the report prepared by HopgoodGanim Lawyers provides an opinion on Nimy's mineral licences, material conditions, native title determinations and agreements.

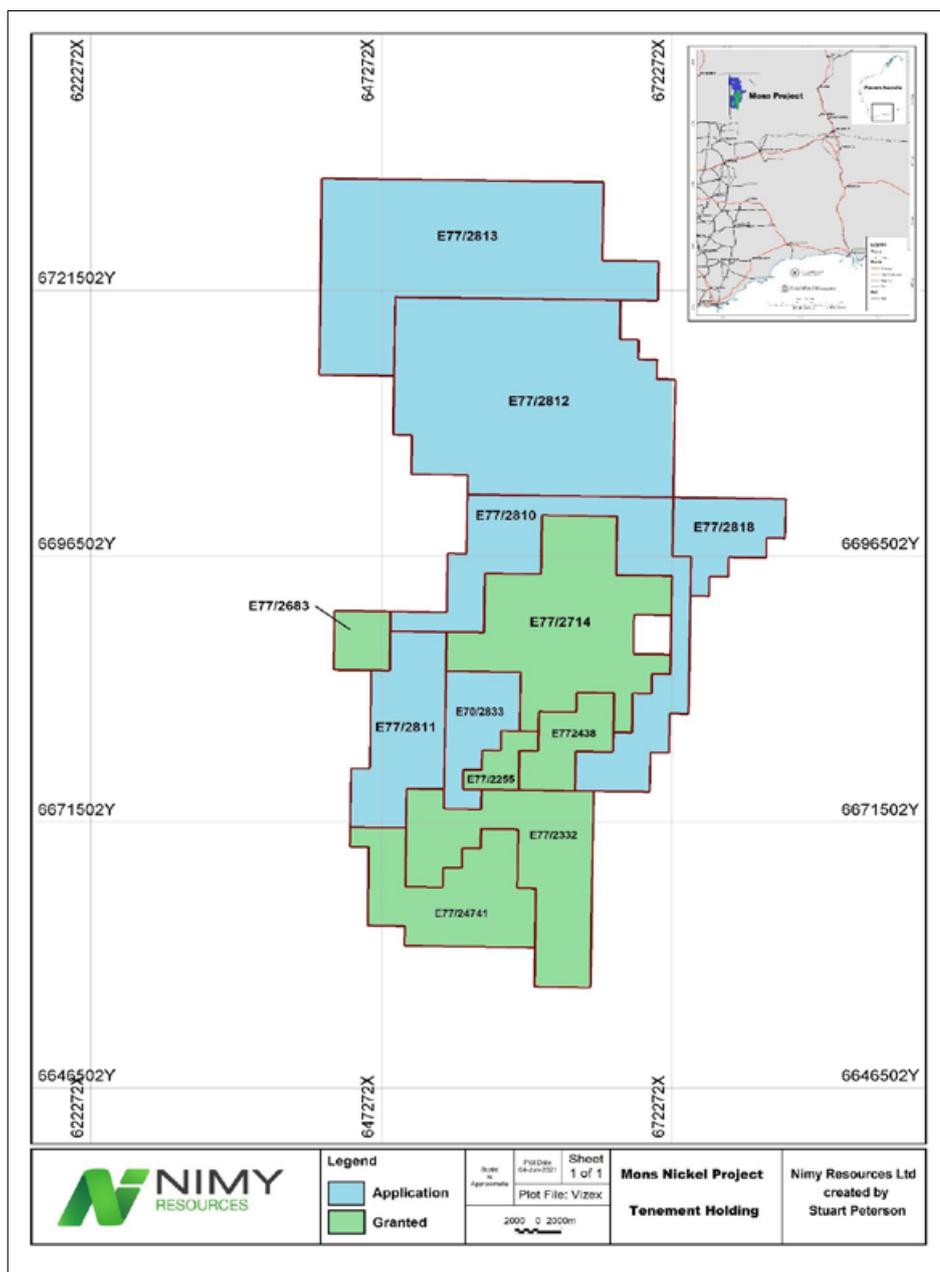
Optiro is not qualified to provide a legal opinion on the status of the granted Project licences but has reviewed the Government of Western Australia, Department of Mines, Industry Regulation and Safety (DMIRS) licence permits and records and found them to be in good order. Accordingly, Optiro is satisfied that Nimy and its wholly-owned subsidiaries currently have good and valid title to the described granted licences required to explore and undertake project development on the Project areas in the manner proposed by the Company. Nimy has met or exceeded licence expenditure and met licence conditions, and therefore Optiro considers it likely that the licences will be renewed as and when required. Any future commercial exploitation of mineralisation will, however, require the grant of a Mining Lease.

Within Western Australia, Nimy holds six granted Exploration Licences covering 202 graticular blocks or approximately 600km<sup>2</sup> (Table 2.1 and Figure 2.2). The Mining Amendment Act No. 22 of 1990 provides for Exploration Licences to have boundaries defined by lines of predetermined latitudes and longitudes. The land surface is divided by predetermined lines of latitude and longitude into regular units of land. These lines are known as graticules and the units of land created are called graticular sections. The basic graticular section under the legislation is one minute of latitude by one minute of longitude (a block). In the Project area (latitude of approximately 30°S), one graticular block is approximately 2.971 km<sup>2</sup> but due to the large north/south strike length of the tenements this figure does increase slightly as you travel north. Furthermore, Nimy holds six Exploration Licence applications covering 390 graticular blocks or approximately 1,161 km<sup>2</sup> (Table 2.1 and Figure 2.2). Annual expenditure requirements on the granted licences totals A\$290,000 with a further A\$43,013 for rent.

**Table 2.1 Nimy's exploration tenure in Western Australia at the Mons Nickel Project (source: Nimy, DMIRS)**

Licence	Registered holder	Grant	Expiry	Area (blocks)	Rent	Expenditure commitment
E77/2255-l	Nimy Pty Ltd	10/03/2015	09/03/2025	7	\$2,275	\$50,000
E77/2332-l	Nimy Pty Ltd	04/07/2016	03/07/2026	54	\$19,332	\$81,000
E77/2438	Nimy Pty Ltd	09/10/2017	08/10/2022	16	\$3,808	\$20,000
E77/2683	Nimy Pty Ltd	29/03/2021	28/03/2026	9	\$1,242	\$20,000
E77/2714	Nimy Pty Ltd	15/04/2021	14/04/2026	75	\$10,575	\$75,000
E77/2741	Nimy Pty Ltd	07/07/2021	06/07/2026	41	\$5,781	\$41,000
E77/2833	Nimy Pty Ltd	Application		20	-	-
E77/2810	Nimy Pty Ltd	Application		66	-	-
E77/2811	Nimy Pty Ltd	Application		37	-	-
E77/2812	Nimy Pty Ltd	Application		135	-	-
E77/2813	Nimy Pty Ltd	Application		112	-	-
E77/2818	Nimy Pty Ltd	Application		20	-	-

Figure 2.2 Nimy’s exploration tenure at the Mons Nickel Project in Western Australia (source: Nimy)



All licences and licence applications are 100% held by Nimy and no third-party royalties are present.

### 2.3. LEGISLATION AND PERMITTING

All exploration and mining activity in Western Australia must be conducted under an authority from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS), the Western Australian State Government department responsible for mineral resources. The following information is of a general nature and has been sourced from the Western Australian Department of Mines, Industry, Regulation and Safety website.

There are seven different types of mining tenements prescribed under the Mining Act 1978:

- Prospecting Licences (Sections 40 to 56, PL)
- Special Prospecting Licences for Gold (Sections 56A, 70 and 85B)
- Exploration Licences (Sections 57 to 69E, EL)
- Retention Licences (Sections 70A to 70M)
- Mining Leases (Sections 700 to 85A, ML)
- General Purpose Leases (Sections 86 to 90)
- Miscellaneous Licences (Sections 91 to 94, L).

The mining tenements of relevance to the Nimy mineral assets are described below:

#### EXPLORATION LICENCE

On 28 June 1991, a graticular boundary (or block) system was introduced for exploration licences (a graticular block represents one minute of latitude by one minute of longitude). The minimum size of an exploration licence is one block, and the maximum size is 70 blocks, except in areas not designated as mineralised areas, where the maximum size is 200 blocks. An exploration licence is not marked out and there is no limit to the number of licences a person or company may hold, but a security bond (A\$5,000) is required in respect of each licence.

For licences applied for after 10 February 2006, the term is five years plus a possible extension of five years and further periods of two years thereafter, with 40% of the ground to be surrendered at the end of year six. The holder of an exploration licence may, in accordance with the licence conditions, extract or disturb up to 1,000 tonnes of material from the ground, which includes overburden. The Minister for Mines and Petroleum may approve extraction of larger tonnages. Prescribed minimum annual expenditure commitments and reporting requirements apply. The owner of the exploration licence must complete an annual Expenditure Report on the tenement, demonstrating that the minimum prescribed expenditure has been met.

The owner of the exploration licence has surface access rights but no excavation rights. Access from outside the tenement needs to be negotiated with the pastoral owner, where relevant. Prior to drilling or any ground-disturbing work, an application and approval of a Program of Work (PoW) is required. A PoW provides the right to carry out specified exploration (e.g. drilling or trenching) on the tenements applied for. Permitting needs to be obtained for any infrastructure.

#### MINING LEASES

The maximum area for a Mining Lease applied for before 10 February 2006 is 1,000 hectares. Beyond that, the area applied for relates to an identified orebody as well as an area for infrastructure requirements.

An application for a Mining Lease must be accompanied by one of the following:

- a Mining Proposal completed in accordance with the Mining Proposal Guidelines published by the department



- a statement of mining operations and a mineralisation report that has been prepared by a qualified person
- a statement of mining operations and a resource report that complies with the JORC Code (2012).

There is no limit to the number of mining leases a person or company may hold. The term of a mining lease is 21 years and may be renewed for further terms. The lessee of a mining lease may work and mine the land, take and remove minerals, and do all the things necessary to effectually carry out mining operations in, on or under the land, subject to conditions of title. Prescribed minimum annual expenditure commitments and reporting requirements apply.

#### **NATIVE TITLE**

Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs, and which are recognised by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.

Australian law recognises that, except where native title had been wholly extinguished by the historical grant of freehold, leasehold and other interests, native title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty. The rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt and fish, build shelter, and visit places of cultural importance. Some native title holders may also have the right to control access.

Australian law also requires that native title approval be obtained before mining applications can commence.

All of the Project tenements are within the boundaries of native title claims (both registered and unregistered) and/or native title determinations. Registered native title claimants and holders of native title under the determinations are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist. Nimy may be liable to pay compensation to the determined native title holders for the impact of a tenement on native title. The amount of compensation will be determined in accordance with the Native Title Act, 1993 (NTA) and will be affected by the specific circumstances of each case.

Optiro is satisfied that all tenements are valid under the NTA. Nimy will however be required to negotiate and enter into new native title and heritage agreements with the native title holders as well as pay them compensation as required under the Native Title Act, 1993.

#### **2.4. RESPONSIBILITY FOR THE INDEPENDENT TECHNICAL REPORT**

This report was prepared by Ms Justine Tracey (Principal) and was reviewed by Mr Ian Glacken (Director of Geology), both of Optiro.

This report has been prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (the VALMIN Code).

In developing its technical assumptions for the report, Optiro has relied upon information provided by Nimy and its consultants, as well as information obtained from other public sources. The material on which this report is based includes internal and open-file project documentation, technical reports,

drillhole and other exploration databases. Nimy has provided to Optiro the drilling and sampling data and other information generated by Nimy, its consultants and by previous owners of the Project areas.

Optiro has independently reviewed all relevant technical and corporate information made available by the management of Nimy, which has been accepted in good faith as being true, accurate and complete, having undertaken due enquiry of Nimy. Optiro has additionally sourced publicly available information relative to Nimy’s mineral assets.

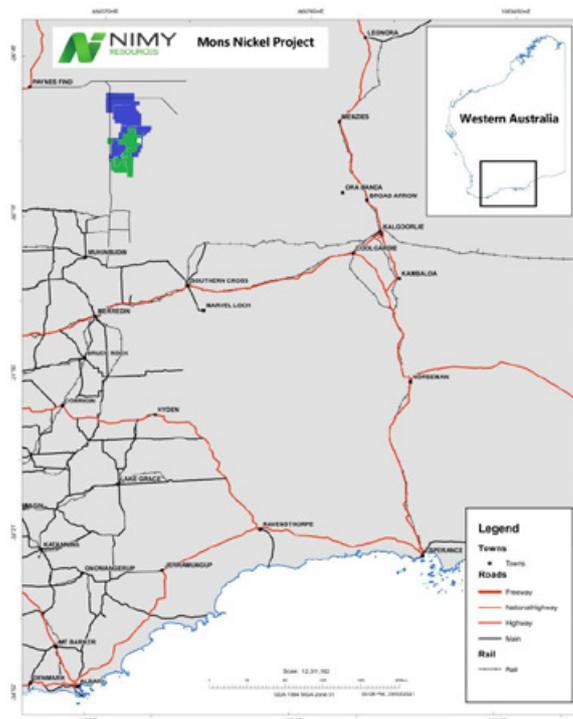
Optiro completed a site visit to the Mons Project area on the 17<sup>th</sup> of June 2021 to establish reasonable grounds as to the soundness and conclusions of the data presented. Furthermore, Optiro has based its assessment of the Project on a review of the technical information compiled by Nimy and its consultants.

### 3. MONS NICKEL PROJECT

#### 3.1. INTRODUCTION

The Mons Nickel Project is located north of the Central Wheatbelt district, 70 km northeast of Wialki and 130 km northwest of Southern Cross, Western Australia. The Project site is situated in the Yilgarn Craton within the Murchison Domain. The Project consists of six granted exploration licences, covering approximately 600 km<sup>2</sup> and six exploration licence applications, covering approximately 1,161 km<sup>2</sup> (Figure 3.1) over a continuous north-south strike of approximately 80 km.

Figure 3.1 Location and tenure of the Mons Nickel Project (source: Nimy)





The Project tenements are accessed by travelling through Mukinbudin north to Bonnie Rock, east to the Vermin Proof Fence, then north following the fence until the State Barrier Fence gate is reached. Access past the State Barrier gate can only be accessed under the conditions of a Permit issued by the Department of Agriculture and Food. From the gate, station tracks and old drill lines heading north-northeast enable access to the tenements. Movement within the tenements away from the drilling tracks is limited to foot exploration as the terrain is relatively difficult with thick scrub.

Transported soils and sandy clays, with a number of iron rich duricrust areas, are prevalent across the Project area. Watercourses are intermittent, only flowing after prolonged heavy rain.

The climate is semi-arid with hot summers and mild winters and it is dry, windy, and mostly clear year round. Over the course of the year the temperature typically varies from 6°C to of 33°C and is rarely below 2°C or above 40°C. There is little rainfall throughout the year with around 280 mm rainfall annually.

The Project is principally prospective for nickel sulphide mineralisation similar to the Kambalda komatiite-hosted nickel deposits, and the Forrestania or Mount Keith dunite nickel deposits, and also for shear-hosted gold mineralisation, which has been the historical exploration focus over the tenure. Exploration in the past has been sporadic and limited due to the remoteness of the area, lack of a local road network and the lack of understanding of the underlying stratigraphic sequence and host rocks.

Optiro notes that a portion of the mineral exploration completed at the Mons Project has been conducted prior to Nimy's tenure (pre-2015) and that records are often incomplete. Aircore and RAB drilling and sampling results documented in this report refer to results taken from exploration reports lodged by previous explorers over the prospects, which are available on the West Australian Geological Survey (WAMEX) online database. Sampling may not be representative but Optiro considers that the results are indicative of the prospectivity of the area.

## 3.2. GEOLOGY

### 3.2.1. REGIONAL GEOLOGY

The Mons Nickel Project is located within the Archaean, Murchison Domain of the Youanmi Terrane of the Yilgarn Craton, Figure 3.2.

Mafic and ultramafic rocks in structurally dismembered layered intrusions comprise approximately 40% by volume of greenstones in the Murchison Domain. The intrusions are typically layered tabular bodies of gabbroic rock with ultramafic basal units, which can be up to 6 m thick and 2,500 km<sup>2</sup> in aerial extent. The intrusions in the Murchison Domain can be divided into five components:

- the 2810 Ma Meeline Suite, including the large Windimurra Igneous Complex
- the 2800 +/- 6 Ma Boodanoo Suite, including the Narndee Igneous Complex
- the 2792 +/-5 Ma Little Gap Suite
- the 2750 Ma Gnanagooragoo Igneous Complex
- the 2735 to 2710 Ma Yalgowra Suite of layered gabbroic sills.

In the Windimurra and Narndee Igneous Complexes discordant features and geochemical fractionation trends indicate multiple pulses of magma. The pulses produced several megacyclic units, each approximately 200 m thick. The suites are anhydrous except for the Boodanoo Suite, which contains a large volume of hornblende gabbro.

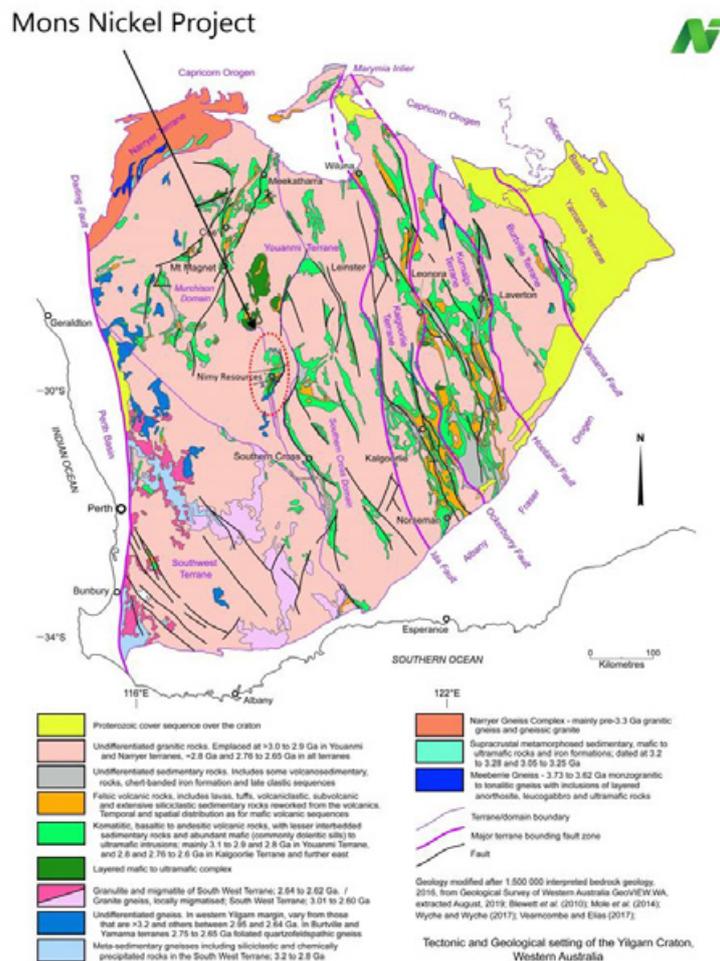
Collectively the aerial distribution, thickness and volume of mafic-ultramafic magma in these complexes is similar to that in the Bushveld Igneous Complex of Southern Africa (2.06 Ga). The distribution, ages and compositions of the mafic-ultramafic rocks are consistent with a genesis in

mantle plume setting (Peterson and Hampson, 2021). All suites are contemporaneous with packages of high-Mg tholeiitic lavas and or volcanic rocks in greenstone belts.

The Murchison Domain has been subjected to supracrustal plutonism and mineralisation events throughout its history, resulting in Volcanic Massive Sulphide (VMS), mafic/ultramafic and granite/gneissic intrusions. The Domain contains large, layered intrusive rock suites bearing copper, nickel, vanadium, titanium, gold, molybdenum, iron, chromite and platinum group elements (Peterson and Hampson, 2021).

The bedrock geology is covered by extensive Quaternary remnant sand plan and intervening sheet wash deposits. Minor outcrops of granitoids are present which can contain small rafts of banded iron formation and digested greenstone (Hampson, 2020).

Figure 3.2 Interpreted Mons Project mafic ultramafic outline imposed on the mafic ultramafic magmatic events of the Yilgarn Craton, Western Australia (Source: Nimy)





### 3.2.2. PROJECT GEOLOGY

The Mons Project is situated in a largely unexplored area, and as such the Project geology is poorly understood and only broadly mapped. To date, the Project geology is considered to be at a grass roots level, and the geological understanding has been developed from previous geological exploration reports, remote sensing data and field analysis of rock outcrop, geochemistry and shallow drilling.

The Project area is predominantly covered by sandy loam in alluvium and sandy clays containing playa lakes with only small pockets of visible outcrop. There are a number of iron-rich duricrust areas found in conjunction with pisolitic and nodular duricrust and gravelly sands. Outcrop is limited and highly weathered, hindering protolith identification. The Project has two distinct areas of outcrop divided by a Banded Iron Formation (BIF) and bucky quartz ridge, which outcrops to a height of approximately 20 m. Younger granites are to the east of the divide and to the west the older granite outcrops are gneissic and extremely weathered.

Geological Survey of Western Australia surface geological maps of the Project area show the bedrock as largely obscured by Cenozoic units, with the entire area (with the exception of the Earoo Sill) shown as igneous granitic – granitic rock, with some small rafts of BIF and digested greenstone (Romanoff, 2008). The northern extent of the Earoo Sill is located in the southern Project area and is interpreted (as part of the Warakurna Supersuite) as a sill or plug of fine to medium grained dolerite and gabbro mafic intrusive.

Nimy has recently updated the geological record based on a petrography report (Microanalysis, 2021) on the 2020 deeper RC drilling samples, and has reinterpreted a high-resolution magnetic image of the region. The updated map (Figure 3.3) shows the extent of the mafic/ultramafic intrusion and subsequent faulting and alteration patterns (Peterson and Hampson, 2021).

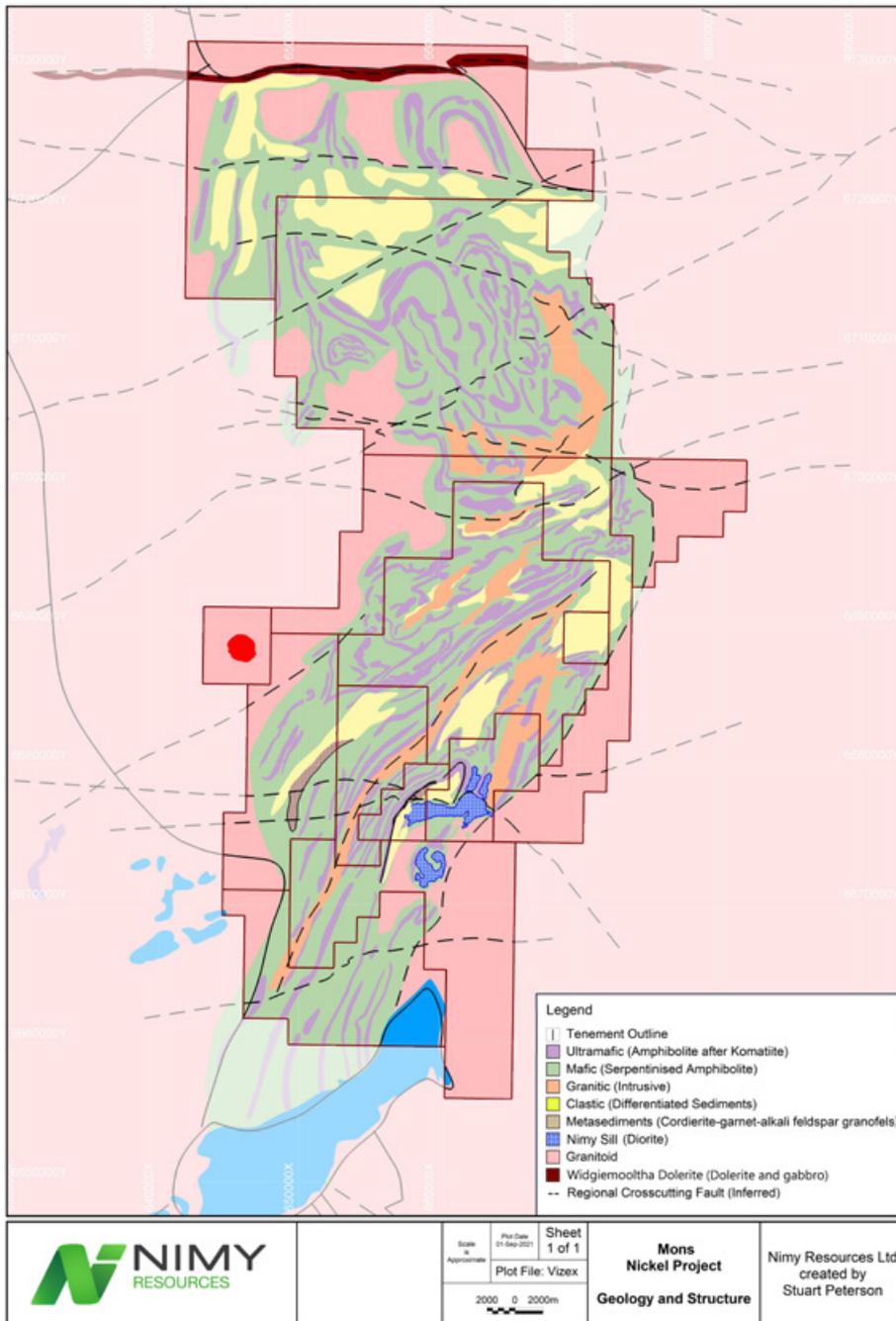
Underlying the Project area is a complex arrangement of greenstone sequences within a larger gneissic unit bound by sharp curvilinear gravity breaks, with complex internal fold-thrust geometries. The greenstone suite hosts multi-layered, stacked komatiite sequences that are interbedded with mafic and meta-sediment layers. This sequence has been highly altered since deposition, with later-stage regional shearing and multiple tectonic events that have folded and overturned the units to a near vertical axis. The Project tenements are bound to the east and west by later stage granites.

Late stage hydrothermal events, along with addition of localised faulting and late stage volcanic activity, have metamorphosed the rock sequence to amphibolite facies. The mafic/ultramafic sequence is interpreted to have been intruded with a buoyant younger granite plume that has formed the backbone of an anticlinal fold; the current exploration concept is that the oldest flow unit is adjacent to the granitic backbone. The exploration focus has been on identifying the mafic/ultramafic units to the eastern side of the anticline, as the western side has low outcrop availability and as a consequence is poorly defined. The granitic plume has been sheared and deformed to display a porphyritic texture with large remnant crystals with a fine-grained matrix.

The upper komatiite unit has been intersected by RC drilling and petrographic analysis places the rock type as a homogenous, serpentinised amphibole-rich unit after komatiite. This has been identified along the entire strike length of the magnetic high trend line with only an increase in chlorite levels in the central and eastern fold hinge (Peterson and Hampson, 2021). The lower komatiite unit, which is the target for nickel sulphide contact mineralisation, remains untested.

The greenstone sequences within the Mons Project area have not yet been dated to ascertain the age of the Nimy greenstones. Data points proximal to the Mons Project area (approximately 44 km) that have been dated indicate that the Nimy mafic/ultramafic greenstones have been emplaced between approximately 2,480 Ma and 2,700 Ma. The Earoo dolerite Sill has been dated at 2540 Ma to 541 Ma. More work is required to date the greenstone sequences within the Project area.

**Figure 3.3 Local bedrock geology of the Mons Nickel Project (source: Nimy)**





### 3.2.3. MINERALISATION

The Mons Project is considered prospective for three styles of mineralisation:

- nickel sulphide mineralisation in komatiite similar to the Kambalda province, and also for disseminated nickel sulphide mineralisation in dunite similar to that mined at Forrestania nickel project and at Mt Keith in the Northern Goldfields
- shear hosted gold mineralisation
- porphyry copper mineralisation.

There are no historical workings or Mineral Resources within the tenure.

#### NICKEL MINERALISATION

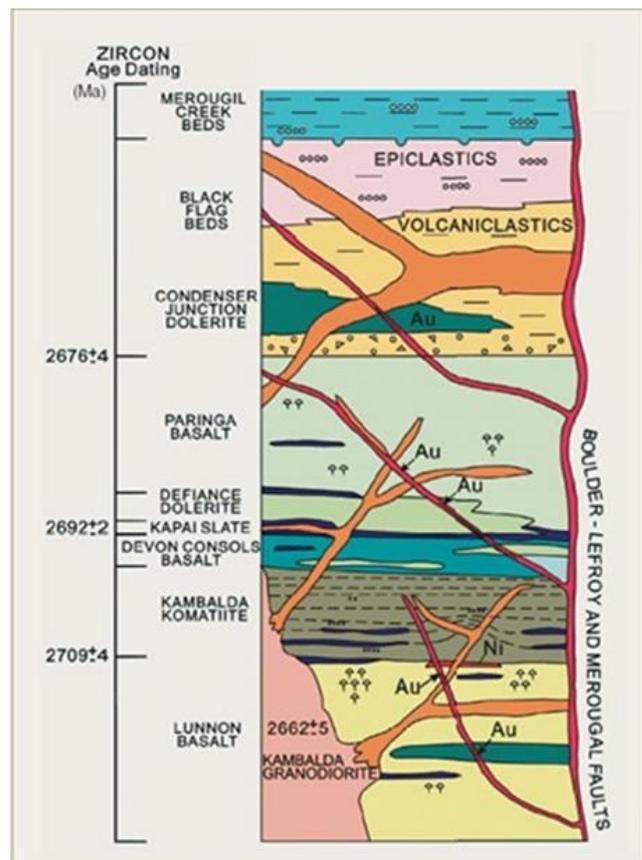
The Project is considered prospective for nickel sulphide mineralisation in komatiite similar to the channel-hosted nickel mineralisation in the Kambalda province, and also for disseminated nickel sulphide mineralisation in thick dunite flows, similar to that mined at the Forrestania nickel project to the south and at Mt Keith to the northeast.

Within the Mons Project, the regional mafic/ultramafic sequences are considered to be analogous to the Kambalda area and thus prospective for nickel sulphide mineralisation. Very limited regional exploration has been completed and nickel sulphide prospectivity remains to be further tested by further geophysical surveying, geochemistry and drill definition.

Homogenous nickel intervals in the upper komatiite/dunite unit, with nickel and MgO increasing with depth, were identified in the recent (2020) RC drill programme at the Mons Project by Nimy. Furthermore, previous RAB drilling into regolith has intersected weathered ultramafic rocks and levels of nickel in mottled clay (up to 0.3% nickel) and saprolite (up to 1.05% nickel). The Kambalda-style nickel sulphide mineralised target at depth is currently untested.

Preliminary construction of the age of the greenstone sequence within the Project area, using dating points proximal to the tenements, place the age of the sequence between approximately 2,480 Ma and 2,700 Ma in the Archean. Archean rocks in Western Australia host some of the largest mafic-ultramafic intrusions, extensive continental flood basalts and coeval mafic dyke swarms, with widespread occurrences of primitive olivine-bearing ultramafic and komatiite rocks, which host major nickel sulphide deposits seen in Kambalda, Mount Keith and at Perseverance. Additionally, it dates the sequence as the same age as the Kambalda komatiite-hosted nickel sulphide deposits which have been dated at 2700 Ma, Figure 3.4.

Figure 3.4 Kambalda stratigraphy showing the age of gold and nickel mineralisation (source: Gold Fields)



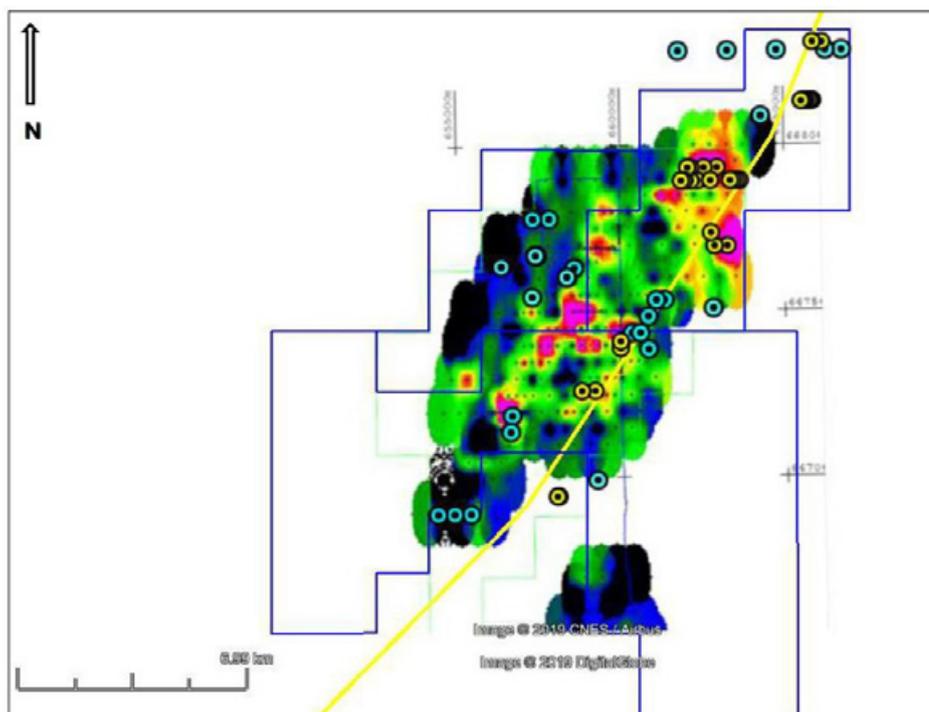
**GOLD MINERALISATION**

Historical exploration over the tenure has been almost exclusively focussed on gold mineralisation.

The Mons Project area is located within the Youanmi Craton, which hosts many economic gold mines, including the Penny West Gold Mine. The Mons Project is located 140 km south of the Youanmi complex, along a shared magnetic boundary in a structural terrane prospective for shear-hosted gold mineralisation.

Historical drilling was assayed for gold and demonstrates an association of gold in mafic amphibolites or in the clay above amphibolite intersections. Consolidation by Nimy of historic exploration of gold anomalies is presented in Figure 3.5. This compilation demonstrates a cross-cutting southeast-northwest fault manifesting as a topographic high, which coincides with the gold anomalies. Additionally the gold target has a prospective host lithology of mafic/ultramafic intrusions containing amphibole, gabbro, diorite, granodiorite, banded iron, gneissic granite, quartz veining and pegmatites.

**Figure 3.5** Heat map for anomalous auger gold, with yellow button = 5ppb to 83 ppb gold, blue button = bismuth surface anomaly and yellow line is greenstone magnetic boundary with greenstone (west) and granite (east)

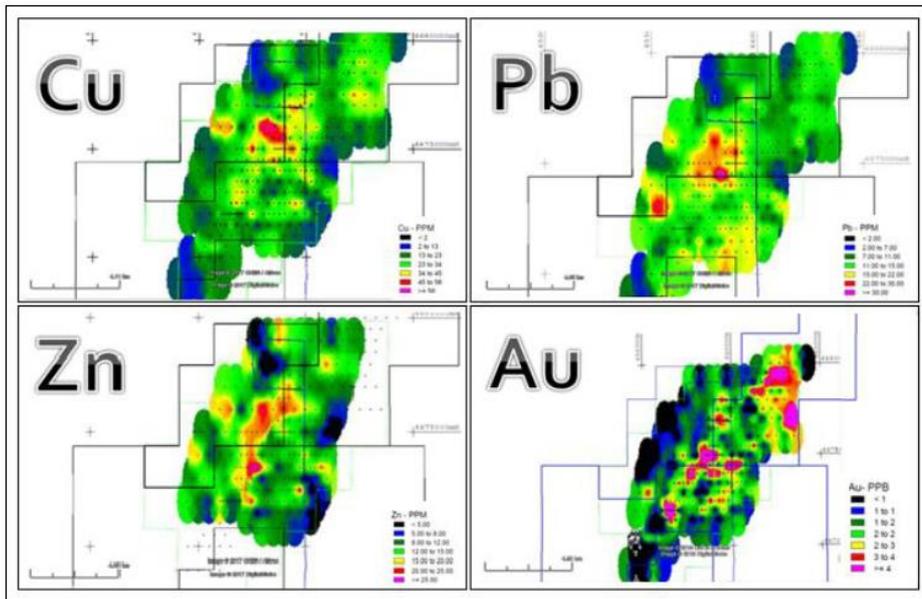


Locally, Ramelius Resources, has defined the Penny Project (including Penny West) Mineral Resource as 420 K tonnes at 19.0 g/t gold for 260 K ounces at a cut-off grade of 2.0 g/t gold ([www.rameliusresources.com.au/penny-gold-project](http://www.rameliusresources.com.au/penny-gold-project)). The Penny Project is located 132 km north of the Nimy tenements and shares a magnetic boundary and similar lithology and structure. Gold mineralisation at Penny West occurs in large, quartz sulphide veins in steeply-dipping greenstone. The mineralisation is nuggety and closely correlates with sulphide-rich zones of pyrrhotite, pyrite, galena, sphalerite and minor chalcopyrite.

#### **COPPER MINERALISATION**

The centre of tenement E77/2255 contains anomalous surface samples indicative of copper (984 ppm Cu), gold (92 ppb Au), and iron (54.7% Fe) mineralisation coincident with potassium zone alteration visible on radiometric imaging. Auger sampling over the area has defined anomalous Au, Cu, Zn and Pb, Figure 3.6. Regional and ground magnetics indicate two magnetic highs and a magnetic low proximal to the potassium alteration zone. The geochemical signatures of this target are comparable in nature and scale to a copper porphyry system. This copper mineralisation target is a preliminary concept and more work is required to define the relationship between the mafic host rocks and elevated copper levels through hydrothermal fluid pathways.

Figure 3.6 Mons Project auger soil anomaly heat maps showing Cu, Pb, An and Au (source: Nimy)



3.3. PREVIOUS EXPLORATION

The Mons Project has been sporadically explored over the past 30 years, largely due to its remoteness and access issues. Several companies have completed exploration within the general Nimy area (Table 3.1) targeting a variety of commodities, including gold, base metals diamonds, copper, nickel and platinum group elements (PGE).

Table 3.1 Historic exploration over Nimy tenements

Company	Date	Commodity
Western Mining Corporation Pty Ltd	1994-1996	Gold, base metals
Astro Mining NL	1995-1998	Diamonds
Croesus Mining NL	1997-1999	Gold
Image Resources NL/Troy Resources	2002-2003	Gold
Image Resources NL/Emu Nickel NL	2005-2009	Gold, base metals
Emu Nickel NL/Brendon Deshon	2009-2012	Gold
Ausquest Limited	2011-2013	Nickel, copper, platinum group metals
AngloGold Ashanti	2014-2016	Gold
Nimy Group Pty Ltd	2015-current	Nickel, gold

The first recorded exploration over the tenements was by Western Mining Corporation Ltd (WMC) in 1994 to 1996, which undertook regional mapping and surface sampling programmes to confirm the presence of greenstone sequences. Rock chip sampling identified the presence of komatiites, and a stream sediment sample (GB434742) returned 11 ppb gold. which could not be replicated. The limited amount of surface geochemical exploration carried out by WMC failed to produce any significant gold anomalism and it was concluded that the greenstone belt in the Project area was significantly stoped out by late granitoids (Kelly, 1996) and the tenure was surrendered.



Astro Mining NL undertook exploration for diamonds over the tenure during 1997 to 1999, completing surface sampling programmes (laterite, loam and stream sediments), regional mapping and aeromagnetic surveys (Van Kann, 1997, Howland, 2000). Aircore (AC) and RC drilling was undertaken, although the resultant drill collars are not on the Nimy tenements.

Croesus Mining NL explored the Project area for gold during 1997 to 1999 by undertaking a desktop study, reconnaissance mapping and surface sampling. No significant gold results were returned. Tenure was surrendered due to the isolated location and difficult access due to sand dunes and thick scrub, linked with an unfavourable lithology, (Bolderas, 1998).

Image Resources NL and Troy Resources entered into a Joint Venture (JV) in 2002 to explore the Project area for gold. Initial first-pass surface sampling (soil, lag, pisolite and rock chip) was considered ineffective due to the extensive alluvial sand cover and was followed up with detailed auger sampling. Auger drilling defined a 10 km corridor of anomalous gold and base metal mineralisation. Results were considered disappointing (Image, 2003) and part of the tenure was surrendered.

Gold targets were followed up with a 7,000 m for 171-hole RAB drill programme. The drilling confirmed the presence of a previously unexplored greenstone belt below transported cover. Two zones of coincident nickel and copper values associated with ultramafic rocks were identified, indicating the potential for nickel sulphides (Peterson and Hampson, 2021). The northern nickel anomaly includes 4 m at 0.77% nickel and 138 ppm copper and 6 m at 0.23% nickel and 227 ppm copper (Troy, 2005). The southern nickel anomaly located approximately 5 km away returned an intersection of 4 m at 0.19% nickel and 142 ppm copper. Additionally, a 6 m intercept of 379 ppm copper was encountered in weathered granitic and granodioritic rocks (Troy, 2005) testing an area of anomalous gold in soil. Gold assays were for the most part below detection, with a scatter of low ppb-level results, and none were deemed indicative of potential mineralisation (Romanoff, 2008b).

In 2005 Troy Resources was replaced by Emu Nickel in the JV and exploration over the Project area continued for gold and base metals. Exploration included AC drilling, ground magnetic traversing and fixed loop TEM surveys. AC drilling tested magnetic targets, intersecting granitic gneiss and narrow intervals of metamorphosed volcanic mafic, ultramafic and BIF rock, interpreted as rafts within the granite. Drill results were reported as disappointing with anomalous results returned in WGAC 57 yielding 4 m at 7930 ppm nickel, 152 ppm copper and 564 ppm cobalt.

Ground magnetic survey traverses were carried out along lines for a distance of 176 km at 200 m spacings and 10 m stations intervals using a handheld GPS and Geometrics G856 magnetometer (Reddy, 2009). Following this, a Fixed Loop Transient Electromagnetic Method (FLTEM) survey was conducted over two zones within the Project area. The surveys did not identify areas of significant bedrock conductors; however, a number of magnetic anomalies were identified west of the survey area, and these were recommended for follow up TEM surveying. These anomalies were not followed up and in 2009 the Project was surrendered, apart from 8 blocks which were then explored by a JV held by Emu Nickel and B. Deshon from 2009.

The JV by Emu Nickel and B. Deshon explored the 8 block area for gold by undertaking an infill soil sampling program which returned a peak result of 3 ppb gold (Reddy, 2012). The magnetic geophysical anomalies tested were over dominant northeast-southwest high magnetic trends which were confirmed as ultramafic, with elevated nickel, copper and PGE, comparative to diatreme layered complexes (Reddy, 2012). Anomalous nickel and copper results were returned in WGRB 32 and logged sulphides in WGRB01 at 6 m to 8 m depth were reported, seen as encouraging for nickel exploration; however, as the gold levels were not high enough the tenements were surrendered in 2012.

The Project area was then explored by Ausquest Limited (Ausquest) from 2011 to 2013 for nickel and copper and PGE magmatic sulphides in post-Archaeon sills, as well as for gold mineralisation within

the greenstone rocks. Following a review and preliminary field work, exploration was restricted to mafic sills for magmatic sulphides over the Earoo Sill, located in the southern area of the Mons Project area (Jackson, 2013). Ausquest conducted VTEM and magnetic surveys, then fixed loop EM, to refine targets which were subsequently tested by RC and diamond drilling. Whilst these drillholes are not located on Nimy tenure, they provide geochemical and petrographic support to the interpreted geology of the Project.

The Earoo Sill was identified as an approximately 80 m thick dolerite sill underlain by intermediate to mafic gneiss, with lesser ultramafic rock. This sequence has been extensively intruded by potassium feldspar granites, such that the gneiss appears to be remnant within the intruding granite. Later petrographic analysis of drill chips by AngloGold Ashanti (AGA) of the Earoo Sill identified serpentinised metamorphosed ultramafic rock with sparsely disseminated sulphides (pyrrhotite, pentlandite and chalcopyrite) throughout.

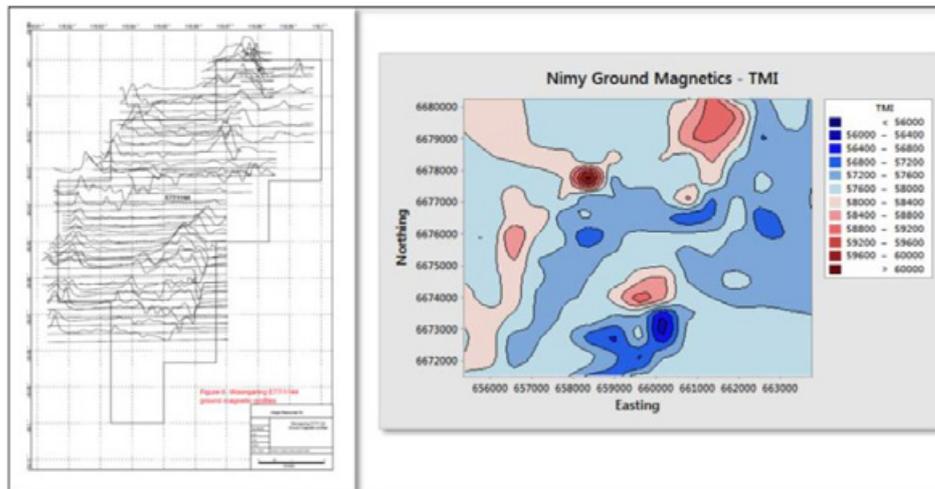
AGA used high resolution aeromagnetic imagery to interpret the geology of the northern part of the Project area and described the rocks as gneissic basement supercrustal rocks that include magnetite-rich mafic horizons with amphibole and/or biotite. AGA concluded that the Project was unprospective for an economic orogenic gold deposit, owing to the high grade of metamorphism, and with no evidence of crustal fluid flow on the retrograde path to support Tropicana-style mineralisation (Less, 2016). It was noted, however, that the carbonatite (Figure 3.3) remains untested for rare earth and other economic minerals.

#### **3.4. EXPLORATION BY NIMY**

Exploration by Nimy since 2015 has included historic research and data consolidation, reprocessing of ground magnetics, field trips, mapping and ground truthing, costeaming and rock chip sampling. Through the consolidation of this work the Project geology has been reprocessed and reinterpreted. Targets were identified and RC drilled, which has led to a geological model update with prospective areas for nickel sulphide mineralisation defined.

Earlier ground magnetic surveys by Image Resources, which were focussed on gold targeting, were reprocessed by Nimy using Minitab statistical Software. Originally presented in line graph format, Nimy's approach enabled data to be displayed colour coded according to TMI value, providing a refined view of the anomalies, Figure 3.7. The result has enabled Nimy to integrate the magnetics with surface geochemical anomalies and historic drill results to provide drill targets for nickel sulphide mineralisation exploration.

**Figure 3.7** Image Resources ground magnetics (left) and Nimy reprocessing of the survey data (right) (source: Nimy)

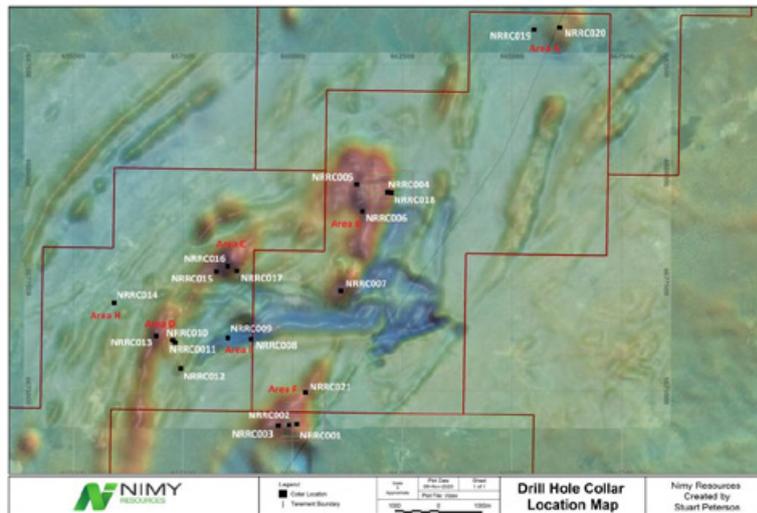


Review of high resolution aeromagnetic imagery indicates that the geology is more complex than suggested by regional maps. Several laterally-extensive and strongly magnetic linear and circular features are present in the Project area that indicate the greenstone and ultramafic remnants are more extensive than previously believed. Nimy collected 752 rock chip and 73 soil samples in the Project area to assist with field identification of rock types, and the targeting of potential nickel deposits, particularly where outcrop is supported by a geophysical anomaly.

Compilation of the historic data by Nimy was able to identify a previously unidentified sequence of mafic/ultramafic intrusive rocks consistent with the regional magnetic imagery orientation. This was interpreted from the previous exploration as being described as a greenstone remnant with strong weathering, associated with regional fault interactions. Targeting a Forresteria or Mt Keith nickel sulphide mineralisation style, with possible gold mineralisation along the regional fault structures, a number of target areas were defined for RC drill testing (Hampson, 2020).

RC drilling of 21 holes for 2,777 m during 2020 was undertaken. Drilling was split into seven areas based on target geology and commodity termed Area A to Area I, Figure 3.8. PVC piping was installed into NRRC013 and NRRC004 (Figure 3.9 as they are considered prospective for possible nickel sulphide mineralised bedrock conductor for follow up downhole EM surveys.

**Figure 3.8 Nimy collar location map of RC drillholes and associated target areas with overlain magnetics (source: Nimy)**



**Figure 3.9 PVC collar pipe in Nimy RC hole NRRC004**



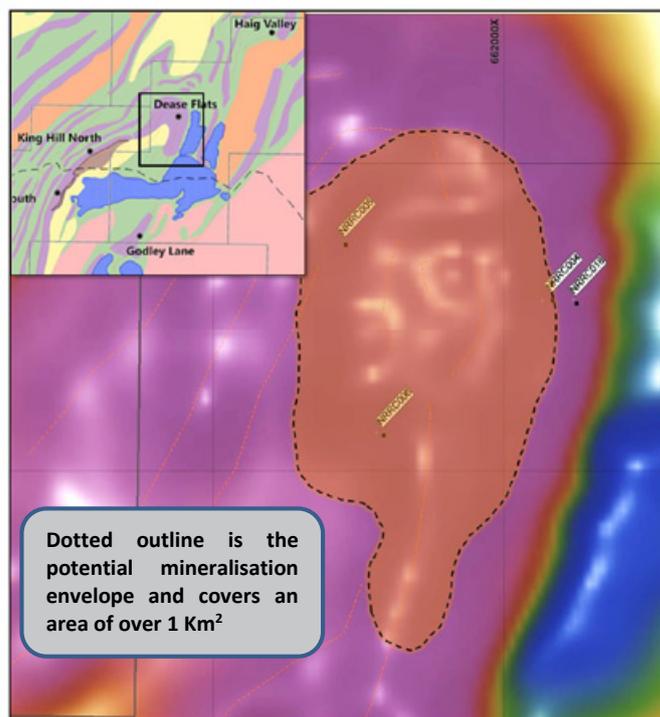
Area A:

This area was targeted for gold due to its close proximity to a regional fault structure; also the area hosts a newly-identified ultramafic rock sequence that has returned anomalous gold in shallow RAB drilling. RC drilling intersected a deeply weathered ultramafic rock, with increasing silica and veining with depth. Significant assays include 16 m at 12.81 ppb gold in NRRC020 from 54 m.

**Area B (Dease Flats):**

Area B was targeted for nickel based on historical exploration and anomalous results in previous RAB drilling over a magnetic high. This area consists of large-scale upright komatiite flows bent around a hinge fold structure, with secondary hydrothermal alteration to amphibolite, Figure 3.10 (Nimy Resources, 2021). Geochemical analysis of assays in this area indicates that the rock unit fits into an upper komatiite classification, given the high MgO and associated nickel and chromium. Based on current exploration information, this area’s mineralisation formation is considered to be similar to a Mt Keith style deposit, with large volumes of low to medium grade nickel within an intact thick komatiite flow. MgO and Nickel grades would then be expected to increase with depth, and this is evident in the lower layers of each of the four holes drilled in Area B (Peterson and Hampson, 2021).

**Figure 3.10 Area B Dease Flats, interpreted geology and target zone for mineralisation (source: Nimy)**

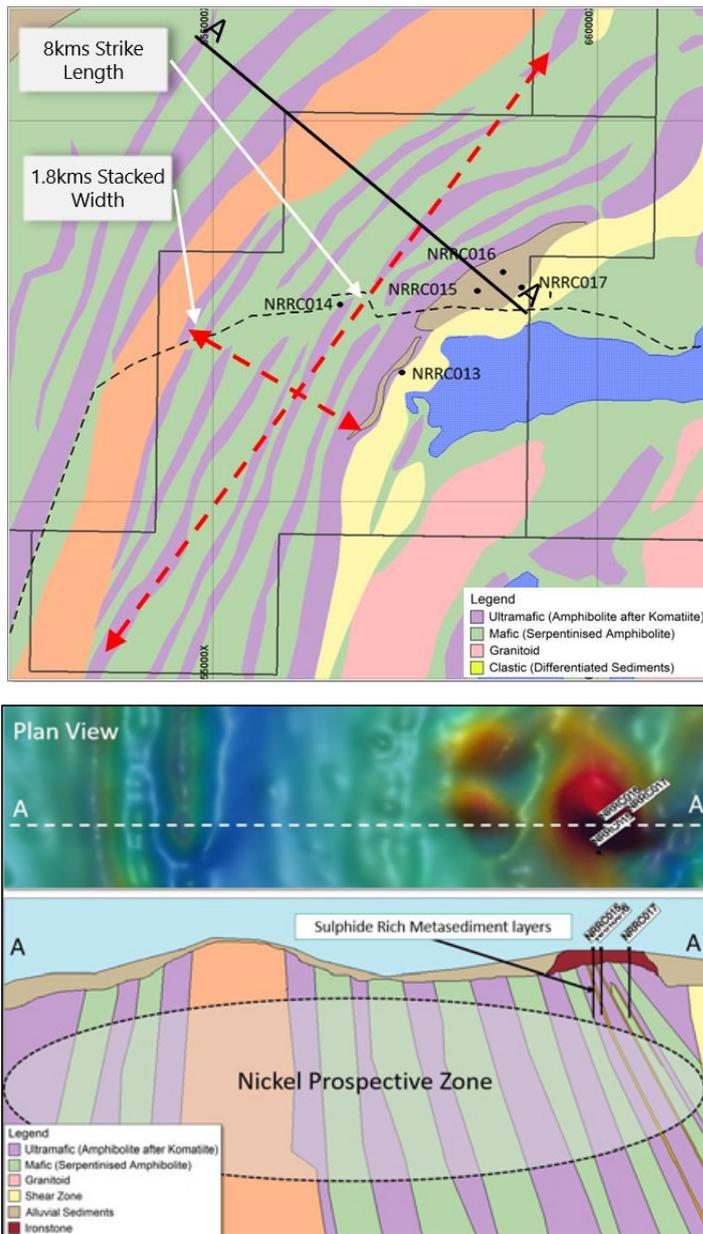


**Area C (King Hill domain):**

Area C was targeted for nickel and located on a northeast magnetic trend line that is part of a previously unidentified mafic-ultramafic stacked sequence. Area C is different to Area B in that there is a thick iron-rich layer covering a strongly altered ultramafic basal unit. The parent unit is highly altered; however, the geochemical signature identifies the rock as amphibolite after komatiite. The three RC holes drilled in this area returned anomalous nickel and gold, including 1 m at 193 ppb gold at 63 m in NRRC017.

Hole NRRC015 ended in an ultramafic rock unit, with a corresponding increase in MgO and nickel levels, and this area is now a target to test for nickel sulphide mineralisation, Figure 3.11.

Figure 3.11 Mons Project Area C and Area D plan geological interpretation (top), magnetics (middle) and cross section (lower) with recent RC drillholes (source: Nimy)



**Area D (King Hill domain):**

This target area is predicted to be the southern extension of Area C with a thinner cross section and lower EM response. This area has minimal cover and enough outcrop to identify that the formation is a near vertically stacked sequence of mafic- ultramafic units, Figure 3.12. NRRCO13 was drilled into this formation and intersected ultramafic rock that returned nickel values consistent with the other areas and showing the same trend of increasing MgO and nickel at depth, Figure 3.11. No lower contact with a mafic unit was intersected and Area D remains open for testing of nickel sulphide mineralisation at depth.

**Figure 3.12 Outcrop at King Hill Area, Mons Project, showing upright ultramafic at surface**



**Area H:**

This area was targeted to test a specific outcrop of highly-altered ultramafic rock at the western edge of the stacked sequence and adjacent to an inferred large cross-cutting fault system. The later stage faulting in this area is the probable cause of the secondary hydrothermal alteration and could point to deeper nickel sulphide mineralisation. Drilling targeted contact nickel mineralisation on the contact layer between surface and basal layer. Peak nickel was returned in the upper weathered ultramafic on NRRCO14 at 27 m downhole for 1 m at 6200 ppm nickel.

**Area F:**

This area targeted a lower EM response on the eastern side of the fold structure and is considered to be a tectonically-separated part of Area A due to its similar geochemistry and magnetic response. The three holes drilled in Area F did not encounter a geological contact with a mafic unit, or anomalous assay results, apart from consistent low grade nickel and MgO values increasing with depth, anomalous and suggesting that deeper targeting of the nickel sulphide mineralisation on the contact at depth is warranted.

In summary, the Nimy 2020 RC drill programme assay results showed that there is an exploration target for a large-scale resource of a low-grade, high tonnage disseminated nickel deposit with a Mt Keith style mineralisation at Area B and at Area C to D. Additionally, assay results suggest the potential for Forrestania-style nickel sulphide mineralisation, along with associated gold hosting along the regional fault structures to the east.

The recent RC drilling by Nimy has yielded areas of prospectivity to expand the future exploration work programme to test for deeper nickel sulphide mineralisation along the western side of the mafic/ultramafic sequence, along with vein-hosted gold mineralisation along the eastern boundaries of the sequence.



**3.4.1. SIGNIFICANT DRILL INTERCEPTS**

Significant drill intercepts from Nimy’s tenements are noted in Table 3.2. All intercepts are down hole. The relationship between down hole depths and the true width of the intercept is not known.

**Table 3.2 Significant drill intercepts from Nimy RC drilling 2020, Mons Nickel Project (source: Nimy)**

Drill hole	Area	From (m)	To (m)	Interval (m)	Result	Comment
NRRC004	Area B	3m	172m	169m	0.123% Ni	Large homogeneous Ni intercept with increasing MgO with depth. (upper komatiite flow geochemistry)
	Including	6m	32m	25m	0.150% Ni, 17.5% MgO	
	Including	35m	54m	19m	0.148% Ni, 21.0% MgO	
	Including	57m	117m	60m	0.136% Ni, 24.4% MgO	
NRRC005	Area B	96m	136m	40	0.126% Ni, 23.5% MgO	Ni and MgO levels increasing with depth; quartz vein between intercepts (upper komatiite flow geochemistry)
	Including	96m	116m	20m	0.147% Ni, 27.3% MgO	
	Including	128m	136m	8m	0.165% Ni, 30.8% MgO	
	Including	192m	220m	28m	0.130% Ni, 24.9% MgO	
NRRC006	Area B	52m	178m	127	0.131% Ni, 23.2% MgO	Ni and MgO levels increasing with depth; quartz vein between intercepts (upper komatiite flow geochemistry)
	Including	74m	89m	15m	0.136% Ni, 24.7% MgO	
	Including	93m	114m	21m	0.139% Ni, 25.7% MgO	
	Including	160m	178m	40m	0.144% Ni, 27.1% MgO	
NRRC007	Area B	67m	160m	93m	0.135% Ni, 25.4% MgO	Homogeneous Ni intercept with high MgO (upper komatiite flow geochemistry)
	Including	67m	87m	20m	0.140% Ni, 26.4% MgO	
	Including	89m	111m	22m	0.141% Ni, 26.9% MgO	
	Including	113m	137m	24m	0.141% Ni, 26.7% MgO	
NRRC013	Area D	7m	177m	170m	0.117% Ni, 19.6% MgO	Upper layer komatiite geochemistry, hydrothermal alteration 60 m to 68 m, quartz vein between intercepts
	Including	7m	41m	34m	0.155% Ni, 18.4% MgO	
	Including	49m	73	25m	0.131% Ni, 19.7% MgO	
	Including	82m	90m	9m	0.136% Ni, 26.0% MgO	
NRRC014	Area D	11m	40m	30m	0.210% Ni	Strongly hydrothermally altered and weathered intercept
	Including	23m	34m	12m	0.301% Ni, 20.1% MgO	
	Including	27m	29m	2m	0.511% Ni, 20.1% MgO	
NRRC017	Area C	0m	3m	3m	29.3 ppb Au	Strong gold anomalies well above background levels (Background levels = <10PPb Au) in weathered upper layers
	Including	2m	3m	1m	57.0 ppb Au	
	Area C	42m	43m	1m	108 ppb Au	
	Area C	45m	46m	1m	51 ppb Au	
	Area C	58m	59m	1m	56 ppb Au	
	Area C	60m	65m	5m	57 ppb Au	
	Including	61m	62m	1m	116 ppb Au	
	Including	63m	64m	1m	193 ppb Au	
Area C	73m	74m	1m	54 ppb Au		

### 3.4.2. EXPLORATION POTENTIAL

The Mons Project is situated in a largely unexplored area and is a grass-roots project selected using a number of important factors identified from previous geological exploration reports, remote sensing data and in-field analysis of rock outcrop, geochemistry and shallow drilling.

Due to issues with access, the Mons Project has only been subject to sporadic exploration for gold, nickel, base metals and platinum group metals. As such, ultramafic flows at depth have yet to be tested for nickel sulphide contact mineralisation of the Kambalda style. Primary exploration by previous tenement holders has essentially been for gold and so historical drilling (AC and RAB) has been shallow, only testing the regolith for anomalous gold in clay. For this reason, the current drill lines tend to proceed away from magnetic highs or have been terminated upon encountering ultramafic rocks. Line WGRB93 to WGRB106 records nickel values increasing with depth and has pyrite recorded in the last four metres at the end of hole (WGRB100 at 16 m), indicating the potential for nickel sulphides at depth.

Recent RC drilling has intersected the upper flow of the komatiite sequence that exhibits higher than typical nickel levels. Nimy's current exploration concept is that this may be the last extruded sequence and slight changes in flow chemistry could increase flow viscosity enough to allow for nickel to accumulate along the lower contact of the flow, explaining the homogenous nature of the nickel in the upper komatiite. Given the elevated sulphur identified in the system, along with interbedded sediments throughout and along the mafic/ultramafic margins, the area is a favourable depositional environment to host Kambalda-style nickel sulphides.

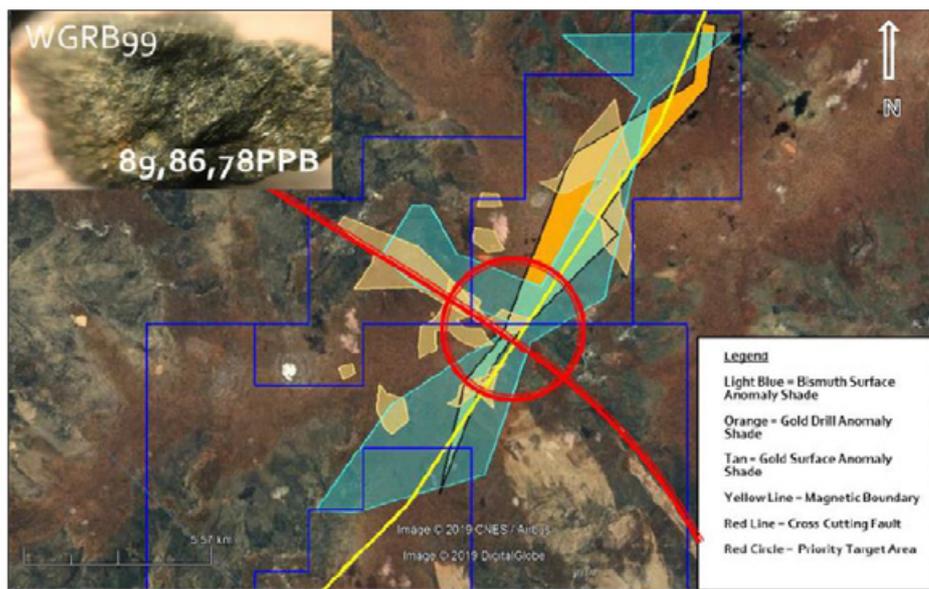
The lower Komatiite units have not been tested, apart from limited surface sampling where there is outcrop, with preliminary findings returning elevated nickel levels on the contact boundaries. Furthermore, the secondary hydrothermal alteration and the presence of garnets identified within the sulphide-rich metasediments suggest that the area is similar to the Forrestania style dunite-hosted mineralisation.

Optiro considers the Mons Project to be at an early stage of exploration, and it is prospective for nickel sulphide mineralisation similar to the Kambalda komatiite deposits and the Forrestania and Mt Keith dunite deposits. The identified komatiite units require further deep drill testing, sampling and geophysical surveying (moving loop EM) to better define initial drill targets.

Contact nickel sulphide mineralisation associated with the lowermost flow of the komatiite unit (the classic Kambalda-style sulphide location) is largely conceptual within the Project area; however, preliminary exploration and geochemical signatures suggests that exploration for this style of mineralisation is warranted. The next stage of exploration would involve regional geophysical surveying (magnetics), followed by deeper drilling of the komatiite flows in the target areas.

Whilst gold has been the primary target of previous explorers (Table 3.1) Optiro's view is that the Project still remains prospective for gold mineralisation. With the analogy to the Penny West gold deposit 140 km along strike of the north-south magnetic boundary and coincident gold bismuth anomalies, Figure 3.13 in the Project area, further follow up drill exploration for gold is warranted.

**Figure 3.13** Satellite view showing fault structure (red) and location of rock chip gold and bismuth anomalies on Nimy tenure. Inset – drill chip sample of mafic amphibolite (Source: Nimy)



#### 4. WORK PROGRAMME

Nimy has developed an exploration budget commensurate with its minimum subscription of \$6.0 M, which is summarised in Table 4.1. The exploration budget is based on staged expenditure at the Mons Project which is summarised in Table 4.2 .

The initial exploration budgets are allotted to geophysical surveys intended to identify possible conductor plates to define drill targets at Area C and D (King Hill domain), together with supporting geological studies and geochemical programmes. Additionally a deep drillhole (~500m) is planned for the second year to target nickel sulphide on the ultramafic contact at depth at Area B (Dease Flats), Figure 4.1, following on from recent RC drilling into the ultramafic amphibolite after komatiite unit. An aeromagnetic survey over the southern tenements along geochemical sampling lines is proposed to define gold anomalies. Follow up RC or Diamond drilling of the conductor plates is proposed over Area C or D to further define the targets.

Optiro has reviewed the proposed two-year budget and it is considered appropriate and reasonable for the mineralisation styles within the Projects and the stage of exploration. The proposed exploration budget for the minimum raising exceeds the minimum required expenditure commitment for the Project.

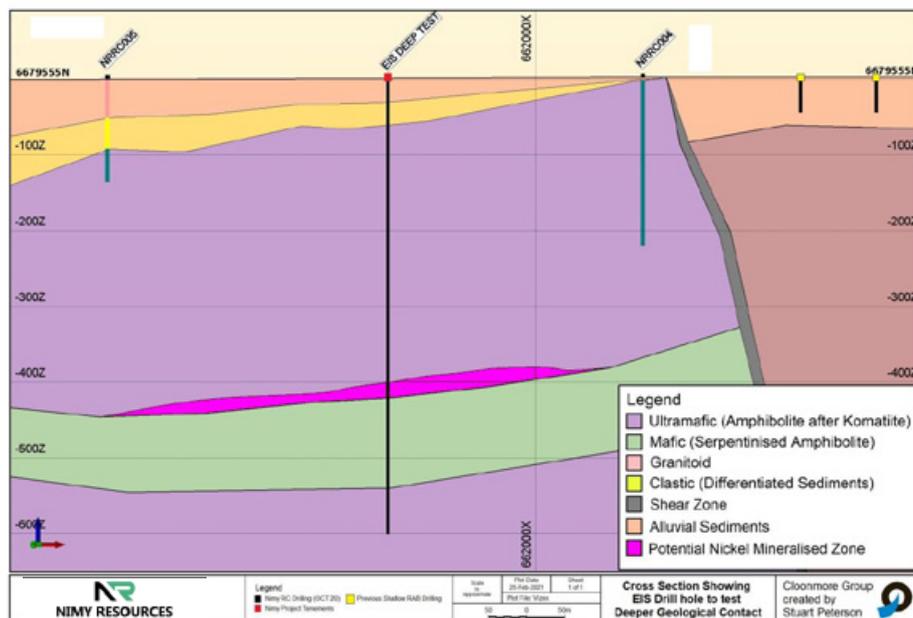
**Table 4.1 Proposed use of funds - A\$6.0 M minimum raise (source: Nimy)**

Use of funds	Minimum Subscription	Maximum Subscription
Geochem and geophysical	\$489,000	\$489,000
Drilling and assay costs	\$1,937,145	\$2,632,762
Technical expert and studies	\$439,008	\$651,241
Tenement and site access costs	\$515,573	\$515,573
<b>Total exploration costs</b>	<b>\$3,380,726</b>	<b>\$4,288,576</b>
Costs of the Offer	\$676,700	\$766,700
Administration costs	\$673,400	\$889,600
Working capital	\$1,587,050	\$1,873,000
<b>Total funds allocated</b>	<b>\$6,317,876</b>	<b>\$7,817,876</b>

**Table 4.2 Proposed work programme budget (source: Nimy)**

Timing of exploration program and costs	Year 1		Year 2	
	Level of subscription		Level of subscription	
	Minimum	Maximum	Minimum	Maximum
Geochem, Geophysics, MLEM	\$489,000	\$489,000	-	-
Drilling and assay costs (diamond, R/C drilling, assay and interp)	\$994,876	\$1,292,234	\$942,269	\$1,340,528
Technical Expert and Studies	\$310,728	\$406,245	\$128,280	\$244,996
Tenement and Site Access Costs (Holding, Heritage, Access)	\$326,023	\$303,523	\$189,550	\$212,050
<b>Total exploration costs</b>	<b>\$2,120,627</b>	<b>\$2,491,002</b>	<b>\$1,260,099</b>	<b>\$1,797,574</b>

**Figure 4.1** Mons Project cross section 6679555 mN showing interpreted deep geology and proposed 600m deep test hole (source: Nimy)



## 5. DECLARATIONS BY OPTIRO

### 5.1. INDEPENDENCE

Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro’s staff work on a variety of projects across a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes and in compliance with ASIC Regulatory Guide 112. The author and reviewer do not hold any interest in Nimy, their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are charged at Optiro’s standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report. Optiro will charge Nimy fees of approximately A\$29,000 for the preparation of this report. Optiro has not had any material prior association with either Nimy or the mineral assets being assessed.

### 5.2. QUALIFICATIONS

The preparation of this Report was undertaken by Ms Justine Tracey (Principal) under the guidance and supervision of Mr Ian Glacken (Director) who is acting as the Competent Person. This report was reviewed by Mr Ian Glacken. Both Mr Glacken and Ms Tracey are employed by Optiro.

Mr Ian Glacken [BSc (Hons) Geology, MSc (Mining Geology), MSc (Geostatistics), Grad. Dip (Comp), FAusIMM(CP), FAIG, CEng, MIMMM, DIC] has over 35 years of worldwide experience in the mining industry. Ian is a geologist with postgraduate qualifications in geostatistics, mining geology and computing. Mr Glacken has over 20 years' experience in consulting, including a decade as Group General Manager of a major consulting organisation. He has worked on mineral projects and given over 300 training courses to thousands of attendees on every continent apart from Antarctica. Mr Glacken's skills are in resource evaluation and due diligence reviews, public reporting, training and mentoring, quantitative risk assessment, strategic advice, geostatistics, reconciliation, project management, statutory and Competent Persons' reporting and mining geology studies. He was a founding Director of Optiro. Mr Glacken worked as a Mine Geologist, Senior Mine Geologist and Senior Resource Geologist at both Kambalda and in the Mt Keith/Perseverance areas for Western Mining for many years and has worked on almost all of the nickel sulphide deposits in Western Australia.

Ms Justine Tracey [BSc (Hons) Geology MAusIMM(CP)] is a geologist with extensive mine production and exploration experience over the past 22 years, providing a solid technical foundation for project development and Resource Estimation. This includes geological modelling and interpretation for surface and underground deposits at grade control, exploration and project feasibility levels for both gold and copper. Justine's skills include Mineral Resource modelling and estimation, evaluation, technical audits and reviews, geostatistics, reconciliation and grade control, competent persons reporting, project management, innovation and people management. Justine has previously acted as a Competent Person for Mineral Resource reporting in gold.



## 6. REFERENCES

- Boladeras, J., (1998). Croesus Mining NL Surrender Report for Jackson Tenements E77/821 – 823 for the period 1 December 1997 to 30 November 1998. WAMEX open file Report A057628.
- Hampson, L, 2020. Cloonmore Group Annual Report Nimy Project for the period 10th March 2019 to 8th May 2020.
- Howland, J. P., (2000). Annual Report for Exploration Licences E77/778-779, 784 for the period 23 February 1999 to 22 February 2000. Astro Mining NL. WAMEX open file Report A06320.
- Image Resources NL, (2003). Woongaring Project E77/1023 Relinquishment Report. WAMEX open file Report A066486.
- Jackson, D., (2013). Ausquest Limited Final Report for Earoo Project Exploration Licence E77/1779 for the period ending 17 June 2013. WAMEX open file Report A098562.
- Kelly, A., (1996). Final Report Mons Project Exploration Licences 77/593, 77/594, 77/595, 44/596 and 77/597. WMC Resources Limited Exploration Division. WAMEX open file Report A048264.
- Less., T., (2016). AGA Gold Ashanti Pindabunna Project C71/2015, E77/2265, E772266 and E77/2267 Surrender Report for the period 05/05/2015 to 15/01/2016. WAMEX open file Report A108135.
- Microanalysis Australia., (2021). Laboratory Report for Cloonmore Group Pty Ltd. 05 February 2021.
- Nimy Resources, (2021). Information Memorandum: Nimy Project Presentation.
- Peterson, S. and Hampson, L., (2021). Geological Report for the Nimy Project. Nimy Resources.
- Ramelius Resources, (2021). Development Projects – Penny Project, 02 June 2021. Available at <https://www.rameliusresources.com.au/penny-gold-project/>
- Reddy, D., (2009). Emu Nickel Surrender Report Woongaring Project E77/1144 Yilgarn Mineral Field. Reporting period 5 May 2004 to 29 April 2009. WAMEX open file Report A082550.
- Reddy, D., (2012). Emu Nickel Surrender Report Woongaring Project E77/1665 Yilgarn Shire Western Australia. Reporting period 10 December 2009 to 23 April 2012. WAMEX open file Report A092024.
- Romanoff, A., (2008). E77/1172 Woongaring, Yilgarn Mineral Field Western Australia Annual Report for the period 14 June 2007 to 13 June 2008. Emu Nickel NL. WAMEX open file Report A079026.
- Romanoff, A., (2008b). E77/1144 Woongaring, Yilgarn Mineral Field Western Australia Combined partial Surrender Report for the period 4 May 2007 to 4 May 2008. Emu Nickel NL. WAMEX open file Report A078691.
- Troy Resources NL (2005). Report on Activities for the Quarter ended 31 December 2004. Available at <http://www.troyres.com.au/investor-centre/reports/quarterly.html>.
- Van Kann, M. Y., (1997). Joint Annual Report Exploration Licences 77/599-610, 613-616 for the period 23 February 1996 to 22 February 1997. Astro Mining NL. WAMEX open file Report A050809.

## 7. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
Abbreviations	AIG – Australian Institute of Geoscientists, AUD – Australian dollars, AusIMM – Australasian Institute of Mining and Metallurgy, Ft – foot, g/t – grams per tonne, ha – hectare, JV – joint venture, km – kilometre, km <sup>2</sup> – square kilometre, kt – thousand tonnes, m – metre, m <sup>3</sup> – cubic metres, M – million, Ma – million years ago, Mt – million tonnes, Moz – million ounces, oz – ounce, % – percentage, PGE – platinum group elements, ppm – parts per million, ppb – parts per billion, t – tonnes.
Chemical elements	Ag – silver, Au – gold, Co – cobalt, Cr – chromium, Cu – copper, Fe – iron, Li – lithium, Ni – nickel, - Pb – Lead, Zn – zinc.
Aerial photography	Photographs taken from an aircraft or other flying object.
Aeromagnetic	A geophysical exploration technique which maps the magnetic signature of rocks from an aeroplane or drone.
Aircore drilling	A method that uses blades to bore a hole into unconsolidated ground. The rods are hollow and contain an inner tube which sits inside the hollow outer rod barrel. The drill cuttings are removed by injection of compressed air into the hole and brought back to the surface up the inner tube.
Alluvium	Loose, unconsolidated sediment that has been eroded by water.
Alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
Amphibole	group of rock forming minerals that occur most frequently in igneous and metamorphic rocks.
Amphibolite facies	A rock composed largely of amphibole and other similar minerals.
Anticline	An arched shape formed by folded or faulted rocks, with a crest (high point) and limbs.
Archaean	Era of the geological time scale within the Precambrian aeon containing rocks greater than 2500 Ma.
Assay	The process of determining the content of a mineral or metal through a range of physical or chemical techniques.
Auger	A screw bit used to retrieve soil or rock samples from unconsolidated material.
Banded iron formation (BIF)	Iron formation that shows banding, generally of iron-rich minerals and chert or fine-grained quartz.
Basalt	A fine grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
Bedrock	The solid rock lying beneath superficial material such as gravel or soil.
Carbonatite	igneous rock which may be intrusive or extrusive and contains more than 50% carbonate minerals.
Cenozoic	The era that covers earth's history during the last 65 Ma.
Chalcopyrite	Iron copper sulphate, important ore of copper.
Complex	A unit of rocks composed of rocks of two or three metamorphic, igneous or sedimentary rock types.
Cut-off grade	The grade that differentiates between mineralised material that is economic or not to mine.
Diatreme	Pipe like volcanic conduit formed deep in earth's crust by explosive energy of magmatic gases.
Diorite	Dark coloured, coarse grained plutonic rock.
Dolerite	Medium grained intrusive igneous rock of basaltic composition.
Dunite	Variety of peridotite, composed almost entirely of olivine, but may include pyroxene, plagioclase and chromite.
Duricrust	A hard crust formed on the surface or within the upper horizons of soil in a semi-arid climate where evaporation is nearly equal to rainfall.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.
Formation	A defined interval of strata, often comprising similar rock types.



Term	Explanation
Fractionation	Process that separates an initially homogenous closed magma body into two or more daughter magmas of different chemical composition, thus developing more than a single type of igneous rock from a common magma.
Gabbro	A coarse-grained, dark-coloured, intrusive igneous rock.
Galena	Lead sulphide, the main ore of lead.
Geophysical survey	A survey that measures the physical properties of rock formations, commonly magnetism, specific gravity, electrical conductivity and radioactivity.
Gneiss	A common and widely distributed type of rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks. Gneissic rocks are coarsely foliated and largely recrystallised.
Granite	A coarse grained intrusive felsic igneous rock.
Granitoid	A common and widely occurring type of intrusive, felsic, igneous rock.
Granodiorite	Coarse grained plutonic rock, very similar to granite
Greenschist facies	Assemblage of minerals formed during regional metamorphism.
Greenstone belt	Greenstone belts are zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.
Greenstones	Zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss bodies
Hornblende	Silicate mineral, the most common of the amphibole group and important constituent of metamorphic rocks.
Igneous	Rock is formed through the cooling and solidification of magma or lava.
Intercept	Mineralised intersection in a drill hole.
Intrusion	A rock formed when magma cools slowly below the earth's surface.
intrusive	A rock formed when magma cools slowly below the Earth's surface.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
Komatiite	An extrusive ultramafic rock which is emplaced as viscous lava flows.
Loam	A soil with roughly equal proportions of sand silt and clay.
Mafic	Silicate minerals, magmas, and volcanic and intrusive igneous rocks that have relatively high concentrations of the heavier and darker minerals.
Metamorphism	Alteration of the minerals, texture and composition of a rock caused by exposure to heat, pressure and chemical actions.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
Mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
MLEM	Moving Loop Electromagnetic Survey
Olivine	Common rock forming mineral typical of ultramafic and mafic intrusive or volcanic rocks.
Pegmatitic	Coarse grained igneous rock typically found around the margins of large deep seated plutons.
Pentlandite	An important ore of nickel.
Pisolite	A rock comprised of round, pea-shaped particles, often composed of carbonate minerals.

Term	Explanation
Pluton	Any massive body of igneous rock formed beneath the surface of the earth by the consolidation of magma or metasomatic replacement of older rock
Porphyritic	Containing large crystals in a groundmass of smaller crystals or glass.
Porphyry	A variety of igneous rock consisting of large grained crystals, such as feldspar or quartz, dispersed in a fine-grained feldspathic matrix or groundmass.
Protolith	Primary (first) lithology
Pyrite	Iron disulphide, (FeS <sub>2</sub> ).
Pyrrhotite	Composition close to that of iron sulphide, but deficient in iron. Some pyrrhotite is magnetic, important ore of nickel deposits
Quartz	Crystalline silica (SiO <sub>2</sub> ).
RAB	Rotary Air Blast, a drilling method comprising a rotating percussive bit which generates rock chip samples generally at shallow depths.
Regolith	Loose unconsolidated rock that sits atop a layer of bedrock
Reverse circulation drilling (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
Serpentine	Rock forming minerals found in low grade metamorphic environments and are derived from magnesium silicates.
Sill	Tabular igneous intrusion with boundaries conformable with the planar structure of the surrounding rock.
Sphalerite	A mineral comprised of zinc and sulphur with iron – zinc sulphide, the main economic ore of zinc.
Stratigraphic	The sequence of rock units through time.
Stratigraphy	The study of stratified rocks, their timing, characteristics and correlations in different locations.
Strike	Geological measurement – the direction of bearing of bedding or structure in the horizontal plane.
Supracrustal	Rocks deposited on existing basement rocks of the crust which may be further metamorphosed from either sedimentary and/or volcanic rocks.
Tholeiitic	Basalt variety that is poor in alkalis.
TMI	Total Magnetic Intensity (TMI) data measures variations in the intensity of the earth's magnetic field caused by the contrasting content of rock forming minerals in the earth's crust.
Ultramafic	Igneous rocks with very low silica content (less than 45%), generally >18% MgO, high FeO, low potassium and are composed of usually greater than 90% mafic minerals.
VALMIN Code	The Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets. It is a companion to the JORC Code.
Vein	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints, or faults.
Volcanic	An igneous rock of volcanic origin.
Weathering	The process by which rocks are broken down and decomposed by the action of wind, rain, changes in temperature, plants and bacteria.



## Appendix A Mons Project drilling collars

Note: These holes have been drilled on tenements owned by Nimy.

Note2: Some holes are missing RL (elevation)

Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
NRRC001	RC	MGA94	660088	6674229		0	130	-90	Nimy
NRRC002	RC	MGA94	659915	6674207		0	115	-90	Nimy
NRRC003	RC	MGA94	659672	6674196		0	64	-90	Nimy
NRRC004	RC	MGA94	662166	6679555		0	220	-90	Nimy
NRRC005	RC	MGA94	661456	6679735		0	136	-90	Nimy
NRRC006	RC	MGA94	661586	6679117		0	178	-90	Nimy
NRRC007	RC	MGA94	661102	6677294		0	160	-90	Nimy
NRRC008	RC	MGA94	659051	6676183		0	88	-90	Nimy
NRRC009	RC	MGA94	658524	6676211		0	94	-90	Nimy
NRRC010	RC	MGA94	657260	6676160		0	52	-90	Nimy
NRRC011	RC	MGA94	657267	6676154		150	76	-60	Nimy
NRRC012	RC	MGA94	657454	6675506		0	100	-90	Nimy
NRRC013	RC	MGA94	656895	6676255		300	202	-60	Nimy
NRRC014	RC	MGA94	655929	6677016		220	118	-60	Nimy
NRRC015	RC	MGA94	658265	6677731		0	202	-90	Nimy
NRRC016	RC	MGA94	658520	6677862		0	202	-90	Nimy
NRRC017	RC	MGA94	658727	6677750		0	200	-90	Nimy
NRRC018	RC	MGA94	662240	6679550		0	124	-90	Nimy
NRRC019	RC	MGA94	665505	6683289		225	100	-60	Nimy
NRRC020	RC	MGA94	666090	6683331		300	144	-60	Nimy
NRRC021	RC	MGA94	660293	6674957		0	72	-90	Nimy
WGAC037	AC	MGA94	658151	6669530		29	0	-90	Nimy
WGAC038	AC	MGA94	658200	6669524		38	0	-90	Nimy
WGAC039	AC	MGA94	658253	6669533		25	0	-90	Nimy
WGAC040	AC	MGA94	658595	6669508		6	0	-90	Nimy
WGAC041	AC	MGA94	658648	6669514		7	0	-90	Nimy
WGAC042	AC	MGA94	658694	6669517		8	0	-90	Nimy
WGAC043	AC	MGA94	658741	6669515		8	0	-90	Nimy
WGAC044	AC	MGA94	658795	6669521		15	0	-90	Nimy
WGAC045	AC	MGA94	658889	6669525		9	0	-90	Nimy
WGAC046	AC	MGA94	658945	6669533		3	0	-90	Nimy
WGAC047	AC	MGA94	658992	6669540		9	0	-90	Nimy
WGAC-100	AC	MGA94	666592	6688600	430	77	0	-90	Nimy
WGAC-101	AC	MGA94	666593	6688503	430	77	0	-90	Nimy
WGAC-102	AC	MGA94	666596	6688400	430	73	0	-90	Nimy
WGAC-103	AC	MGA94	666613	6688300	430	45	0	-90	Nimy
WGAC-104	AC	MGA94	666615	6688200	430	53	0	-90	Nimy
WGAC-105	AC	MGA94	669395	6692650	442	20	0	-90	Nimy
WGAC-106	AC	MGA94	669400	6692452	442	32	0	-90	Nimy

Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGAC-107	AC	MGA94	668400	6691950	462	57	0	-90	Nimy
WGAC-108	AC	MGA94	668402	6691654	460	38	0	-90	Nimy
WGAC-109	AC	MGA94	666895	6691000	456	24	0	-90	Nimy
WGAC-110	AC	MGA94	666893	6691050	455	38	0	-90	Nimy
WGAC-111	AC	MGA94	666897	6691152	455	59	0	-90	Nimy
WGAC-112	AC	MGA94	666901	6691248	454	49	0	-90	Nimy
WGAC-113	AC	MGA94	666900	6691300	454	35	0	-90	Nimy
WGAC-114	AC	MGA94	666905	6690850	453	68	0	-90	Nimy
WGAC-115	AC	MGA94	666896	6690946	455	23	0	-90	Nimy
WGAC-116	AC	MGA94	665700	6692600	468	24	0	-90	Nimy
WGAC-117	AC	MGA94	665700	6692503	465	35	0	-90	Nimy
WGAC-118	AC	MGA94	665696	6692402	460	23	0	-90	Nimy
WGAC-119	AC	MGA94	664988	6697750	475	56	0	-90	Nimy
WGAC-120	AC	MGA94	664994	6697700	475	63	0	-90	Nimy
WGAC-121	AC	MGA94	664996	6697650	474	55	0	-90	Nimy
WGAC-122	AC	MGA94	664982	6697800	476	68	0	-90	Nimy
WGAC-123	AC	MGA94	664979	6697850	477	31	0	-90	Nimy
WGAC-124	AC	MGA94	664982	6697900	476	56	0	-90	Nimy
WGAC-125	AC	MGA94	664992	6698100	471	65	0	-90	Nimy
WGAC-29	AC	MGA94	659203	6666289		17	0	-90	Nimy
WGAC-30	AC	MGA94	659250	6666292		17	0	-90	Nimy
WGAC-31	AC	MGA94	659307	6666293		20	0	-90	Nimy
WGAC-32	AC	MGA94	659350	6666292		13	0	-90	Nimy
WGAC-33	AC	MGA94	659400	6666292		14	0	-90	Nimy
WGAC-34	AC	MGA94	659698	6666289		20	0	-90	Nimy
WGAC-35	AC	MGA94	659750	6666291		13	0	-90	Nimy
WGAC-36	AC	MGA94	659802	6666292		7	0	-90	Nimy
WGAC-48	AC	MGA94	659047	6669395		40	0	-90	Nimy
WGAC-49	AC	MGA94	659096	6669392		32	0	-90	Nimy
WGAC-50	AC	MGA94	659148	6669392		5	0	-90	Nimy
WGAC-51	AC	MGA94	659197	6669392		5	0	-90	Nimy
WGAC-52	AC	MGA94	659243	6669386		32	0	-90	Nimy
WGAC-53	AC	MGA94	659292	6669389		32	0	-90	Nimy
WGAC-54	AC	MGA94	659346	6669385		33	0	-90	Nimy
WGAC-55	AC	MGA94	659393	6669385		26	0	-90	Nimy
WGAC-56	AC	MGA94	659446	6669390		33	0	-90	Nimy
WGAC-57	AC	MGA94	659495	6669395		38	0	-90	Nimy
WGAC-58	AC	MGA94	659547	6669395		8	0	-90	Nimy
WGAC-59	AC	MGA94	659605	6669408		22	0	-90	Nimy
WGAC-60	AC	MGA94	659650	6669402		18	0	-90	Nimy
WGAC-67	AC	MGA94	666297	6683190		13	0	-90	Nimy
WGAC-68	AC	MGA94	666352	6683179		41	0	-90	Nimy
WGAC-69	AC	MGA94	666248	6683190		36	0	-90	Nimy



Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGAC-70	AC	MGA94	666200	6683192		5	0	-90	Nimy
WGAC-71	AC	MGA94	666150	6683195		22	0	-90	Nimy
WGAC-72	AC	MGA94	666048	6683196		38	0	-90	Nimy
WGAC-73	AC	MGA94	665946	6683198		47	0	-90	Nimy
WGAC-74	AC	MGA94	666046	6681417		32	0	-90	Nimy
WGAC-75	AC	MGA94	665995	6681408		31	0	-90	Nimy
WGAC-76	AC	MGA94	665949	6681409		20	0	-90	Nimy
WGAC-77	AC	MGA94	665900	6681412		41	0	-90	Nimy
WGAC-78	AC	MGA94	665850	6681404		47	0	-90	Nimy
WGAC-79	AC	MGA94	665799	6681400		52	0	-90	Nimy
WGAC-80	AC	MGA94	665752	6681404		37	0	-90	Nimy
WGAC-81	AC	MGA94	665697	6681401		42	0	-90	Nimy
WGAC-82	AC	MGA94	665650	6681399		45	0	-90	Nimy
WGAC-83	AC	MGA94	665600	6681400		36	0	-90	Nimy
WGAC-92	AC	MGA94	657788	6685600	442	55	0	-90	Nimy
WGAC-95	AC	MGA94	658709	6691300	500	64	0	-90	Nimy
WGAC-96	AC	MGA94	658704	6691453	498	77	0	-90	Nimy
WGAC-97	AC	MGA94	658706	6691503	497	55	0	-90	Nimy
WGAC-98	AC	MGA94	658692	6691598	496	55	0	-90	Nimy
WGAC-99	AC	MGA94	658695	6691652	496	59	0	-90	Nimy
WGRB-1	RAB	MGA94	662245	6679548		53	0	-90	Nimy
WGRB-10	RAB	MGA94	663145	6679548		50	0	-90	Nimy
WGRB-100	RAB	MGA94	660145	6674148		17	0	-90	Nimy
WGRB-101	RAB	MGA94	660145	6674048		22	0	-90	Nimy
WGRB-102	RAB	MGA94	660145	6673948		28	0	-90	Nimy
WGRB-103	RAB	MGA94	660145	6673848		20	0	-90	Nimy
WGRB-104	RAB	MGA94	660145	6673748		24	0	-90	Nimy
WGRB-105	RAB	MGA94	660145	6673648		14	0	-90	Nimy
WGRB-106	RAB	MGA94	660145	6673548		13	0	-90	Nimy
WGRB-107	RAB	MGA94	660245	6673548		14	0	-90	Nimy
WGRB-108	RAB	MGA94	660345	6673548		19	0	-90	Nimy
WGRB-109	RAB	MGA94	660445	6673548		18	0	-90	Nimy
WGRB-11	RAB	MGA94	663245	6679548		52	0	-90	Nimy
WGRB-110	RAB	MGA94	660095	6674348		20	0	-90	Nimy
WGRB-111	RAB	MGA94	660045	6674348		23	0	-90	Nimy
WGRB-112	RAB	MGA94	659945	6674348		20	0	-90	Nimy
WGRB-113	RAB	MGA94	659845	6674348		23	0	-90	Nimy
WGRB-114	RAB	MGA94	659745	6674348		43	0	-90	Nimy
WGRB-115	RAB	MGA94	659645	6674348		21	0	-90	Nimy
WGRB-116	RAB	MGA94	659345	6674348		38	0	-90	Nimy
WGRB-117	RAB	MGA94	659245	6674348		36	0	-90	Nimy
WGRB-118	RAB	MGA94	659145	6674348		22	0	-90	Nimy
WGRB-119	RAB	MGA94	659045	6674348		27	0	-90	Nimy

Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGRB-12	RAB	MGA94	663345	6679548		32	0	-90	Nimy
WGRB-120	RAB	MGA94	658445	6674348		53	0	-90	Nimy
WGRB-121	RAB	MGA94	658345	6674348		39	0	-90	Nimy
WGRB-122	RAB	MGA94	658245	6674348		57	0	-90	Nimy
WGRB-123	RAB	MGA94	658145	6674348		20	0	-90	Nimy
WGRB-124	RAB	MGA94	658045	6674348		23	0	-90	Nimy
WGRB-125	RAB	MGA94	657945	6674348		48	0	-90	Nimy
WGRB-126	RAB	MGA94	657845	6674348		83	0	-90	Nimy
WGRB-127	RAB	MGA94	657745	6674348		84	0	-90	Nimy
WGRB-128	RAB	MGA94	657645	6674348		67	0	-90	Nimy
WGRB-129	RAB	MGA94	657545	6674348		75	0	-90	Nimy
WGRB-13	RAB	MGA94	663845	6679148		42	0	-90	Nimy
WGRB-130	RAB	MGA94	657445	6674348		60	0	-90	Nimy
WGRB-131	RAB	MGA94	657345	6673548		30	0	-90	Nimy
WGRB-132	RAB	MGA94	657245	6673548		27	0	-90	Nimy
WGRB-133A	RAB	MGA94	657145	6673548		20	0	-90	Nimy
WGRB-133B	RAB	MGA94	657145	6673538		41	0	-90	Nimy
WGRB-134	RAB	MGA94	657045	6673548		39	0	-90	Nimy
WGRB-135	RAB	MGA94	656945	6673548		39	0	-90	Nimy
WGRB-136	RAB	MGA94	657045	6672748		45	0	-90	Nimy
WGRB-137	RAB	MGA94	657145	6672748		45	0	-90	Nimy
WGRB-138	RAB	MGA94	657245	6672748		63	0	-90	Nimy
WGRB-139	RAB	MGA94	657345	6672748		47	0	-90	Nimy
WGRB-14	RAB	MGA94	663745	6679148		47	0	-90	Nimy
WGRB-140	RAB	MGA94	657445	6672748		50	0	-90	Nimy
WGRB-141	RAB	MGA94	657545	6672748		45	0	-90	Nimy
WGRB-142	RAB	MGA94	658845	6672748		64	0	-90	Nimy
WGRB-143	RAB	MGA94	658945	6672748		58	0	-90	Nimy
WGRB-144	RAB	MGA94	659045	6672748		56	0	-90	Nimy
WGRB-145	RAB	MGA94	659145	6672748		31	0	-90	Nimy
WGRB-146	RAB	MGA94	659245	6672748		27	0	-90	Nimy
WGRB-147	RAB	MGA94	659345	6672748		32	0	-90	Nimy
WGRB-148	RAB	MGA94	659445	6672748		26	0	-90	Nimy
WGRB-149	RAB	MGA94	659545	6672748		32	0	-90	Nimy
WGRB-15	RAB	MGA94	663645	6679148		55	0	-90	Nimy
WGRB-150	RAB	MGA94	659645	6672748		18	0	-90	Nimy
WGRB-151	RAB	MGA94	659745	6672748		20	0	-90	Nimy
WGRB-152	RAB	MGA94	659845	6672748		16	0	-90	Nimy
WGRB-153	RAB	MGA94	656245	6671948		34	0	-90	Nimy
WGRB-154	RAB	MGA94	656345	6671948		24	0	-90	Nimy
WGRB-155	RAB	MGA94	656445	6671948		33	0	-90	Nimy
WGRB-156	RAB	MGA94	656545	6671948		44	0	-90	Nimy
WGRB-157	RAB	MGA94	656645	6671948		37	0	-90	Nimy



Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGRB-158	RAB	MGA94	656745	6671948		24	0	-90	Nimy
WGRB-159	RAB	MGA94	656845	6671948		33	0	-90	Nimy
WGRB-16	RAB	MGA94	663545	6679148		48	0	-90	Nimy
WGRB-160	RAB	MGA94	658345	6671948		39	0	-90	Nimy
WGRB-161	RAB	MGA94	658445	6671948		33	0	-90	Nimy
WGRB-162	RAB	MGA94	658545	6671948		33	0	-90	Nimy
WGRB-163	RAB	MGA94	658645	6671948		35	0	-90	Nimy
WGRB-164	RAB	MGA94	659445	6671948		51	0	-90	Nimy
WGRB-165	RAB	MGA94	659545	6671948		50	0	-90	Nimy
WGRB-166	RAB	MGA94	659645	6671948		46	0	-90	Nimy
WGRB-167	RAB	MGA94	659745	6671948		21	0	-90	Nimy
WGRB-168	RAB	MGA94	656595	6673548		65	0	-90	Nimy
WGRB-169	RAB	MGA94	661545	6677548		28	0	-90	Nimy
WGRB-17	RAB	MGA94	663445	6679148		62	0	-90	Nimy
WGRB-18	RAB	MGA94	663345	6679148		58	0	-90	Nimy
WGRB-19	RAB	MGA94	663245	6679148		59	0	-90	Nimy
WGRB-2	RAB	MGA94	662345	6679548		50	0	-90	Nimy
WGRB-20	RAB	MGA94	663145	6679148		71	0	-90	Nimy
WGRB-21	RAB	MGA94	663045	6679148		46	0	-90	Nimy
WGRB-22	RAB	MGA94	662945	6679148		63	0	-90	Nimy
WGRB-23	RAB	MGA94	662845	6679148		54	0	-90	Nimy
WGRB-24	RAB	MGA94	662745	6679148		62	0	-90	Nimy
WGRB-25	RAB	MGA94	662645	6679148		68	0	-90	Nimy
WGRB-26	RAB	MGA94	662545	6679148		51	0	-90	Nimy
WGRB-27	RAB	MGA94	662445	6679148		40	0	-90	Nimy
WGRB-28	RAB	MGA94	662345	6679148		51	0	-90	Nimy
WGRB-29	RAB	MGA94	662245	6679148		27	0	-90	Nimy
WGRB-3	RAB	MGA94	662445	6679548		44	0	-90	Nimy
WGRB-30	RAB	MGA94	662145	6679148		50	0	-90	Nimy
WGRB-31	RAB	MGA94	662045	6679148		50	0	-90	Nimy
WGRB-32	RAB	MGA94	661945	6679148		50	0	-90	Nimy
WGRB-36	RAB	MGA94	659845	6677548		48	0	-90	Nimy
WGRB-37	RAB	MGA94	659945	6677548		59	0	-90	Nimy
WGRB-38	RAB	MGA94	660045	6677548		53	0	-90	Nimy
WGRB-39	RAB	MGA94	660145	6677548		56	0	-90	Nimy
WGRB-4	RAB	MGA94	662545	6679548		49	0	-90	Nimy
WGRB-40	RAB	MGA94	660145	6677348		50	0	-90	Nimy
WGRB-41	RAB	MGA94	660145	6677248		38	0	-90	Nimy
WGRB-42	RAB	MGA94	660145	6677148		61	0	-90	Nimy
WGRB-43	RAB	MGA94	660145	6677048		63	0	-90	Nimy
WGRB-44	RAB	MGA94	662345	6677548		40	0	-90	Nimy
WGRB-45	RAB	MGA94	662545	6677548		41	0	-90	Nimy
WGRB-46	RAB	MGA94	662745	6677548		50	0	-90	Nimy

Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGRB-47	RAB	MGA94	662945	6677548		63	0	-90	Nimy
WGRB-48	RAB	MGA94	663145	6677548		69	0	-90	Nimy
WGRB-49	RAB	MGA94	663345	6677548		32	0	-90	Nimy
WGRB-5	RAB	MGA94	662645	6679548		49	0	-90	Nimy
WGRB-50	RAB	MGA94	663545	6677548		71	0	-90	Nimy
WGRB-51	RAB	MGA94	663745	6677548		49	0	-90	Nimy
WGRB-52	RAB	MGA94	663845	6677148		39	0	-90	Nimy
WGRB-53	RAB	MGA94	663645	6677148		39	0	-90	Nimy
WGRB-54	RAB	MGA94	663445	6677148		53	0	-90	Nimy
WGRB-55	RAB	MGA94	663245	6677148		49	0	-90	Nimy
WGRB-56	RAB	MGA94	663045	6677148		32	0	-90	Nimy
WGRB-57	RAB	MGA94	662845	6677148		24	0	-90	Nimy
WGRB-58	RAB	MGA94	659145	6676748		48	0	-90	Nimy
WGRB-59	RAB	MGA94	659245	6676748		52	0	-90	Nimy
WGRB-6	RAB	MGA94	662745	6679548		53	0	-90	Nimy
WGRB-60	RAB	MGA94	659345	6676748		44	0	-90	Nimy
WGRB-61	RAB	MGA94	659445	6676748		42	0	-90	Nimy
WGRB-62	RAB	MGA94	659545	6676748		42	0	-90	Nimy
WGRB-63	RAB	MGA94	659645	6676748		44	0	-90	Nimy
WGRB-64	RAB	MGA94	659745	6676748		54	0	-90	Nimy
WGRB-65	RAB	MGA94	659845	6676748		57	0	-90	Nimy
WGRB-66	RAB	MGA94	659345	6675948		50	0	-90	Nimy
WGRB-67	RAB	MGA94	659245	6675948		33	0	-90	Nimy
WGRB-68	RAB	MGA94	659145	6675948		34	0	-90	Nimy
WGRB-69	RAB	MGA94	659045	6675948		34	0	-90	Nimy
WGRB-7	RAB	MGA94	662845	6679548		39	0	-90	Nimy
WGRB-70	RAB	MGA94	658945	6675948		29	0	-90	Nimy
WGRB-71	RAB	MGA94	658845	6675948		26	0	-90	Nimy
WGRB-72	RAB	MGA94	658745	6675948		31	0	-90	Nimy
WGRB-73	RAB	MGA94	658645	6675948		26	0	-90	Nimy
WGRB-74	RAB	MGA94	658545	6675948		35	0	-90	Nimy
WGRB-75	RAB	MGA94	658445	6675948		32	0	-90	Nimy
WGRB-76	RAB	MGA94	658345	6675948		20	0	-90	Nimy
WGRB-77	RAB	MGA94	658245	6675948		20	0	-90	Nimy
WGRB-78	RAB	MGA94	658145	6675948		20	0	-90	Nimy
WGRB-79	RAB	MGA94	658045	6675948		16	0	-90	Nimy
WGRB-8	RAB	MGA94	662945	6679548		46	0	-90	Nimy
WGRB-80	RAB	MGA94	658345	6675148		46	0	-90	Nimy
WGRB-81	RAB	MGA94	658445	6675148		39	0	-90	Nimy
WGRB-82	RAB	MGA94	658545	6675148		38	0	-90	Nimy
WGRB-83	RAB	MGA94	658645	6675148		40	0	-90	Nimy
WGRB-84	RAB	MGA94	658745	6675148		38	0	-90	Nimy
WGRB-85	RAB	MGA94	658845	6675148		56	0	-90	Nimy



Hole ID	Type	Datum	East	North	RL	Azimuth	Hole depth (m)	Dip	Prospect or tenement
WGRB-86	RAB	MGA94	658945	6675148		61	0	-90	Nimy
WGRB-87	RAB	MGA94	659045	6675148		56	0	-90	Nimy
WGRB-88	RAB	MGA94	659145	6675148		36	0	-90	Nimy
WGRB-89	RAB	MGA94	659245	6675148		41	0	-90	Nimy
WGRB-9	RAB	MGA94	663045	6679548		59	0	-90	Nimy
WGRB-90	RAB	MGA94	659345	6675148		50	0	-90	Nimy
WGRB-91	RAB	MGA94	659445	6675148		50	0	-90	Nimy
WGRB-92	RAB	MGA94	659545	6675148		56	0	-90	Nimy
WGRB-93	RAB	MGA94	660145	6674848		53	0	-90	Nimy
WGRB-94	RAB	MGA94	660145	6674748		23	0	-90	Nimy
WGRB-95	RAB	MGA94	660145	6674648		32	0	-90	Nimy
WGRB-96	RAB	MGA94	660145	6674548		29	0	-90	Nimy
WGRB-97	RAB	MGA94	660145	6674448		16	0	-90	Nimy
WGRB-98	RAB	MGA94	660145	6674348		17	0	-90	Nimy
WGRB-99	RAB	MGA94	660145	6674248		26	0	-90	Nimy

## Appendix B JORC Code Table 1 – Mons Project

### SECTION 1. SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>Nimy RC samples were obtained over a 1 metre composite and a representative sub sample of ~3kg was collected through the use of a riffle splitter at the rig. Samples were crushed, dried and pulverised (total preparation) to produce a sub sample for analysis</p> <p>These samples underwent XRF assay. Duplicate and Standard testing was performed under Nimy Resources protocols and QAQC procedures as per industry best practice.</p> <p>The company has verified that any previous exploration companies' sampling results used in this report to have been done in accordance with industry standard measurement tools appropriate to the minerals under investigation and for the year of the drilling or sampling.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p>Reverse Circulation was the only type of the Nimy exploration drilling to date. RC drilling accounts for all of the total drilling and comprises of a 140mm diameter face sampling hammer drilling. Previous exploration results by other tenement owner used industry standard Aircore and RAB drilling techniques.</p>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>RC recoveries for the 2020 drilling programme were logged and recorded in the database. Overall recoveries are &gt;95% and there were no significant sample recovery problems recorded.</p> <p>RC samples were visually checked for recovery, moisture and contamination. No relationship between sample recovery and grade was seen in the RC samples. Previous exploration results were vetted against their reported recoveries.</p>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean,</li> </ul>	<p>Geological logging of current and previous exploration drilling samples recorded lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All drill holes were logged in full.</p>

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>The sample preparation for the 2020 Nimy RC drilling followed industry best practice and involved oven drying followed by coarse crushing of the whole sample down to &lt;math&gt;\sim 32\text{mm}&lt;/math&gt; to be tested for metallurgical properties. Field QC procedures involved the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:50 for the samples collected.</p> <p>Lab duplicates were generated. Samples were projected to weigh less than 3kg to ensure total preparation at the pulverisation stage.</p> <p>The sample sizes are considered to be appropriate to correctly represent the nickel mineralisation based on the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.</p> <p>Previous exploration sampling data varies across each company and program but was still in line with industry standard practices.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p>The method used for all assay data both previous and current, was 4 acid digest followed by ICP-MS, and offers a robust and repeatable method, consistent with industry practice.</p> <p>The ICP-MS method delivers highly accurate and precise results across the full range of Nickel oxide and sulphide ore types.</p> <p>No geophysical tools were used to determine any element concentrations used in the results.</p> <p>Sample preparation checks for fineness were carried out by the laboratory as part of its internal procedures</p> <p>Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. Umpire laboratory campaigns with other laboratories were carried out as independent checks of the assay and these show good precision. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate, and that contamination has been contained. Repeat or duplicate analysis for samples reveals that precision of samples is within acceptable limits</p>



Criteria	JORC Code explanation	Commentary
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<p>Nimy Resources management and geological staff identified significant intercepts within the previous exploration data and the current RC samples based on previous training and assay correlation. No twin holes were drilled in this drilling program.</p>
<p>Location of data points</p>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<p>Hole collar locations for all holes were generated using a handheld Garmin GPS C78s, with an accuracy of +/-4m. Elevation was adjusted to the Aster Satellite data with height accuracy within +/-0.5m. Prior to further work, the actual drill collars and surrounding topography will be surveyed for inclusion in possible future mineral resource models. The grid system used is MGA_GDA94, zone 51. Topographic surface uses Aster Satellite data contours with height accuracy within +/-0.5m.</p>
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<p>Previous explorers' drilling data and hole locations were identified and verified onsite using GPS and Tag identification.</p> <p>Nominal drill hole spacing for the drilling ranges from 200m to 3300m as the work programme was for green fields exploration. No resource work is being performed on data from this drilling programme or previous drilling data. Samples have been composited to one metre lengths across the areas of interest and 4m lengths where applicable. 4m composites were obtained by spear sampling of the drill reject piles. Previous drilling samples were composited as stated in their corresponding DIMRS report.</p>
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p>All holes were drilled vertically where the deposit is flat lying and on a -60 degree angle across strike where the strata is interpreted as steeply dipping. No orientation data was collected. All previous drilling was drilled vertically.</p>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
<p>Mineral tenement and land tenure status</p>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>The drilling is located across exploration licences E709/2255 and E70/2438. The tenements are wholly owned by Nimy Resources Ltd or by entities controlled by Nimy.</p> <p>The tenements sit on the Marilynu Ghoorlie native claim NNTT No: WC2017/007. The tenement is in good standing and no known impediments exist.</p>
<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>Previous exploration has been undertaken across the tenements by multiple companies and their data has been reviewed and interpreted to conform with industry standard techniques. Data that was deemed not to be of this quality was not used in any significant way.</p>
<p>Geology</p>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>The Nimy Exploration Project is located within the Archean Murchison Domain of the Youanmi Terrane of the Yilgarn Craton.</p> <p>The Murchison Domain has been subject to supracrustal, plutonism and mineralisation events throughout its long history, leading to VMS (Volcanic Massive Sulphide), mafic/ultramafic and granitic/gneissic intrusions. The domain contains large, layered intrusive rock suites bearing copper, nickel, vanadium, titanium, gold, molybdenum, iron, chromite and platinum group elements.</p> <p>The nickel targets are hosted within the Mafic/Ultramafic rocks in structurally dismembered layered intrusions of the Youanmi Terrane.</p>
<p>Drill hole information</p>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>Easting and northing of the drill hole collar</li> <li>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>Dip and azimuth of the hole</li> <li>Down hole length and interception depth</li> <li>Hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>Refer to Appendix 1: Summary of drilling collar locations results</p>



Criteria	JORC Code explanation	Commentary
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>All assays reported either from previous exploration databases or the current drilling programme have not been truncated or length weighted. No selective procedures were used to skew the high grade any of the results. No metal equivalent values have been used for reporting exploration results.</p>
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<p>The current programme and the previous drilling data were executed such that the intersection angles for the drilling were set up to be as close to perpendicular to the mineralised zones as possible where known, therefore reported downhole intersections approximate true width.</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<p>Refer to Figure 1 in body of text.</p>
<p>Balanced reporting</p>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p>All results are reported.</p>
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p>All results have been reported if they are material and/or meaningful.</p>
<p>Further work</p>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>All further work and planned exploration activities have been explained in the main body of the text.</p>



## Schedule 2 | Independent Solicitor's Report on Tenements

Nimy Resources Limited  
Solicitor's Report on Tenements



1 October 2021

The Directors  
Nimy Resources Limited  
254 Adelaide Terrace  
Perth WA 6000

Our ref: 2142909-1

Dear Directors

### Solicitor's Report on Western Australian tenure

This Solicitor's Report is prepared for inclusion in a prospectus for an initial public offering for admission to the official list of the Australian Stock Exchange (**ASX**) by Nimy Resources Limited ACN 155 855 986 (**Company**) which includes an offer of up to 37,500,000 shares in the Company at an offer price of \$0.20 per share in order to raise up to \$7,500,000 (before costs).

This report relates to the Nimy Project comprising exploration licences 77/2255, 77/2332, 77/2438, 77/2683, 77/2714 and 77/2741 and applications for exploration licences 77/2810, 77/2811, 77/2812, 77/2813, 77/2818 and 77/2833 (together, the **Tenements**) applied for and, in part, granted under the *Mining Act 1978* (WA) (**Mining Act**), located in Western Australia.

### 1. Searches

1.1 The legal due diligence enquiries undertaken by HopgoodGanim Lawyers in relation to the Tenements located in Western Australia involved reviewing, in respect of the Tenements or the area of each of the Tenements:

- (a) the register of mining tenements maintained by the Department of Mines, Industry Regulation and Safety (**DMIRS**) through extracts obtained by LandTrack Systems as at 29 September 2021;
- (b) quick appraisal searches of the Tengraph system maintained by DMIRS as at 29 September 2021;
- (c) a search of the National Native Title Tribunal (**NNTT**) maintained registers of native title claims, determinations and indigenous land use agreements as at 30 September 2021; and
- (d) searches of the Aboriginal Heritage Inquiry System (**AHIS**) for registered sites on the database maintained by the Department of Planning, Lands and Heritage as at 29 September 2021;
- (e) General Lease M493081 (lease of Crown land for campsite) obtained from Landgate which was identified to overlap E77/2813 in the Quick Appraisals,

(together the **Searches**).

1.2 We note that we have not conducted official searches of the register of mining tenements directly with DMIRS and are relying on a third party information vendor trading as LandTrack Systems



## Nimy Resources Limited

### Solicitor's Report on Tenements



(ABN 17 109 058 620) who obtain a daily extract of the register of mining tenements from DMIRS to provide to their customers.

## 2. Opinions

- 2.1 As a result of the Searches, subject to our assumptions, qualifications and exceptions set out in this Solicitor's Report (including in paragraph 8), we are satisfied that at the date of the relevant Searches the Solicitor's Report provides an accurate statement as to the:
- (a) status of the Tenements and the Company's interests in the Tenements;
  - (b) validity and good standing of the Tenements;
  - (c) conditions which apply to the Tenements; and
  - (d) third party interests, including encumbrances, in relation to the Tenements.

## 3. Summary of the Solicitor's Report

- 3.1 Subject to the assumptions, qualifications and exceptions set out in this Solicitor's Report, as at the date of this Solicitor's Report, we make the comments set out below.
- 3.2 For further detail, legislation governing the Tenements is set out in general terms in paragraphs 4, 5, 6 and 7 below.

### Ownership

- 3.3 As set out in the Tenement Schedule in Schedule 1 (**Tenement Schedule**), the Tenements are held by Nimy Pty Ltd, a wholly owned subsidiary of the Company.

### Third party interests in Tenements

- 3.4 Except for the heritage agreements described in paragraphs 3.50 to 3.54 below, we are not aware of any contracts which relate to any third party interests in the Tenements.
- 3.5 The Searches of the Tenements do not reveal any other indicators of third party interests in the Tenements.

### Status of Applications

- 3.6 As noted above E77/2810, E77/2811, E77/2812, E77/2813, E77/2818 and E77/2833 (the **Applications**) are still in the application phase. The Searches show:
- (a) no objections lodged by third parties to the Applications, noting that the objections period has closed for all Applications;
  - (b) the Applications, excepting E77/2833, have been determined as being compliant with the Mining Act and have been recommended for grant;
  - (c) the Applications have been notified in accordance with section 29 of the *Native Title Act (1993)* (Cth) (**NT Act**) as acts attracting the expedited procedure.
- 3.7 Subject to the Applications clearing the native title process and E77/2833 being Mining Act compliant, there is nothing apparent from the Searches which will prevent the grant of the Applications.

## Nimy Resources Limited

### Solicitor's Report on Tenements



- 3.8 Applications E77/2811 and E77/2813 overlap reserve lands to varying extents. It is expected, in accordance with DMIRS practice, that these applications will be granted subject to no mining conditions in relation to the reserves, which will prohibit activity within the reserves until ministerial consent is granted.
- 3.9 Application E77/2813 overlaps Crown lease M493081 which was granted for the purpose of a campsite. For the purpose of the Mining Act the Crown lease area is considered to be private land. The consent of the owner and occupier will be required for the grant of the application to include the lease area, alternatively, if consent is not granted, DMIRS will exclude the top 30 metres of the lease area from the grant of the application.
- 3.10 See below at paragraphs 3.41 to 3.45 and paragraph 6 generally for more detail on the native title process and status, paragraphs 3.33 to 3.35 and 5.1 to 5.7 for more detail on reserves and paragraphs 5.14 to 5.16 for more detail on private land.

#### Rent

- 3.11 Rent in the amount of \$4,192 in relation to E77/2438 is due to be paid by 8 November 2021 for the year commencing 9 October 2021.
- 3.12 The first-year rental for each of the Applications was paid at the time of application and rent will not be due after grant until the anniversary of grant.
- 3.13 Please refer to the Tenement Schedule for the dates rent is due for each Tenement.
- 3.14 See below at paragraphs 4.31 to 4.34 in relation to rent requirements generally.

#### Expenditure

- 3.15 Expenditure reports are required to be lodged 60 days after the anniversary of grant.
- 3.16 The expenditure report for E77/2438 for the year ending 8 October 2021 is due to be submitted by 7 December 2021.
- 3.17 Please refer to the Tenement Schedule for the dates expenditure reports are due for each Tenement and the statutory expenditure commitment.
- 3.18 See below at paragraph 4.35 in relation to expenditure requirements generally.

#### Compulsory Surrender

- 3.19 Exploration licences granted over more than 10 blocks are subject to the requirement to surrender 40% of the blocks before the sixth anniversary of grant.
- 3.20 A minimum of 22 blocks of the 54 blocks comprising E77/2332 are required to be surrendered by 3 July 2022.
- 3.21 See below at paragraph 4.14 in relation to compulsory surrender of an exploration licence generally.

#### Registered Dealings and Encumbrances

- 3.22 There are no current mortgages, caveats or other encumbrances registered or recorded against the Tenements.

#### Term of Tenements

- 3.23 The Tenement Schedule sets out the expiry dates of the Tenements.



**Nimy Resources Limited**  
Solicitor's Report on Tenements



- 3.24 None of the Tenements are due to expire within the next 12 months.
- 3.25 The Applications are yet to be granted, hence their term has not commenced. If granted, the Applications will be granted for an initial term of five years with renewal available in prescribed circumstances.

**Conditions**

- 3.26 The Tenements are subject to various standard conditions and endorsements imposed by DMIRS, if relevant, and under the Mining Act.
- 3.27 Tenement specific conditions have been imposed on several of the Tenements in relation to relevant underlying tenure.
- 3.28 The standard and tenement specific conditions applicable to each Tenement are set out in the Conditions Schedule at Schedule 2.
- 3.29 There was no indication from the Tenement Searches that any of the conditions of the Tenements have been breached by the holders of the Tenements, to the extent that the Searches reveal such information.
- 3.30 E77/2813 overlaps a pastoral lease and will likely be subject to standard conditions that require the notification of the pastoral lessee prior to undertaking any airborne surveys or ground disturbing activities and of any transfer of these Tenements. The specific pastoral lease(s) overlapping the Tenements is further discussed at paragraph 3.36.
- 3.31 See below at paragraphs 4.8 to 4.9 and 4.43 to 4.45 in relation to standard conditions generally.

**Overlapping Tenements**

- 3.32 The Quick Appraisals show there are no third-party tenements which overlap the Tenements.

**Land Access**

*Reserves*

- 3.33 Details of the key overlapping reserve interests in land with the Tenements are listed in the table below.

	Tenements	Overlapping Land
1.	E 77/2683 (49.15%) E 77/2741 (1.15%) E 77/2811 (3.82%) E 77/2813 (11.46%)	A Class reserve for the conservation of flora and fauna
2.	E 77/2683 (0.42%) E 77/2741 (0.03%) E 77/2811 (0.10%) E 77/2813 (0.11%)	C Class reserve for protection of the rabbit proof fence
3.	E 77/2683 E 77/2741 E 77/2811 E 77/2813	Road reserve no. 4274



- 3.34 As noted above at paragraph 3.27, the Tenements are subject to tenement specific conditions imposed by DMIRS, as set out in the Conditions Schedule at Schedule 2, which include conditions preventing access to, or the commencement of activities on, certain areas without the consent of the Minister. See below at paragraphs 5.1 to 5.7 in relation to the limitations on exploration and mining activities on Crown reserves.
- 3.35 In particular, those Tenements which overlap class C and class A reserves will require ministerial consent for exploration or mining activities on those areas of overlap. We have not been provided with evidence of ministerial consent being granted to undertake exploration or mining activities on those areas of overlap.

*Crown Leases*

- 3.36 The Tenements overlap the following Crown leases as set out in the table below.

	Tenements	Crown Lease
1.	E77/2813 (7.2%)	Pindabunna Pastoral Lease N050234
2.	E77/2813 (0.77%)	General Lease M493081 for the purpose of a campsite

- 3.37 We have not been provided with any access agreements relating to the Crown leases affecting the Tenements.
- 3.38 We note, General Lease M493081 is a lease of Crown land granted on 1 January 2014 for a term of five years, with no option for renewal, hence has expired. Based on the Searches, the area of the General Lease is showing as a "File Notation Area – Proposed New Lease". Under the Mining Act a Crown lease for the purpose of a campsite will constitute private land and the affected tenement be subject to the same restrictions on exploration and mining activities as for an overlap with private land. In the event a new Crown lease or a retrospective renewal of the existing Crown lease is granted, it will constitute private land. See paragraph 5.14 in relation to the implications of private land under the Mining Act.
- 3.39 Paragraphs 5.8 to 5.17 set out the limitations on exploration and mining on pastoral leases and private land.
- 3.40 We note that Pindabunna Pastoral Lease is the subject of a proposed carbon farming project. See below at paragraphs 5.13, 5.15 and 5.16 in relation to potential compensation payable by holders of Tenements to owners and occupiers of Crown leases and private land.

**Native Title**

*Native Title Overlaps*

- 3.41 The Searches indicate that there is one current native title claim, Marlinyu Ghoorlie (WCD2017/00), overlapping the Tenements. The Marlinyu Ghoorlie claim was filed on 22 December 2017 and registered on the register of native title claims from 28 March 2019.
- 3.42 The Searches indicate that 13.57% of E77/2813 was subject to the former Badimia People native title claim. Native title was determined not to exist in respect of the Badimia People native title claim.



## Nimy Resources Limited Solicitor's Report on Tenements



### *Native Title Status*

- 3.43 Registered native title claims and determinations of native title attract the procedural processes under the NT Act.
- 3.44 We have set out the native title status of the Tenements below:
- (a) the granted Tenements were processed through the NT Act as acts attracting the expedited procedure; and
  - (b) the Applications have been notified in accordance with section 29 of the NT Act as acts attracting the expedited procedure. Affected native title claims will have four months from the notification date to lodge objections with the National Native Title Tribunal. The closing dates for the lodgement of objections are set out in Schedule 1. Any objections lodged will need to be resolved prior to the affected application being granted.
- 3.45 We assume that where the Tenements have been granted, the relevant processes under the NT Act have been complied with, and that the grants of the Tenements were validly made. More detailed information about native title processes and the NT Act is provided at paragraph 6.

### **Aboriginal Cultural Heritage**

#### *Aboriginal Heritage*

- 3.46 Searches of the DPLH AHIS indicated that the following registered Aboriginal cultural heritage 'site' overlaps the Tenements:

Tenement	Registered Site ID/Name/Type
E77/2741	ID 5601 Mukinbudin Painting

- 3.47 None of the information reviewed or received indicate that consents under section 18 of the *Aboriginal Heritage Act 1972 (WA) (AH Act)* have been granted in respect of the areas the subject of Registered Heritage Sites detailed in this Solicitor's Report.
- 3.48 It is important to note that the inclusion or non-inclusion of an area or place on the DPLH Heritage register is not in any way indicative of the existence of Aboriginal cultural heritage.
- 3.49 More detailed information of the laws concerning Aboriginal cultural heritage is provided at paragraph 7.

### **Native Title, Heritage and Indigenous Land Use Agreements**

- 3.50 We have been provided with the following heritage agreement:
- Agreement for Heritage Protection Over Exploration and Prospecting Tenure between Cloonmore Group Pty Ltd, Nimy Pty Ltd and Brian Champion & Ors on behalf of the Marlinyu Ghoorlie Native Title Claim dated 5 August 2020 in relation to E77/2255, E77/2332, E77/2438, E77/2683 and E77/2714 (**HPA**).
- 3.51 We have been advised by the Company that the HPA was varied by way of emailed consent to include tenement E77/2741. We do not make comment on whether this variation is effective.
- 3.52 We note that Nimy Pty Ltd has not executed the HPA.

## Nimy Resources Limited

### Solicitor's Report on Tenements



- 3.53 We have been provided with a copy of a second heritage agreement which has been executed by Nimy Pty Ltd and sent to the Marlinyu Ghoorlie's representative, Blackshield Lawyers, in relation to the Applications. Blackshield Lawyers has advised the agreement is acceptable, however, as at the date of this report a fully executed agreement has not been received by the Company.
- 3.54 The heritage agreements provide for a process for conducting heritage surveys for the purposes of minimising the risk of causing damage to heritage sites or places which would otherwise be in breach of the AH Act. Both heritage agreements allow for the conduct of specified low impact activities without the need to conduct a heritage survey. Neither of the heritage agreements require the Company to make ongoing compensation or other payments.
- 3.55 Searches of the ILUA register does not indicate that there are any registered ILUAs covering the area of the Tenements.
- 3.56 We have not been provided with any other agreements with native title parties (whether registered applicants or determined claim prescribed bodies corporate) relating to the Tenements.

#### **4. Mining Act and other key legislation governing the Tenements**

---

##### **Mining Act Overview**

- 4.1 The Mining Act governs the exploration for and production of minerals in Western Australia. The Mining Act is supported by the Mining Regulations and is administered by the Minister for Mines and Petroleum (**Minister**). Subject to the provisions of the Mining Act, the Crown owns all gold, silver and any other precious minerals existing in their natural condition on or below the surface of any land whether or not the land has been alienated from the Crown (section 9(1) of the Mining Act).

##### **Exploration Licences**

###### *Grant of exploration licences*

- 4.2 Section 57 of the Mining Act provides that the Minister may, upon application by any person, grant to that person an 'exploration licence' on such terms and conditions as the Minister may determine. The applicant must provide a statement specifying the proposed method of exploration, details of a proposed work programme, the estimated amount of expenditure on exploration if the exploration licence is granted and the technical and financial resources of the applicant (section 58(1) of the Mining Act). An applicant must provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior test results or samples) (section 58(3) of the Mining Act). The applicant must serve the application on owners and occupiers of land subject to the application (section 58(4) of the Mining Act).
- 4.3 Before granting the exploration licence, the Minister will receive and consider a tenement report from the mining registrar (where there are no objections to the application) or the mining warden (where objections are lodged and heard by the warden) about whether to grant or refuse the application, however the Minister is not beholden to such tenement reports in making its decision (section 59(1)-(6) of the Mining Act). The mining registrar or the warden shall not recommend the grant of an exploration licence unless he or she is satisfied that the applicant is effectively able to explore the land in respect of which the application has been made (section 57(3) of the Mining Act).
- 4.4 An applicant must also adequately address native title prior to the grant of the tenure (refer to paragraph 6 below).



## Nimy Resources Limited

### Solicitor's Report on Tenements



#### *Rights under exploration licences*

- 4.5 While in force and subject to restrictions in respect of protected Crown land, an exploration licence authorises the holder to explore for minerals and carry out such ancillary works and operations (for example, digging pits, trenches and holes) as are necessary for that purpose (section 66(b) of the Mining Act). Furthermore, the holder may enter and re-enter land the subject of the licence with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient to undertake the relevant exploration activities (section 66(a) of the Mining Act). The terms 'explore', 'exploration' or 'exploring' are not defined by the Mining Act and therefore assume their ordinary and natural meanings.
- 4.6 Despite these rights, certain Crown land is protected from mining. For example, the holder of an exploration licence will not be entitled to explore on any Crown land that is (amongst other things) situated within 100m of any land that is in actual occupation and on which a house or other substantial building is erected, without the written consent of the occupier (section 20(5)(c) of the Mining Act). However, other Crown land, such as land within 100m of (amongst other things) a stockyard, orchard, vineyard, airstrip or airfield, or on a pastoral lease and within (amongst other things) 400m of any dam, well or bore, will not require the written consent of the occupier to explore if the mining warden grants permission (section 20(5)(ea) of the Mining Act). The mining warden will not give permission unless he or she is satisfied that the holder has met its compensation obligations to owners or occupiers of land impacted by mining activities (section 20(5) of the Mining Act). The Minister also has the power to exempt from time to time certain land from mining that is not private land or land the subject of a mining tenement or application for a mining tenement (section 19(1) of the Mining Act).

#### *Term of an exploration licence*

- 4.7 Section 61 of the Mining Act provides for the term of exploration licences and their periods for extension. An exploration licence which was granted or applied for *on or after 10 February 2006* remains in force for a period of five (5) years and may, in prescribed circumstances and at the Minister's discretion, be extended over the whole or a part of the exploration licence by a further period of five (5) years, followed by further periods of two (2) years. The relevant prescribed circumstances for an extension include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a considerable part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration (regulation 23AB of the Mining Regulations).

#### *Conditions of exploration licences*

- 4.8 Exploration licences are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on accessing certain Crown lands or waters or Government sites).
- 4.9 The Mining Act also deems certain conditions to be mandatory for an exploration licence. These deemed conditions include (amongst other things) requirements for the holder to report mineral discoveries of 'economic interest' and not to use 'ground disturbing equipment' until a work programme is lodged and approved by the Minister (sections 62 and 63 of the Mining Act).

#### *Transfer of exploration licences*

- 4.10 No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister (section 64 of the Mining Act). DMIRS' position is that consent to transfer under section 64 of the Mining Act will only be given when there is no outstanding rent on the licence, evidence is provided that the transferee has necessary financial and technical ability to work



the ground as outlined in sections 58(1) and (1aa) of the Mining Act and a statement is provided confirming the transferee will continue with the proposed exploration programme or a revised exploration programme is submitted with the transfer document (DMIRS Position Paper 6 effective 25 March 2021). If consent is provided, the transfer of the legal interest in an exploration licence must be registered under the Mining Act to be legally effective (section 103C(8) of the Mining Act).

- 4.11 An application for an exploration licence is not transferable. There is no specific provision in the Mining Act restricting sale of an application but once the application is granted, Ministerial consent to the sale will be required as noted in the preceding paragraph. No transfer may be lodged until the exploration licence is granted. There is a risk that DMIRS may refuse an application for an exploration licence if it comes to their attention that it has been purportedly transferred prior to grant.

*Application for a mining lease*

- 4.12 The holder of an exploration licence which is in force has the right to apply for and, subject to the grant requirements of the Mining Act, have granted, one or more mining leases over any part or parts of the land the subject of the licence (section 67(1) of the Mining Act). Where an application for a mining lease is lodged before the expiry date of the exploration licence but the application is not determined by that date, the Mining Act extends the term of the exploration licence until the application for the lease is determined (section 67(2) of the Mining Act).

*Application for retention status*

- 4.13 Alternatively, the holder of an exploration licence may apply for 'retention status' for the licence where a mineral resource has been identified but it is impracticable to mine at the present time (because it is uneconomic or unmarketable), but the resource may reasonably be expected to become economic or marketable in the future (section 69B(1)(a),(b)(i) of the Mining Act). The mineral resource must be identified as coming within the classification of the JORC 2004 Code as either an inferred mineral resource, indicated mineral resource or measured mineral resource (regulation 89C of the Mining Regulations). Other bases of retention include that the relevant resource is required to sustain operations for an existing or future operation or there are existing political, environmental or other difficulties in obtaining the requisite approvals (section 69B(1)(b)(ii),(iii) of the Mining Act). The grant of retention status will entitle the holder to improved extension options and reduced expenditure obligations. On approval of the retention status or subsequently, the Minister may require the holder of the exploration licence to comply with a specified work programme (section 69D of the Mining Act) or show cause why a mining lease should not be applied for and to require such application where sufficient reasons are not forthcoming (section 69E of the Mining Act).

*Partial surrender of an exploration licence*

- 4.14 Section 65 of the Mining Act provides that the holder of an exploration licence granted in respect of more than 10 blocks must surrender 40% of the blocks granted before the end of the sixth year. If a holder has not lodged the required surrender by the end of the sixth year, the Minister must, by notice in writing, require the holder to lodge the surrender within a period specified in the notice. This requirement does not apply to an exploration granted retention status. Any area converted to a mining lease or general purpose lease shall be taken into account as though it were an area of land surrendered in satisfaction of the surrender requirement.

**Ministerial refusal of application**

- 4.15 The Minister has certain powers to refuse summarily an application for a mining tenement (section 111A of the Mining Act). If the Minister is satisfied on reasonable grounds in the public interest that the land to which an application for a mining tenement relates should not be



## Nimy Resources Limited

### Solicitor's Report on Tenements



disturbed or that the application should not be granted, the Minister may terminate or refuse the application, whether or not it has been heard by a third party.

#### Extension of Term of Tenements

- 4.16 The Mining Act and Mining Regulations provide that the Minister may grant extensions to the terms for the Tenements upon application by the holders in the last year of the relevant term.
- 4.17 See paragraph 4.7 in relation to extensions of the term of an exploration licence.

#### Mining Tenement Forfeiture

- 4.18 Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act including payment of annual rent, minimum expenditure requirements, tenement reporting requirements and standard environmental conditions, as well as any tenement specific conditions that may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 4.19 If the holder of an exploration licence fails to comply with the terms and conditions of a tenement, the mining warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited (sections 63A and 96A of the Mining Act). In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. A fine can be imposed as an alternative to forfeiture.
- 4.20 In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the DMIRS for an exemption from that expenditure requirement (section 102 of the Mining Act). Exemption may be granted for a variety of reasons, including that time is required to purchase and erect machinery and that the ground the subject of the tenement is unworkable (section 102(2) of the Mining Act). However, if the tenement holder does not meet the minimum expenditure requirement and either fails to apply for an exemption or an exemption application is refused then a fine may be imposed or the Tenement forfeited due to an application by a third party (section 98(1) Mining Act).
- 4.21 An application by a third party for forfeiture against a tenement holder must be made during the expenditure year in relation to which the requirement is not complied with or within eight months thereafter (section 98(2) of the Mining Act). For the Warden to forfeit or recommend forfeiture of a tenement due to a third party forfeiture application, the forfeiture applicant bears the onus to prove that there has not been compliance with the prescribed expenditure conditions in the relevant year and if there has been non-compliance, the tenement holder bears the onus to satisfy the Warden that the non-compliance is not, in all the circumstances of the case, of sufficient gravity to warrant the forfeiture of the tenement (section 98(5) of the Mining Act). Key factors in determining whether the breach is of sufficient gravity include, works carried out on the tenement (ie the less work done, the more likely the tenement will be forfeited) and whether the tenement holder included false or misleading information on the Form 5 Operations Report.
- 4.22 The Warden may only recommend forfeiture for exploration licences to the Minister who will determine if they should be forfeited or, alternatively, if a fine should be imposed (section 98 of the Mining Act). The Warden and Minister may, as an alternative to forfeiture, impose no penalty or impose a fine of no more than \$10,000 per tenement which may be awarded to the forfeiture applicant (section 98(4A) of the Mining Act).
- 4.23 It is noteworthy that the expiry, surrender or forfeiture of a mining tenement does not affect any existing liability to pay rent or penalties, comply with obligations attached to the tenement or for defaults made or done under the tenement (section 114B of the Mining Act).



**Offences and Penalties**

- 4.24 Anyone acting in contravention of, or failing to comply with the Mining Act is deemed to commit an offence (section 154(1) of the Mining Act).
- 4.25 Where a person has carried on mining (which is defined under section 8(1) to include fossicking, prospecting, and exploring for minerals and mineral operations) on any land without being duly authorised under the Mining Act or any other Act, the penalty for a body corporate is \$300,000 and if the offence is a continuing one, a further fine of \$30,000 for every day or part of a day during which the offence has continued (section 155 of the Mining Act).
- 4.26 It is important to note that where a body corporate is convicted of an offence, every director and every other officer concerned in the management of the body corporate is guilty of the offence if it is proved that the act or omission that constituted the offence took place with his or her authority, permission or consent (section 154(3) of the Mining Act).
- 4.27 A mining tenement may also be liable for forfeiture if the holder of the licence is convicted of an offence against the Mining Act (section 63A of the Mining Act), and DMIRS is less likely to allow further extensions of the term where this occurs.

**Effect of Registration of Title in WA**

- 4.28 The Mining Act provides for a register on which grants of and dealing in mining tenements are recorded (section 103F of the Mining Act). An important issue for persons dealing in mining tenements is the extent to which they can rely upon this register as evidence that the holder's title is valid, and therefore 'indefeasible'.
- 4.29 Unlike the Torrens legislation (which enables such persons to rely solely on the register to validate title), the register under the Mining Act provides a 'limited' indefeasibility. Rather than offering full protection, section 116(2) of the Mining Act provides that a person dealing with the registered title holder can rely on the register to take a good title free of any competing, unregistered interests. However, this protection is subject to two (2) important qualifications:
  - (a) registration will not of itself validate the transaction by which that person took from the registered title holder (that transaction could still be shown to be invalid and the register rectified); and
  - (b) registration may be prevented by caveat.
- 4.30 Generally, a caveat is a statutory injunction which operates to protect a party's interest in a mining tenement by 'freezing' the register, thereby preventing further dealings in the tenement to the detriment of the protected interest.

**Rent**

- 4.31 The Mining Act and Mining Regulations provide that rent must be paid by the holders to hold the Tenements. The rate of rent depends upon the type of mining tenement. Rent is payable yearly in advance and is due on the anniversary date after the commencement of the term of the Tenement and must be paid not later than one month after that date.
- 4.32 Rent is payable for each of the Tenements pursuant to section 108 of the Mining Act and regulation 109 of the Mining Regulations (as prescribed by Schedule 2 of the Mining Regulations).
- 4.33 The rent paid and payable for the Tenements in the current and previous year is detailed in the Tenement Table.



## Nimy Resources Limited

### Solicitor's Report on Tenements



- 4.34 If the holder of an exploration licence has failed to pay the rent owing by the due date, the tenement is liable for forfeiture under section 96A or 63A of the Mining Act upon declaration by the Minister in the government gazette that the exploration licence is forfeited. Alternative options available to the Minister, however, include imposing a fine of up to \$150,000 (for a company) or imposing no penalty at all (section 96A of the Mining Act).

#### Expenditure Requirements

- 4.35 The holder of an exploration licence must comply with the prescribed expenditure conditions for the licence unless an exemption is granted under the Mining Act. A tenement will be liable to forfeiture by the Minister or a third party if the expenditure obligations are not complied with (see further detailed information at paragraphs 4.20 to 4.22).

#### Combined Reporting Groups

- 4.36 Combined reporting groups allow the holder to apply for a "project exemption" from expenditure requirements under section 102(2)(h) of the Mining Act, if it can be established that the aggregate expenditure for the combined reporting tenements would satisfy the requirements for a particular tenement, had the aggregate expenditure been apportioned between each tenement in the respective Combined Reporting Group.

#### Security and Bonds

- 4.37 The Mining Act requires that applicants and transferees of mining tenements lodge a \$5,000 security with DMIRS for every tenement, to protect against the holder not complying with the tenement conditions and the requirements of the Mining Act and the Mining Regulations (section 126 of the Mining Act and regulations 75(a) and 112 of the Mining Regulations).
- 4.38 Each of the Tenements is subject to the Mining Rehabilitation Fund (**MRF**). As of 1 July 2013, the majority of environmental bonds in Western Australia have been retired due to the operation of the MRF. The new system requires tenement holders to pay an annual levy on their tenements into a fund, which can later be used to rehabilitate mining sites. The levy is calculated based on the area of disturbed land, the kind of disturbance and the relevant environmental impact.
- 4.39 The MRF requires disturbance data (describing the number of hectares disturbed and the type of disturbance) to be collated and submitted online to DMIRS annually. The data is used to calculate a levy which the tenement holder must pay. Tenements with a liability estimate below \$50,000 must report disturbance data but will not be required to pay a levy to the MRF.
- 4.40 Disturbance data for the Tenements must be submitted by 30 June of a given year for the reporting period 1 July of the previous year to 30 June of the current year and if applicable the levy paid for that year.
- 4.41 The obligation to report disturbance data and pay the levy for a given year, and any penalties for non-payment, are borne by the holder recorded in DMIRS' Mineral Titles Online system who holds the relevant mining tenement on the due date. This liability remains with that holder even if the tenement is transferred to a third party after the due date.
- 4.42 DMIRS also retains the discretion to impose bonds in addition to the MRF on a case by case basis. There are some bonds on certain projects in Western Australia. DMIRS will generally impose a bond in addition to MRF where they consider there is "high risk of rehabilitation liability reverting to the state".

#### Tenement Conditions

- 4.43 The Mining Act provides that exploration licences are held subject to deemed conditions and any specific conditions that may be imposed by the Minister. DMIRS imposes various standard conditions on all tenements concerning issues such as tenement reporting, reporting economic

## Nimy Resources Limited

### Solicitor's Report on Tenements



discoveries, not using ground disturbing equipment without an approved work programme, rehabilitating the land and removing waste and rubbish. DMIRS also imposes tenement specific conditions that are mainly concerned with the overlap with underlying Crown reserves or other tenure and certain public infrastructure. DMIRS publishes a list of its standard conditions on its website.

- 4.44 Section 63 of the Mining Act provides that all exploration licences are granted with certain deemed conditions. These deemed conditions include that the holder will explore for minerals and:
- (a) will promptly submit a tenement report in writing to the Minister on all minerals of economic interest discovered in, on or under the land the subject of the exploration licence or prospecting licence; and
  - (b) will not use ground disturbing equipment when exploring for minerals on the land the subject of the exploration licence or prospecting licence unless:
    - (1) the holder has lodged in the prescribed manner a programme of work in respect of that use; and
    - (2) the holder has paid the prescribed assessment fee in respect of the programme of work; and
    - (3) the programme of work has been approved in writing by the Minister or a prescribed official; and
  - (c) will fill in or otherwise make safe to the satisfaction of a prescribed official all holes, pits, trenches and other disturbances to the surface of the land the subject of the exploration licence or prospecting licence which are:
    - (1) made while exploring for minerals; and
    - (2) in the opinion of the prescribed official, likely to endanger the safety of any person or animal; and
    - (3) will take all necessary steps to prevent fire, damage to trees or other property and to prevent damage to any property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise.
- 4.45 Section 63AA of the Mining Act provides that other 'reasonable conditions' may be attached to an exploration licence in respect of preventing, reducing or making good injury to the land for which the licence is sought or was granted, or injury to anything on the surface or below the land or consequential damage to any other land.

#### **Programme of Works**

- 4.46 As mentioned above, an applicant for an exploration licence (or any extension thereof) must submit a work programme for the tenement (section 58 of the Mining Act and regulation 23A of the Mining Regulations) and it is a deemed standard condition of an exploration licence that the tenement holder does not use ground disturbing equipment until a programme of work has been lodged and approved in writing by the Minister.
- 4.47 The Mining Act and Mining Regulations do not proscribe any other requirements for a programme of works. The Mining Act is also silent about what effect failure to comply with a programme of works has on an exploration licence and the Mining Regulations do not proscribe a particular form of programme.



## Nimy Resources Limited

### Solicitor's Report on Tenements



- 4.48 Nevertheless, as a matter of policy, non-compliance with any aspect of a programme of works is likely to be viewed harshly and may be a factor influencing the Minister or mining warden upon exercise of their broad discretions under the Mining Act. For instance, non-compliance with any work programme may be a relevant factor when considering whether to extend the term of a particular tenement.

#### Overlapping Tenements and Tenure

- 4.49 The Mining Act provides that the granted area of a mining lease, exploration licence or a prospecting licence will not include any land the subject of a current mining tenement (other than a miscellaneous licence). However, a miscellaneous licence may be granted over another miscellaneous licence or another tenement and vice versa.
- 4.50 Section 117(2) of the Mining Act provides that each grant of a mining tenement shall be deemed to contain an express reservation of the rights to which the holder of the existing mining tenement is entitled. This establishes a priority of first in time so where there is an overlap between the Company's Tenements and a third party tenement, the Company should be aware that its right on its Tenements may be limited by the rights of the third party especially if that third party has first in time priority.

#### WA Environmental requirements

- 4.51 We note that environmental due diligence is outside the scope of this report and we were not instructed to carry out any environmental due diligence. However, we provide the following information as a general guide to environmental requirements relating to the Tenements.
- 4.52 *The Environmental Protection Act 1986 (WA) (EP Act)* regulates activities that are likely to have an impact on the environment.
- 4.53 Part IV of the EP Act sets out the regime for the referral and assessment of proposals likely to have a significant effect on the environment. Section 38 provides that any person may refer a 'significant proposal' (being a proposal likely to have a significant effect on the environment) to the EPA for assessment. The words 'significant effect' are not defined by the EP Act and therefore assume their natural and ordinary meaning.
- 4.54 Upon referral the EPA will decide either that (sections 39A and 40 of the EP Act):
- no assessment is required;
  - a public environment review is required; or
  - assessment on proponent information only is sufficient.
- 4.55 If the EPA assesses a proposal, it will prepare an assessment tenement report on the proposal and give that tenement report to the Minister (section 44 of the EP Act). After publishing the tenement report and consulting within the Government, the Minister will decide whether or not to implement the proposal and will publish a statement to that effect (section 45 of the EP Act). Where a proposal is approved, the proponent must implement the proposal in accordance with the statement (and any conditions thereto), otherwise it will commit an offence (section 47(1) of the EP Act).
- 4.56 Part V of the EP Act sets out pollution and environmental harm offences. Under this Part, it is an offence to intentionally or with criminal negligence cause pollution (whether waste, odour, noise, electromagnetic waves etc.) or emit unreasonable emissions from any premises (section 49 of the EP Act). The Part also sets out offences for:
- dumping or discharging waste (which may affect the public or cause pollution) (sections 49A and 50 of the EP Act);

## Nimy Resources Limited

### Solicitor's Report on Tenements



- (b) committing 'material environmental harm' (environmental harm that is not trivial or negligible, or involves actual or potential property loss of more than \$20,000) (section 50B of the EP Act);
  - (c) committing 'serious environmental harm' (environmental harm that is irreversible or on a wide scale, or in an area of high conservation value or significance, or results in actual or potential property loss of more than \$100,000) (section 50A of the EP Act); and
  - (d) the unauthorised clearing of native vegetation (section 51C of the EP Act).
- 4.57 The EP Act provides for certain defences to these offences (sections 74-76 of the EP Act).
- 4.58 We have not conducted searches of the EPA website and list of proposals to confirm if the project comprising the Tenements has been referred to the EPA.
- 4.59 We have not conducted searches of current and historical environmental and planning approvals relating to the Tenements.
- 4.60 Some of the standard and specific conditions attached to the Tenements impose environmental requirements upon the holders of the Tenements. The more important of these obligations include compliance with the relevant mining proposal and mine closure plans obtaining the consent of an officer of DMIRS or the Minister before interfering with the surface of land (under an approved works programme) or carrying out activities on or near specified sites or reserves, rehabilitating the land within six (6) months and removing waste.

#### Contaminated Sites

- 4.61 We have not carried out any contaminated sites searches or considered any potential contaminated sites issues on the Tenements because environmental due diligence is outside the scope of this report. We provide the following information as a guide only to the law regarding contaminated sites.
- 4.62 In general terms, the *Contaminated Sites Act 2003* (WA) (**CSA**) requires a person to report any area known or suspected to be contaminated, or commit an offence punishable by fines of up to \$250,000, and a daily penalty of \$50,000 (section 11 of the CSA).
- 4.63 The Department responsible for the CSA must classify the contaminated site. If the site is classified as requiring remediation, responsibility to remediate generally lies with the person responsible for causing the contamination.
- 4.64 Occupiers of land who seek to change the use of contaminated land assume liability for any remediation required to enable the new use (section 26 of the CSA). If the Tenements have contaminated sites, and remediation is required by the Department responsible for the CSA, the holder may become responsible for remediation of that contamination.

#### Mines Safety

- 4.65 The *Mines Safety and Inspection Act 1994* (WA) (**MSIA**) seeks to ensure that the risk to health and safety of persons at a mine is at an acceptable level.
- 4.66 The MSIA imposes a duty on employers to, so far as is practicable, provide and maintain at a mine a working environment in which that employer's employees are not exposed to hazards, are properly trained, instructed and supervised, and provided with protective equipment and clothing as required (section 9(1) of the MSIA). The employer will not avoid this duty simply by appointing a 'manager' at the mine (section 9(5) of the MSIA). Breaches of these duties may result in penalties for a corporation of a fine up to \$500,000 for a first offence and \$625,000 for a subsequent offence (sections 4A and 9A of the MSIA).



## Nimy Resources Limited Solicitor's Report on Tenements



- 4.67 Other noteworthy aspects of the MSIA include that the MSIA still applies to contractors and employees of contractors as if they were employees of the principal who controls site. These obligations apply to exploration activities as well as mining activities.
- 4.68 None of the information that we have obtained or instructions that we have received indicate that the holder of the Tenements (nor any previous holders, where applicable) has breached any of the duties under the MSIA.

### 5. Land Access

---

#### Crown Reserves

- 5.1 The Mining Act permits mining tenements to be applied for and granted in respect of land that is subject to a Crown reserve (such as a townsite, national or marine park, nature or timber reserve or water management area), usually subject to the provision of written consent by the Minister and compliance with any specific procedures peculiar to the type of underlying reserves (sections 23, 24, 24A and 25 of the Mining Act).
- 5.2 Sections 24(1)(b), 24(3A) and 24(3B) of the Mining Act provide that areas covered by national parks, nature reserves or reserves under Part 4 of the *Lands Administration Act 1997* (WA) (LAA) for the conservation of flora and fauna and classified as class A may be mined with the written consent of the Minister who must consult and obtain the concurrence of the Minister responsible for the administration of that reserve.
- 5.3 Sections 24(1)(c), 24(5A) and 24(5B) of the Mining Act provide that areas covered by other reserves under Part 4 of the *Land Administration Act 1997* (WA) (LAA) (not being reserved for mining, commons or public utility and includes class C reserves) may be mined with the written consent of the Minister who will consult with and obtain the recommendation of the Minister responsible for the administration of that reserve.
- 5.4 Sections 24(1)(d), 24(6A) and 24(6B) of the Mining Act provide that areas covered by State forest or timber reserves in the South West Mineral Field may be mined with the written consent of the Minister who must consult and obtain the concurrence of the Minister responsible for the administration of that reserve.
- 5.5 Sections 24(1)(da),(e),(f),(fa),(g), 24(7A) and 24(7B) of the Mining Act provides that areas covered by other State forests or timber reserves, water reserves (or other related catchments and reserves), Aboriginal reserves, land vested in the WA Land Authority or reserved under other Western Australian Acts may be mined with the written consent of the Minister who will consult with and obtain the recommendation of the Minister responsible for the administration of the applicable reserve.
- 5.6 The Minister may refuse consent or give consent subject to such terms and conditions as the Minister specifies.
- 5.7 Section 24(4) of the Mining Act provides that no mining lease or general purpose lease shall be granted over a national park or class A reserve without a resolution of both houses of parliament.

#### Pastoral Leases

- 5.8 The Mining Act provides that, unless granted permission by the mining warden, the written consent of an underlying pastoral lessee will be required for the holder of a tenement to gain access within 'buffer zones' around certain restricted pastoral infrastructure (e.g. water bores, dams etc.) on these leases.
- 5.9 The holder of a tenement cannot explore or mine on Crown land that is the subject of a pastoral lease 'which is the site of, or is situated within 400m of the outer edge of, any water

## Nimy Resources Limited

### Solicitor's Report on Tenements



works, race, dam, well or bore, not being an excavation previously made and used for mining purposes by a person other than a lessee of that pastoral lease' without the written consent of the occupier under the pastoral lease, unless permission is granted by the mining warden or mining is being carried out at least 30m underground (section 20(5) of the Mining Act).

- 5.10 However, the holder of a tenement may pass within these areas for the purpose of *gaining access* to other land to conduct exploration activities (section 20(5a) of the Mining Act).
- 5.11 Before passing through the buffer zones the tenement holder must:
- (a) take all reasonable and practicable steps to notify the occupier of his intention to access the areas; and
  - (b) take all necessary steps to prevent fire and damage to property, livestock or trees, (section 20(5a)(c),(d)(i) of the Mining Act).
- 5.12 The tenement holder must also keep inconvenience to the occupier and use of the area to a minimum, comply with any reasonable requests of the occupier, and make good any damage to improvements or livestock (section 20(5)(d)(ii),(iii),(e) and (f) of the Mining Act). Compensation will be due from the tenement holder where any damage is not repaired by the holder (section 20(5a) of the Mining Act).
- 5.13 There is also potential compensation payable to an underlying pastoral lessee in the event the pastoral lessee suffers a substantial loss of earnings as a result of a tenement holder's activities or there is damage to pastoral infrastructure or improvements (section 123 of the Mining Act). It is possible that loss of earnings associated with interference by exploration or mining activities on authorised carbon farming projects on pastoral leases could be substantial and hence be compensable by a tenement holder under these provisions of the Mining Act.

#### Private Land

- 5.14 Section 29 of the Mining Act provides that the consent of the owner and occupier are required for land comprising the following categories to be included into the grant of a mining tenement:
- (a) land which is in *bona fide* and regular use as a yard, stock yard, garden, orchard, vineyard, plant nursery or plantation or which is land under cultivation;
  - (b) land which is the site of a cemetery or burial ground;
  - (c) land which is the site of a dam, bore, well or spring;
  - (d) land on which a substantial improvement is erected
  - (e) land situated within 100m of any of the above categories of land; and
  - (f) land which is a separate parcel of land and has an area of 2,000 square metres or less,
- unless the mining tenement is granted only in respect of that part of the private land which is not less than 30m below the lowest part of the natural surface.
- 5.15 The owner and occupier of private land are entitled to compensation under the Mining Act and compensation is to be determined before mining commences or an agreement has been made in relation to compensation to be paid. In default of an agreement the amount of compensation can be determined by the warden.

## Nimy Resources Limited

### Solicitor's Report on Tenements



- 5.16 Section 123 of the Mining Act sets out the matters for which an owner and occupier are entitled to compensation which include:
- (a) being deprived of the possession or use of the surface of the land;
  - (b) damage to the land, severance of the land from other land used by that person, loss or restriction of right of way or easement;
  - (c) loss of or damage to improvements;
  - (d) social disruption;
  - (e) in relation to land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruptions to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws and requirements in relation to that land as regards the spread of weeds, pests disease, fire or erosion, or as to soil conservations practices, as are observed by the owner or occupier of that land; and
  - (f) any reasonable expense properly arising from the need to reduce or control the damage resulting or arising from the mining.

#### File Notation Areas

- 5.17 File Notation Areas (**FNAs**) are a notation on the Tengraph system maintained by DMIRS which indicate that there is a proposed change in land use such as a land transaction, alienation from the Crown, or other proposed change in land use in the area of the FNA. Following the effect of the proposed land transaction or change in land use, there may be additional restrictions applicable to a tenement holders ability to use of the land for exploration or mining activities, depending on the nature of the land transaction or change in land use. It is possible that DMIRS may impose additional standard conditions or endorsements on a granted tenement as a result of such land transaction or change in land use.

## 6. Native title

### Commonwealth native title law

- 6.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination, by which any future act affecting native title (such as the grant of mining tenements) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate'.
- 6.2 Under the NT Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.
- 6.3 Previous Exclusive Possession Acts are considered to be so inconsistent with the continued enjoyment of native title rights that they completely extinguish native title, and once extinguished, native title cannot revive. Relevantly, a grant will be a Previous Exclusive Possession Act and therefore will have extinguished native title where it:
- (a) is valid; and
  - (b) took place on or before 23 December 1996; and
  - (c) consists of the grant or vesting of any of the following:

## Nimy Resources Limited Solicitor's Report on Tenements



- (1) a Scheduled Interest;
  - (2) a freehold estate;
  - (3) a commercial lease that is neither an agricultural lease nor a pastoral lease;
  - (4) an exclusive agricultural lease or an exclusive pastoral lease;
  - (5) a residential lease;
  - (6) a community purposes lease;
  - (7) what is taken by s 245(3) of the NT Act (which deals with the dissection of Mining Leases into certain other leases) to be a separate lease in respect of land or waters mentioned in paragraph (a) of that subsection; or
  - (8) any lease (other than a Mining Lease) that confers a right of exclusive possession over particular land or waters.
- 6.4 Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, etc. Such grants and interests are known as Previous Non-Exclusive Possession Acts and will be confirmed to have extinguished native title only to the extent of any inconsistency.
- 6.5 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the relevant facts and circumstances showing the existence of customary rights and continued connection with land, including the extent to which native title may have been adversely affected or extinguished by adverse Government action. A detailed assessment of the merits of any particular native title claim is beyond the scope of this Solicitor's Report. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the Government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.
- 6.6 Where native title is found to exist and not to have been extinguished over an area of land, any act that will affect that native title will be subject to the future act procedures under the NT Act. For mining activities, this procedure could be one of 3 options:
- (a) the 'Expedited Procedure';
  - (b) right to negotiate (**RTN**) resulting in a section 31 Agreement and Ancillary Agreement; or
  - (c) negotiation of an indigenous land use agreement (**ILUA**).
- 6.7 The application of the expedited procedure is a 'fast-tracking' of mining grants under section 32 of the NT Act where such grants do not affect or are unlikely to involve major disturbance to land or waters, or to Aboriginal sites and Aboriginal objects, or are not likely to interfere directly with the carrying on of community or social activities of the relevant native title holders. If a registered native title group does not object to the application of the expedited procedure within 4 months from the 'notification date', the tenement may be granted at the conclusion of the 4 month notification period.
- 6.8 If a registered native title group objects to the application of the expedited procedure, the applicant for the mining tenement and the registered native title group may either:



## Nimy Resources Limited

### Solicitor's Report on Tenements



- (a) seek a determination from the NNTT as to whether the grant of the tenement is an act attracting the 'Expedited Procedure';
  - (b) enter into an agreement which provides for the withdrawal of the objection and a protocol for the protection of Aboriginal cultural heritage (a 'heritage protection agreement'); or
  - (c) enter the RTN procedure and create a full section 31 Agreement under the NT Act.
- 6.9 Where the State does not indicate the expedited procedure is applicable, the parties must enter into the RTN procedure under the NT Act. There are RTN guidelines which should be followed in the process however ultimately the NNTT administers the future act processes that attract the RTN. The NNTT's role includes mediating between parties, conducting inquiries and making decisions ('future act determinations') where parties cannot reach an agreement. The outcome of the RTN process is known as a 'Section 31 Agreement' which is an agreement between the parties to the doing of the future act. A 'Section 31 Agreement' must be registered with the State. An Ancillary Agreement may also be made between the parties (to which the State is not a party) which will deal with matters relating to compensation and usually Aboriginal cultural heritage.
- 6.10 The time frame for the RTN negotiations will generally vary between 6 and 12 months. The process begins with the State issuing a Section 29 Notice indicating that it proposes to grant the tenement. A notification period follows during which native title parties have 3 months to lodge claims and an additional month to register their claims with the NNTT. If at the end of the 4 month period there is a registered claim, the parties must negotiate in good faith for a minimum of two (2) months from the end of the 4 month notification period in an effort to reach agreement on the terms of a Section 31 Agreement. If agreement cannot be reached in this time, the established tenure holder may apply for arbitration (provided that a total of 6 months has passed since the notification period began). Usually, however, parties will continue to negotiate for a longer period where there is likelihood that agreement will be reached. If a party elects to go to arbitration, the arbitration period will run for a period of 6 months. At the end of the arbitration period, the NNTT determines whether and on what conditions the tenure may be granted.
- 6.11 An ILUA is a voluntary agreement between a native title party and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native title holders agreeing to a future development and matters of compensation. An ILUA must be registered on the Register of Indigenous Land Use Agreements. As a general rule, an ILUA can take 12 to 18 months to complete.
- 6.12 The RTN process does not apply to the creation of a right to mine (by grant of a mining lease or otherwise) for the sole purpose of the construction of an infrastructure facility. These applications are dealt with pursuant to the procedure set out in section 24MD(6B) of the NT Act. These applications must be notified to registered claimants, registered native title body corporates, and representative Aboriginal/Torres Strait Islander bodies. Registered claimants and body corporates have 2 months to lodge an objection. Where a party objects, the tenement holder must consult with the native title objectors about minimising the impact of the future act on any registered native title interests in the affected land or waters. Following an objection that has not been withdrawn after 8 months, the State must ensure that the objection is heard by an independent person or body, who may make a determination either upholding the objection, or determining that the act may be done, or may be done with conditions.

#### **Native Title Claims over the Tenements**

##### *Implications of Native Title for Projects*

- 6.13 The effect of a registered native title claim or determination is that the grant of a mining tenement (where the grant constitutes a future act under the NT Act) attracts procedural processes under the NT Act. Failure to adhere to future act processes will result in a future act being invalid if it is later determined that a native title claim exists in the relevant area. The consequence of



invalidity would be that any third party could apply for tenure over the area of the invalid tenement. To protect its right the Company would need to apply for the grant of new tenure over the area.

- 6.14 Where exploration tenements have been applied for or granted over land where the extinguishment of native title has not been confirmed, the Company will need to comply with the future act provisions of the NT Act on future conversion of the licence to a mining lease.

*Risk of liability for compensation payments to native title holders*

- 6.15 Section 125A of the Mining Act provides that if compensation is payable to native title holders for or in respect of the grant, extension or renewal of a mining tenement, the person liable to pay the compensation is (a) if an amount is to be paid and held in trust, the applicant for the grant of, or the holder of, the mining tenement at the time the amount is required to be paid; or (b) otherwise, the applicant for the grant of, or the holder of, the mining tenement at the time a determination of compensation is made. Further, the section provides that if, at the relevant time, there is no holder of the mining tenement because the mining tenement has been surrendered or forfeited or has expired, a reference in the previous subsection to the holder of the mining tenement is a reference to the holder of the mining tenement immediately before its surrender, forfeiture or expiry. In addition, certain tenements in Western Australia contain an express condition with a similar effect to the above.
- 6.16 Accordingly, the registered tenement holder is may be liable to pay compensation for interference with native title rights and interests. In the event that a native title determination is recorded over the area of a tenement and a successful compensation determination is made against the State for interference with native title rights and interests arising as a result of mining operations on a mining tenement, it is possible that the State may, pursuant to section 125A of the Mining Act or a relevant tenement condition, pass such liability onto the current or most recent holder of that tenement (including expired tenement). The risk of liability for future compensation payments to native title holders should be considered.

## 7. Aboriginal Cultural Heritage

---

- 7.1 The AH Act seeks to protect areas and objects of cultural significance to aboriginal persons irrespective of the underlying tenure of the land (**Aboriginal cultural heritage**).
- 7.2 The AH Act makes it an offence to, among other things, alter or damage an Aboriginal site, or object on or under an Aboriginal site (section 17 of the AH Act). A corporation breaching section 17 may be liable for fines up to \$100,000 per offence and a daily penalty of \$1,000 (section 57(1) of the AH Act).
- 7.3 An Aboriginal site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent (section 5 of the AH Act). The registrar under the AH Act must keep a register listing areas or objects of Aboriginal cultural heritage (section 38 of the AH Act). However, the register is not determinative of whether Aboriginal cultural heritage exists and as such, proponents should conduct heritage due diligence when undertaking operations. Where proponents intend to carry on activities where a site has been registered, it is prudent to take extra care to ensure that all sites are properly identified and any disturbance is pursuant to consent being given under section 18 of the AH Act.
- 7.4 It is a defence under section 62 of the AH Act if the person disturbing the place or object did not know and could not reasonably be expected to have known, that the place or object to which the offence relates was a place or object protected under the AH Act.
- 7.5 The Minister for Indigenous Affairs may consent, pursuant to section 18 of the AH Act, to a person using land in a way that is likely to disturb sites or objects in breach of section 17 of the



## Nimy Resources Limited

### Solicitor's Report on Tenements



AH Act on recommendation from the 'Aboriginal Cultural Materials Committee', a committee of approved persons with expertise in Aboriginal cultural heritage. Such consent may be provided subject to conditions as appropriate.

- 7.6 Practically, proponents usually seek to conduct surveys with Aboriginal people who can traditionally speak for the relevant area prior to conducting ground disturbing activities that may interfere with Aboriginal places or objects and so that they can, where necessary, make application to the Minister for Indigenous Affairs. These surveys are also useful for proponents if they have to argue for the defence under section 62 of the AH Act where disturbance is caused.
- 7.7 However, as noted above, the absence of recorded Aboriginal cultural heritage sites within the remainder of the Tenements does not mean that Aboriginal cultural heritage sites or objects do not exist within these other areas. The absence of recorded Aboriginal heritage sites or objects may simply reflect a lack of previous cultural heritage surveys having been conducted in an area. For conclusive results, cultural heritage surveys of these other areas should be conducted to identify any existing Aboriginal cultural heritage.
- 7.8 It is noteworthy that new legislation is proposed to replace the AH Act. The draft *Aboriginal Cultural Heritage Bill 2021* is subject to ongoing consultation and drafting finalisation. It is expected that the Bill will be introduced to parliament later this year or possibly next year.

## 8. Assumptions and qualifications

- 8.1 In relation to the Tenements, we have made the following assumptions in the preparation of this Solicitor's Report:
- (a) our investigations were confined to the Searches unless otherwise specified. We note that this Solicitor's Report is accurate and complete only to the extent that the information resulting from these Searches was correct as at the date that the searches were conducted;
  - (b) there have been no material changes in the standing of the Tenements since the dates of our searches;
  - (c) the Ministers administering the relevant Acts mentioned by this Solicitor's Report and each of their delegates have been validly appointed, have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under relevant legislation;
  - (d) the authenticity of all signatures and seals and of any duty stamp or marking;
  - (e) the effectiveness, accuracy, completeness and conformity to originals of all copy documents submitted to us;
  - (f) that the documents are within the capacity and powers of, and have been validly authorised, executed, duly stamped (where required) and delivered by and are binding on the parties to them;
  - (g) that there are no defaults or contraventions under any agreement or instrument (other than those set out in this Solicitor's Report) which have led or will lead to litigation or have other adverse consequences;
  - (h) that all relevant authorisations were obtained in all relevant jurisdictions prior to all transactions reviewed being entered into and were in full force and effect at all material times and that all obligations under those authorisations have been observed at all times;

## Nimy Resources Limited

### Solicitor's Report on Tenements



- (i) other than where we have indicated more information is required, that there were no documents other than those which were disclosed to us which related to the issues which we examined;
  - (j) the constitutional validity of all relevant legislation;
  - (k) that the registered holder of a Tenement has valid legal title to the Tenement;
  - (l) that the native title procedures set out in the Mining Act and NT Act were complied with in respect to either the grant or renewal of any of the Tenements and that the grants or renewals of the Tenements were validly made; and
  - (m) that we have not made enquiries as to the presence of Aboriginal sites, objects or remains in the Tenements, other than the Searches, and we have not made enquiries about the presence or adequacy of previous surveys.
- 8.2 No other matters form part of the scope of this Solicitor's Report. We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- 8.3 With respect to the Tenements in application stage, we do not express any opinion as to whether such applications will be granted and/or the conditions that may be imposed on grant.
- 8.4 As noted above, the scope of this report is limited only to the information obtained from the Searches, including the extracts obtained from LandTrack Systems. Other than where expressly mentioned in this Solicitor's Report, we have not been provided with any additional information or documentation by the Company or any third parties.
- 8.5 We have not been instructed as part of the scope of this Solicitor's Report to, nor have we, conducted searches of:
- (a) the AHIS maintained by the DPLH for unregistered "Other Heritage Places" overlapping the Tenements or made enquiries about the presence or adequacy of previous Aboriginal heritage surveys; or
  - (b) any contaminated sites or environmental approvals or conditions in respect of the Tenements.
- 8.6 We have not been instructed as part of the scope of this Solicitor's Report to determine the application of safety or environmental legislation that may be relevant to the Tenements and the Company.
- 8.7 Where we state in this Solicitor's Report that 'we have been instructed' or 'we are advised', this indicates that we have relied on statements (whether written or oral) provided by the Company, employees of the Company or a relevant Government department, respectively. We are unable to verify the accuracy of these statements as this verification is outside the scope of this Solicitor's Report. We also noted where we have made assumptions and the basis for that assumption.
- 8.8 Where laws are mentioned, the Solicitor's Report does not purport to mention every requirement in respect of the relevant law and items listed after the word 'including' in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.



**Nimy Resources Limited**  
Solicitor's Report on Tenements



**9. Consent**

---

- 9.1 This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus. This report is not to be relied upon by, or disclosed to, any other person or used for any other purposes or quoted or referred to in any public document (other than in connection with the issue of the Prospectus) or filed with any Government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully

A handwritten signature in black ink, appearing to read 'HopgoodGanim', written over a horizontal line.

HopgoodGanim Lawyers

**Schedule 1 - Tenement Schedule**

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)	
1.	E77/2285	Nimiy Pty Ltd	Live	10-Mar-15	9-Mar-25	Nil	Cleared expedited procedure <b>NT overlap</b> Marinyu Ghoorlie (100%)	\$5,000 security	2022: \$2,275 paid in full; 2023: \$4,739 due 9/04/2022	2021: Expended in full \$253,154.53 / \$50,000; 2022: \$50,000 commitment Form 5 due 08/05/2022	GWA 21 Ground Water Area Goldfields
2.	E77/2332	Nimiy Pty Ltd	Live	4-Jul-16	3-Jul-26	Nil	Cleared expedited procedure <b>NT overlap</b> Marinyu Ghoorlie (100%)	\$5,000 security	2021: \$19,932 paid in full; 2022: \$19,332 due 2/08/2023	2021: Expended in full \$161,316.88 / \$51,000 2022: \$108,000 commitment Form 5 due 01/09/2022	GWA 21 Ground Water Area Goldfields
3.	E77/2438	Nimiy Pty Ltd	Live	9-Oct-17	8-Oct-22	Nil	Cleared expedited procedure <b>NT overlap</b> Marinyu Ghoorlie (100%)	\$5,000 security	2021: Paid in full \$3,808; 2022: \$4,192 due 8/11/2021	2020: Expended in full \$54,864.86 / \$20,000; 2021: \$30,000 commitment Form 5 due 07/12/2021	GWA 21 Ground Water Area Goldfields
4.	E77/2683	Nimiy Pty Ltd	Live	29-Mar-21	28-Mar-26	Nil	Cleared expedited procedure <b>NT overlap</b> Marinyu Ghoorlie (100%)	\$5,000 security	2022: \$1,242 Paid in full; 2023: \$1,314 due 28/04/2022	First year of grant 2022: \$20,000 commitment Form 5 due 27/05/2022	R 29839 - "C" Class Reserve Protection of Rabbit Proof Fence R 36836 - "A" Class Reserve Conservation of Flora & Fauna No. 4274 Road Reserves GWA 21 Ground Water Area Goldfields
5.	E77/2714	Nimiy Pty Ltd	Live	15-Apr-21	14-Apr-26		Cleared expedited procedure <b>NT overlap</b> Marinyu Ghoorlie (100%)	\$5,000 security	2022: \$10,575 Paid in full; 2023: \$10,950 due 14/05/2022	First year of grant 2022: \$75,000 commitment Form 5 due	GWA 21 Ground Water Area Goldfields



No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests
									Rent (Current Year/ Previous Year)	Expenditure (Current Year/ Previous Year)	
6.	E77/2741	Nimiy Pty Ltd	Live	07-Jul-21	06-Jul-26	Site 5601 Mukinbudin Painting	Cleared expedited procedure <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	2022: \$5,784 Paid in full 2023: \$5,986* due 6/08/2022	First year of rent 2022: \$41,000 commitment Form 5 due 04/03/2022	R 29839 'C' Class Reserve Protection of Rabbit Proof Fence R 36936 'A' Class Reserve Conservation of Flora & Fauna No. 4274 Road Reserves GWA 21 Ground Water Area Goldfields
7.	E77/2810	Nimiy Pty Ltd	Pending	N/A	N/A	Nil	S20 closing date 28/11/2021 <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	First year rent paid on application \$9,306	N/A	GWA 21 Ground Water Area Goldfields
8.	E77/2811	Nimiy Pty Ltd	Pending	N/A	N/A	Nil	S20 closing date 28/11/2021 <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	First year rent paid on application \$5,217	N/A	R 29839 'C' Class Reserve Protection of Rabbit Proof Fence R 36936 'A' Class Reserve Conservation of Flora & Fauna No. 4274 Road Reserves GWA 21 Ground Water Area Goldfields
9.	E77/2812	Nimiy Pty Ltd	Pending	N/A	N/A	Nil	S20 closing date 28/11/2021 <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	First year rent paid on application \$18,035	N/A	GWA 21 Ground Water Area Goldfields

No.	Tenement	Registered Holder	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Title Status	Security/Bond	Standing		Overlapping Interests
									Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)	
10.	E77/2813	Nimiy Pty Ltd	Pending	N/A	N/A		S29 closing date 11/12/2021 <b>NT overlap</b> Marlinyu Ghoorlie (86.43%)	\$5,000 security	First year rent paid on application \$15,792	N/A	R 218939 "C" Class Reserve Protection of Rabbit Proof Fence R 36936 "A" Class Reserve Conservation of Flora & Fauna No 4274 Road Reserves GE M493081 General Lease N060234 Pastoral Lease PINDABUNNA FNA 12713 Badimia Determination Area (Native Title does not exist) FNA 15054 Proposed New Lease Over Lot 300, (L GE M493081) FNA 15332 Pindabunna Regeneration Project (Native Title does not exist) (Carbon Farming Initiative) Pindabunna Regeneration Project GWA 21 Ground Water Area Goldfields GWA 15 Ground Water Area Murchison GWA 21 Ground Water Area Goldfields
11.	E77/2818	Nimiy Pty Ltd	Pending	N/A	N/A		S29 closing date 28/11/2021 <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	First year rent paid on application \$2,820	N/A	GWA 21 Ground Water Area Goldfields
12.	E77/2833	Nimiy Pty Ltd	Pending	N/A	N/A		Awaiting notification <b>NT overlap</b> Marlinyu Ghoorlie (100%)	\$5,000 security	First year rent paid on application \$2,820	N/A	GWA 21 Ground Water Area Goldfields

\*Annual rent increase to be applied 1 July 2022



## Schedule 2 – Conditions Schedule

Tenements	Conditions	Endorsements
E77/2255	Conditions 1-4	Endorsements 1-6, 9, 10, 12
E77/2332	Conditions 2-4	Endorsements 1-9, 12
E77/2438	Conditions 2-4	Endorsements 1-9
E77/2683	Conditions 2-7	Endorsements 1-9, 11
E77/2714	Conditions 2-4	Endorsements 1-9, 11
E77/2741	Conditions 2-7	Endorsements 1-9, 11
E77/2810	n/a	
E77/2811	n/a	
E77/2812	n/a	
E77/2813	n/a	
E77/2818	n/a	
E77/2833	n/a	

*The following are summaries of the conditions and endorsements of each Tenement as described on the register of mining tenements maintained by DMIRS. These summaries are substantially the same as, but may differ as to the precise wording of, the conditions and endorsements on the register of mining tenements and the numbers that reference them in this report are different to those used in the register of mining tenements.*

### Conditions

- All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
- All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.
- All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
- Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
- The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Protection of Rabbit Proof Fence Reserve 29839.
- Mining on a strip of land 30 metres wide with the Protection of Rabbit Proof Fence Reserve 29839 as the centre-line being restricted to below a depth of 15 metres from the natural surface.
- The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on A Class Conservation of Flora and Fauna Reserve 36936 - KARROUN HILL NATURE RESERVE

### Endorsements

- The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
- The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
- In respect to Proclaimed Ground Water Areas: the taking or abstraction of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water, unless an exemption otherwise applies.
- In respect to Water Resource Management Areas: The Licensee's attention is drawn to the provisions of the:
  - Waterways Conservation Act, 1976
  - Rights in Water and Irrigation Act, 1914
  - Metropolitan Water Supply, Sewerage and Drainage Act, 1909
  - Country Areas Water Supply Act, 1947
  - Water Agencies (Powers) Act 1984
  - Water Resources Legislation Amendment Act 2007
- The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water for inspection and investigation purposes.
- The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water's relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
- Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.
- All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
- In respect to Artesian (confined) Aquifers and Wells: The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water
- In respect to Waterways: Advice shall be sought from the Department of Water if proposing any exploration within a defined waterway and within a lateral distance of: 50 metres from the outer-most water dependent vegetation of any perennial waterway, and 30 metres from the outer-most water dependent vegetation of any seasonal waterway.
- The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
- The Licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorised to explore for iron.





## Scope

### Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the historical financial information of the Company included in Section 5 of the Prospectus, and comprising:

- the historical consolidated statement of profit or loss and statement of cash flows of the Company for the years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the historical consolidated statement of financial position of the Company as at 30 June 2021.

(together the “**Historical Financial Information**”).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information has been extracted from the consolidated financial statements of the Company for the years ended 30 June 2019, 30 June 2020 and 30 June 2021, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners issued unmodified audit opinions on those financial statements.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### Pro forma historical financial information

You have requested RSM to review the Company’s pro forma historical statement of financial position as at 30 June 2021 (“**Pro Forma Historical Financial Information**”), as set out in Section 5.5 of the Prospectus.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pro forma adjustments described in the Prospectus. The stated basis of preparation is the recognition and measurement principles of Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position.

### Directors’ responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

### Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation to the Historical Financial Information and the Pro Forma Historical Financial Information;



- A review of the Company's work papers, accounting records and other documents;
- A review of the auditor's work papers relating to the audited financial statements of the Company;
- Enquiry of directors, management personnel and advisors;
- Consideration of the pro forma adjustments described in the Prospectus; and
- Performance of analytical procedures applied to the Historical Financial Information and the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Historical Financial Information or the Pro Forma Historical Financial Information.

## Conclusions

### Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Section 5 of the Prospectus, and comprising:

- the historical consolidated statement of profit or loss and statement of cash flows of the Company for the years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the historical consolidated statement of financial position of the Company as at 30 June 2021;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5 of the Prospectus.

### Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 5.5 of the Prospectus, and comprising the pro forma consolidated statement of financial position of the Company as at 30 June 2021, is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 5.6 of the Prospectus.

## Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

## Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

JUSTIN AUDCENT  
Director



## Schedule 4 | ASX corporate governance - Compliance with Recommendations

As referred to in Section 7.14, the table below summarises how the Company complies with the Recommendations, and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted below it otherwise complies with all of the Recommendations.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1	<i>Lay solid foundations for management and oversight</i>		
1.1	A listed entity should disclose: <b>a)</b> the respective roles and responsibilities of the Board and Management; and <b>b)</b> those matters expressly reserved to the Board and those delegated to Management.	Yes	The Company's Corporate Governance Charter sets out (amongst other things): <b>a)</b> the roles and responsibilities of the Board and of management; and <b>b)</b> the matters expressly reserved to the Board and those delegated to management.  A copy of the Corporate Governance Charter is available on the Company Website.
1.2	A listed entity should: <b>a)</b> undertake appropriate checks before appointing a Director or senior executive or putting forward someone forward for election as a Director; and <b>b)</b> provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.	Yes	Prior to the appointment of a person as a Director, or putting forward to Shareholders a candidate for election as a Director, the Company undertakes checks which it believes are appropriate to verify a Director's character, experience, education, criminal record and bankruptcy history (including for new Directors).  The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to Shareholders in any notice of annual or extraordinary general meeting.
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	The responsibilities of the Company Secretary are set out in the Corporate Governance Charter. The Company Secretary has a direct line of reporting to the Chairperson and is responsible for: <b>a)</b> advising and supporting the Chairperson and the Board and its committees to manage the day to day governance framework of the Company;

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.4 Cont.			<p>b) assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and</p> <p>c) assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of Directors.</p>
1.5	<p>A listed entity should:</p> <p>a) have and disclose a diversity policy;</p> <p>b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and</p> <p>c) disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> <li>1) the measurable objectives set for that period to achieve gender diversity;</li> <li>2) the entity's progress towards achieving those objectives; and</li> <li>3) either the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, if the Company is a relevant employer" under the <b>Workplace Gender Equality Act 2012</b> (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ol>	Yes	<p>The Company seeks to treat everyone with fairness and respect which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy.</p> <p>A copy of the Diversity Policy is available on the Company Website.</p> <p>The Board may develop measurable objectives for achieving gender diversity and annually review any such objectives and the Company's progress towards achieving them. The Board may report at least annually on the relative proportion of women and men appointed or employed within the Company group.</p> <p>The Diversity Policy outlines requirements for the Board to develop measurable objectives for achieving diversity as appropriate for the relevant stage of the Company's development, and annually report both the objectives and the progress in achieving those objectives. Accordingly, the Board is developing objectives regarding gender diversity and aims to achieve these objectives as Director and senior executive positions become vacant and appropriately qualified candidates become available.</p> <p>Disclosure of measurable objectives, progress and respective proportions will be disclosed in the Annual Report.</p>



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.6	<p>A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Partially	<p>The Company's Corporate Governance Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual Directors, the Chairperson and committees of the Board. The Corporate Governance Charter is available on the Company Website.</p> <p>The Board did not conduct a Board performance evaluation during the last 12 months.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p> <p>The review of the Board's performance also addresses the ability for Directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.7	<p>A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	Partially	<p>The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>
<b>2</b>	<b><i>Structure the Board to be effective and add value</i></b>		
2.1	<p>The Board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent Directors; and</li> <li>2) is chaired by an independent Director;</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.</p> <p>The Corporate Governance Charter sets out the processes the Company employs with respect to appointments to the Board and matters regarding successions. The Corporate Governance Charter is available on the Company Website.</p>



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes	<p>The Board regularly evaluates the mix of skills, experience and diversity at Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's Shareholders.</p> <p>At the date of this Prospectus, the Board comprises three Directors from diverse backgrounds with a range of business experience, skills and attributes. Biographical information on each Director is contained in Section 6 of this Prospectus.</p> <p>Details of the current Directors, their skills, experience and qualifications are set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the annual report in the future. A skills matrix has been disclosed in the Company's Corporate Governance Charter which is accessible on the Company's website and at ASIC.</p>
2.3	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>a) the names of the Directors considered by the Board to be independent Directors;</li> <li>b) if a Director has an interest, position or relationship that might cause doubts about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</li> <li>c) the length of service of each Director.</li> </ul>	Yes	<p>The Board comprises the following Directors:</p> <ul style="list-style-type: none"> <li>a) Mr Christian Price (Executive Director) was appointed as Director on 16 August 2021. Mr Christian Price is not considered an independent Director as he has within the last 3 years been an officer and employee of the Company.</li> <li>b) Mr Luke Hampson (Executive Director) was appointed as Director on 22 February 2012. Mr Luke Hampson is not considered an independent Director as he has within the last 3 years been an officer and employee of the Company.</li> <li>c) Simon Lill (independent Non-Executive Chairperson) was appointed on 16 August 2021.</li> </ul>
2.4	The majority of the Board should be independent Directors.	No	<p>On the basis of the above information detailed in recommendation 2.3, the Company is of the view that the Board does not consist of a majority of independent Directors. The Board will consider appointing independent Directors in the future, when the Company is of sufficient size and having regard to the scale and nature of its activities. In the meantime, the Company believes that given the size and scale of its operations, non-compliance by the Company with this recommendation will not be detrimental to the Company or its Shareholders. As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint independent Directors.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.5	The chair of the Board should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Yes	The Chairperson of the Board is an independent Director.  The Chairperson is not the current CEO or previous CEO of the Company.
2.6	A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Yes	Under the Company's Corporate Governance Charter, all new Directors are offered inductions training, tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities, including gaining an understanding of the Company's structure, business operations, culture and key risks.  The Board will periodically review whether there is a need for existing Directors undertake professional development to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively.
<b>3</b>	<b><i>Instil a culture of acting lawfully, ethically and responsibly</i></b>		
3.1	A listed entity should articulate and disclose its values.	Yes	The Company's Corporate Governance Charter and Code of Conduct articulates and discloses its values.  The Company's Corporate Governance Charter and Code of Conduct is available on the Company Website.
3.2	A listed entity should: <b>a)</b> have and disclose a code of conduct for its Directors, senior executives and employees; and <b>b)</b> ensure that the Board or a committee of the Board is informed of any material breaches of that code.	Yes	The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, Directors, officers, contractors and consultants. The Code of Conduct is available on the Company Website.  Any breach of compliance with the Code of Conduct is to be reported directly to the Chief Executive Officer, Managing Director or Chairperson, as appropriate.
3.3	A listed entity should: <b>a)</b> have and disclose a Whistleblower Policy; and <b>b)</b> ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.	Yes	The Company has a Whistleblower Policy available on the Company Website. Any material incidents reported under that policy are reported to the Board.



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
3.4	<p>A listed entity should:</p> <p>a) have and disclose an anti-bribery and corruption policy; and</p> <p>b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p>	Yes	<p>The Company has an Anti-bribery and Corruption Policy available on the Company Website. Any material incidents reported under that policy are reported to the Board.</p> <p>Under the Anti-bribery and Corruption Policy, all Company personnel must report any or suspected improper conduct or other violation of this policy to the relevant person identified in this policy, being the Board or the Company Secretary.</p>
<b>4</b>	<b><i>Safeguard the integrity of corporate reports</i></b>		
4.1	<p>The Board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</li> <li>2) is chaired by an independent Director, who is not the chair of the Board; and</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the relevant qualifications and experience of the members of the committee; and</li> <li>5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Partially	<p>The Board has not formally established an Audit and Risk Management Committee.</p> <p>Acting in its ordinary capacity from time to time as required, the Board carries out the process of considering matters affecting the integrity of the financial reporting process and risk management processes. In view of the size and resources available to the Company, it is not considered that a separate audit and risk committee would add any substance to this process.</p> <p>The Corporate Governance Charter sets out the processes the Company employs with respect to reporting and risk management processes. The Corporate Governance Charter is available on the Company Website.</p> <p>The Board is responsible for the appointment of the Company's external auditor in accordance with the selection criteria set out in the Corporate Governance Charter.</p>

<b>Principle Number</b>	<b>Best Practice Recommendation</b>	<b>Compliance (Yes/No)</b>	<b>Explanation</b>
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	<p>The Board is to receive a declaration in the form set out in Recommendation 4.2 from its Chief Financial Officer in relation to the financial statements.</p> <p>The Reporting Group is responsible for reviewing, assessing and recommending release to the Board for all financial statements and reports which are required to be publicly released.</p> <p>The review should include a discussion with management and the external auditors of accounting issues and board policies.</p>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	<p>The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Reporting Group (being the Directors, Managing Director or Chief Executive Officer, Chief Financial Officer and Company Secretary). The Reporting Group is responsible for reviewing, assessing and recommending release to the Board for all financial statements and reports which are required to be publicly released. The review should include a discussion with management and the external auditors of accounting issues and board policies.</p>
<b>5</b>	<b><i>Make timely and balanced disclosure</i></b>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Yes	<p>The Company has a Corporate Ethics and Continuous Disclosure Policy that outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Corporate Ethics and Continuous Disclosure Policy is available on the Company Website.</p>



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
5.2	A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	Yes	Under the Company's Corporate Governance Charter, the Board is responsible for overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with Shareholders, other stakeholders and the public.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Under the Company's Continuous Disclosure Policy, any materials distributed at analyst and media briefings will be lodged with ASX prior to the briefing, and at investor meetings, the Company will not disclose any information that a reasonable person might regard as being price sensitive unless such information has previously been released to the market through the ASX or is otherwise already in the public domain.
<b>6</b>	<b><i>Respect the rights of security holders</i></b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its operations is available on the Company Website. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Company Website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company has a Corporate Ethics and Continuous Disclosure Policy that outlines the processes followed by the Company to ensure communication with Shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Corporate Ethics and Continuous Disclosure Policy is available on the Company Website.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Corporate Ethics and Continuous Disclosure Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	No	<p>The Company's Constitution states that every question to be decided by any Meeting shall be decided by majority on a show of hands by persons present who are Shareholders, or proxies or attorneys or corporate representatives entitled to act under the Constitution, unless immediately on the declaration of the result of the show of hands a poll is directed by the Chairperson of the meeting. The Company's Constitution further provides that a poll may be demanded by:</p> <ul style="list-style-type: none"> <li>a) the Chairperson, at any time;</li> <li>b) not less than five Shareholders having the right to vote on the resolution present in person or by proxy, attorney or corporate representative; and</li> <li>c) by any one or more Shareholders present in person or by proxy, attorney or corporate representative holding Shares conferring a right to vote on the resolution, being Shares on which an aggregate sum has been Paid up to not less than 5% of the total sum paid up on all the Shares conferring that right.</li> </ul> <p>The Company's Constitution also provides that the Chairperson has charge of the general conduct of a general meeting of Shareholders, and may require adoption of any procedure which is in the Chairperson's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting of Shareholders.</p> <p>The Company considers that these requirements adequately protect the interests of Shareholders.</p>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	<p>The Company gives Shareholders the option to receive communications from, and send communications to, the Company and its Share Registry electronically, as provided for in the Company's Corporate Ethics and Continuous Disclosure Policy.</p>



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7	<i>Recognise and manage risk</i>		
7.1	<p>The Board of a listed entity should:</p> <p><b>a)</b> have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li><b>1)</b> has at least three members, a majority of whom are independent Directors; and</li> <li><b>2)</b> is chaired by an independent Director;</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li><b>3)</b> the charter of the committee;</li> <li><b>4)</b> the members of the committee; and</li> <li><b>5)</b> as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p><b>b)</b> if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>The Board has not formally established an audit and risk committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of an audit and risk committee.</p> <p>The Board considers that it is able to efficiently and effectively oversee, without establishing a separate audit and risk committee, the corporate reporting process, and the Company's risk management framework.</p> <p>In doing so, the Board will be guided by the Company's Audit and Risk Management Committee Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether an audit and risk committee needs to be established. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.</p>
7.2	<p>The Board or a committee of the Board should:</p> <p><b>a)</b> review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p><b>b)</b> disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>The Company's Audit and Risk Management Committee Charter provides for the review of the Company's risk management framework at least annually. The Risk Management Policy has been described in recommendation 7.1.</p> <p>Since incorporation the Board has not completed a structured review of the Company's risk management framework and key corporate risk in accordance with the Audit and Risk Committee Charter.</p> <p>The Board as a whole addresses individual risks as required on an ongoing basis.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7.3	<p>A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	No	<p>The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not currently have a formal internal audit function due to its size and business needs.</p> <p>Under the Company's Audit and Risk Committee Charter, the audit and risk committee is charged with the review of the Company's internal controls and monitoring the need for a formal internal audit function. A copy of the Company's Audit and Risk Committee Charter and the Risk Management Policy is available on the Company Website.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Risk Management Policy acknowledges that it has an obligation to Shareholders, employees, contractors, and other stakeholders to oversee the establishment and implementation of a risk management strategy, and monitor, review and evaluate the risk management and internal control systems for the Company. The Company may be exposed to such environmental risks as disclosed in Section 4 of this Prospectus.</p> <p>The Company predominantly operates in Australia, which is a mature and well-regulated mining jurisdiction. As part of the Company's mining development approvals process, the Company must adhere to strict environmental and social regulations.</p>



Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8	<i>Remunerate fairly and responsibly</i>		
8.1	<p>The Board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent Directors; and</li> <li>2) is chaired by an independent Director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Board is of the view that the Company is not currently of the size to justify the formation of a separate remuneration committee.</p> <p>The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing so, the Board will be guided by the Corporate Governance Charter, which is available on the Company Website.</p> <p>The Board as a whole reviews the remuneration levels on an individual basis. In doing so, the Board will balance a number of factors, including the Company's desire to attract and retain high quality directors and senior executives, incentive structures, and the implications for the Company's reputation and standing if it is seen to pay excessive remuneration.</p> <p>The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a remuneration committee.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>	Yes	<p>The remuneration of the Directors of the Company is set out in Section 6.4 (Directors and key management) of this Prospectus.</p> <p>The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>a) have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>b) disclose that policy or a summary of it.</p>	Yes	<p>The Company's Trading Policy contains a "hedging transactions" section, in which it is noted that key management personnel and their closely related parties should not deal in securities in the Company or enter into hedging transactions to limit his or her exposure in respect of any unvested entitlement to Securities he or she receives under any equity-based remuneration scheme of the Company.</p> <p>The Company has an equity-based remuneration scheme comprising an Employee Share Option Plan. The Trading Policy is available on the Company Website.</p>



## CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

## INSTRUCTIONS FOR COMPLETING THE FORM

### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS PUBLIC OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Nimy Resources Limited ACN 155 855 986 (**Company**) made under the terms set out in the Prospectus dated 6 October 2021.

Capitalised terms not otherwise defined in this document have the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications under the Offer must be for a minimum of A\$2,000 worth of Shares and in multiples of A\$500 worth of Shares thereafter.
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AWST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESSE Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and an allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "Nimy Resources Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AWST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.  
Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AWST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

## DECLARATIONS

### BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

## LODGEMENT INSTRUCTIONS

The Offer is expected to open on 14 October 2021 and is expected to close on 10 November 2021. The Directors reserve the right to withdraw the Offer, close the Offer early or extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

### Paper Application and Cheque

#### By Post:

Nimy Resources Limited  
C/- Automic Pty Ltd  
GPO Box 5193  
SYDNEY NSW 2001

#### OR

#### By Hand Delivery:

Nimy Resources Limited  
C/- Automic Pty Ltd  
Level 5, 126 Phillip Street  
SYDNEY NSW 2000

### Online Applications and BPAY® or EFT Payments

#### Online:

<https://investor.automic.com.au/#/ipo/nimyresources>

## ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



#### PHONE:

1300 288 664 within Australia  
+61 (2) 9698 5414 from outside Australia



#### LIVE WEBCHAT:

Go to [www.automicgroup.com.au](http://www.automicgroup.com.au)



#### EMAIL:

[Corporate.actions@automic.com.au](mailto:Corporate.actions@automic.com.au)





254 Adelaide Terrace  
Perth WA 6000 Australia

[www.nimy.com.au](http://www.nimy.com.au)

