

Highest-Grade Gallium Breakthrough in WA's Newest Greenstone Belt

Metals & Mining

We initiate coverage of Nimy Resources Limited (ASX: NIM) with a 12-month mid-range target price of A\$0.21 – upside of +162% from the current share price of A\$0.08. Nimy is an emerging exploration company in WA, currently focusing on establishing a maiden JORC resource for its Block 3 gallium project where it has discovered the highest-grade gallium intervals recorded in Australia i.e. up to 400 g/t Ga. Additionally, it continues to pursue exploration of copper, gold, nickel and other critical minerals.

Strong investment case with pioneering in massive discovery of highest-grade gallium intervals

Nimy has made a groundbreaking discovery with the new Mons Greenstone Belt (90 km by 30 km), the first new greenstone belt found in WA in the last 20 years. The company has discovered highest-grade gallium intervals at Block 3 East which is a part of Mons project, with gallium concentrations ranging from **400 to 800 g/t within chloritized schist** reflecting superior quality and has established an exploration target between **9.6 Mt and 14.3 Mt** at an average grade of 39 g/t to 78 g/t gallium. This high-grade mineralization is superior to traditional gallium sources, which are typically byproducts of bauxite and zinc ore mining globally. The recent CSIRO study validates the presence of high-grade gallium in chloritized schist which implies that extraction process is expected to be simpler and cost-effective resulting potentially in lower opex and capex requirements. Nimy has assessed only ~10% of the target area indicating **significant potential of further discovery of gallium and other critical minerals i.e. copper, gold, nickel** at its Mons belt (district scale greenstone belt). We expect Nimy to generate cash through the cycle from the potential of high output combined with low opex and capex requirements which highlights the strong investment case.

Gallium prices poised to benefit from supply chain disruptions and demand across industries

We expect demand and prices of gallium to rise supported by heightened need of supply chain diversification post China's export restrictions and the increasing demand in end-uses across technology, renewable energy, and defence industry. The demand for gallium is predicted to grow at a CAGR of 24.5% (2025-2032). The market capturing opportunity is huge considering that China accounts ~98% of global gallium output and that supply diversification is utmost priority globally. We expect an upward trend in gallium prices in the future, a key catalyst for Nimy.

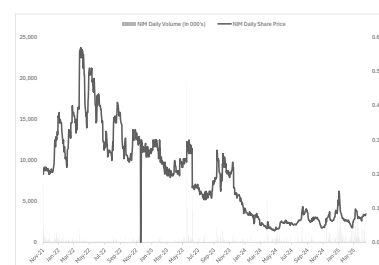
Valuation range of A\$0.17– A\$0.25 per share

To determine our fair valuation of Nimy, we apply peers-based avg. EV / Resource multiple on estimated gallium resources of 11.95 Mt. Our valuation conservatively incorporates the further potential gallium discovery at Mons and Cu, gold, nickel discovery at Masson project. **We highlight that our valuation is conservative given that NIMY's vast and prospective greenstone belt contains multiple Masson style deposits in the northern section of the tenement.**

Nimy Resources Valuation (A\$m)	Base Case	Bull Case
Gallium Measured resources	12.0 Mt	17.9 Mt
EV/Resource Multiple (A\$m/Mt)	2.94x	
Enterprise Value	35.1	52.7
Target Price (A\$)	0.17	0.25
Mid-point Target Share Price (A\$)	0.21	
Upside	+162%	

Date	13 May 2025
Share Price (A\$)	0.081
Target Price (A\$)	0.21
Market Cap (A\$m)	16.9
52-week L/H (A\$)	0.03 / 0.19
Free Float (%)	60.46%
Bloomberg	NIM AU
Reuters	NIM.AX

Price Performance (A\$)



Business description

Nimy Resources Limited (ASX: NIM) is a Perth-based exploration company focused on its Mons project in Western Australia. The company is currently focusing on Block 3 within Mons project for gallium exploration. It aims to establish the maiden JORC resource in 2025.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

Nimy Resources (ASX: NIM) is an exploration company which has discovered a new greenstone belt (Mons greenstone belt) in Yilgarn Craton, Western Australia. We see a compelling investment opportunity in Nimy Resources on the back of its highest-grade (within Australia) gallium discovery at intervals of 400-800 g/t within chloritized schists (validated by Commonwealth Scientific and Industrial Research Organisation (CSIRO) - an Australian Government agency). **We highlight that Nimy has tested only ~10% of its targeted area, thereby it is positioned well to gain from potential increases in gallium content at Block 3 East and remaining Mons Project which spans across 90x30 km area.** Additionally, we also see the potential discoveries of copper (Cu), gold (Au), and nickel (Ni) at Masson (part of Mons project) further increasing its upside potential. Nimy plans to establish a maiden JORC resource soon which is a key near-term catalyst in our view. We view Nimy's district scale landholding, favourable geology, first-mover advantage as key supporting factors to the investment opportunity.

Discovery of New Greenstone Belt

Nimy is pioneering the exploration of a new 90 x 30 km greenstone belt in the Tier 1 jurisdiction of Yilgarn Craton in Western Australia. Discovery of a new Mons greenstone belt spans across 3,004 square kilometres and is situated 370 km northeast of Perth and 140 km north-northwest of Southern Cross. The area lies between the well-established Forrestania greenstone belt to the south and the Younami granite greenstone terrane to the north which have been known for significant critical mineral deposits. The discovery of this greenstone belt represents significant opportunity for Nimy Resources considering its first mover advantage in the underexplored belt. Additionally, we consider the strategic geology benefits including proximity to road infrastructure, proximity to a public rail and port, and the known belts with rich deposits of critical minerals as a key strength for Nimy.

Breakthrough Discovery of Highest-Grade Gallium Intervals

Nimy has found highest-grade of gallium intervals at Block 3 East which is a part of its Mons project. Recent study conducted by CSIRO confirmed presence of high-grade gallium within chloritized schists and the early estimates suggest gallium within chlorite ranges from 400 to 800 g/t. Further drilling is planned to refine resource potential and advance towards a Mineral Resource estimate, with a low-end cut-off grade applied to various geological domains. Currently, the company has defined an exploration target of between 9.6 million tonnes and 14.3 million tonnes at an average grade of 39 g/t to 78 g/t gallium. We view these highest-grade gallium intervals recorded in Australia and the expected maiden JORC resource as key catalysts for Nimy resources.

Significant Opportunities from Unexplored Targeted Area

Nimy has tested only ~10% of targeted area where it has made highest-grade gallium discovery. However, it should be emphasized that there is significant unexplored targeted area where the potential to find higher quantities/concentrations of gallium; not just at Block 3 East, but also at the remaining Mons project is high. Additionally, the upside potential from the Masson project (part of Mons) from the discovery of other critical minerals such as copper, gold, and nickel are also strong. This is because the Mons Project has similar geological characteristics as the productive Forrestania and Kambalda nickel belts; suggesting potential for significant nickel and copper mineralization. The company is also investigating gold potential within the project area.

Presence of Multiple Masson Style Deposits represents Tremendous Resource Potential

We emphasize that NIMY's vast and prospective greenstone belt contains multiple Masson style deposits in the northern section of the Mons Project tenements. As such, the Masson intrusive

represents just one of five interpreted intrusive zones identified in the northern section of the Mons Project and the company has highlighted that these intrusive zones contain VTEM anomalies similar to those which led to the Masson discovery. Therefore there are prospects for the further future discovery of several similar promising intrusive zones as discovered in the high-grade Masson discovery for critical minerals including copper and nickel.

Strategic Advantages compared to Traditional Sources of Gallium

Conventionally gallium is extracted as a byproduct of bauxite (aluminium) and zinc ores and the extraction process requires substantial capital expenditure, and the process of extraction is complex and extraction rates are low, resulting in lower volumes of gallium. However, Nimy's discovery of gallium in chloritized schist results in a relatively simpler extraction process and requires lower capital expenditure and ongoing opex. Extracting gallium from chloritized schist at Block 3 is advantageous and significant potential reserves are expected to make the leaching process both cost-effective and efficient. This potentially ensures that both high-quality and substantial quantities of gallium can be obtained.

Rising Demand for Critical Minerals

Gallium is a critical mineral, and the prices of gallium witnessed a spike after China imposed export restrictions, particularly when China accounts for 98% of refined gallium output globally. The supply chain disruptions not only caused the gallium prices to increase but also reflected the need to diversify supply chain. The demand for gallium is also backed by the growth in end-use industries including technology, defence, renewable energy etc. We expect the growth in these industries to continue and therefore the positive outlook for demand of gallium and its prices. Additionally, the positive outlook for other critical metals copper, nickel, and platinum-group elements (PGEs) is backed by their essential roles in renewable energy, electric vehicles (EVs), and infrastructure development. Nimy Resources stands to benefit from these trends, as the rising demand and constrained supply enhance the value of their assets and exploration projects.

Tapping Latest Technology through Collaboration

Nimy Resources' collaboration with Curtin University in Western Australia for R&D is poised to significantly enhance the company's technological capabilities and competitive edge. This partnership leverages Curtin University's world-class research expertise to advance gallium-related research, development, and production. By engaging in joint research projects, promoting gallium-related innovations, and facilitating the exchange of knowledge and talent, Nimy can tap into cutting-edge technologies and methodologies. This collaboration not only supports the development of efficient and sustainable extraction processes but also strengthens Nimy's position in the critical minerals sector, ensuring a secure and advanced supply chain for high-value gallium applications in semiconductors, renewable energy, and defence systems.

Strategic Sales Agreements

Nimy is pursuing strategic agreements and partnerships to secure sales. Recent collaboration with US global critical minerals supply chain firm M2i Global Inc aims to supply high-value gallium to the US government's defence sector, particularly supporting the US Department of Defence's need for gallium in semiconductor production, radar, and aerospace technologies. We expect an advancement on these strategic sales agreements once next near-term milestones are achieved including establishing a maiden JORC resource.

Valuation: An EV/ Resource approach and a conservative premium indicates significant upside potential

We have utilized an asset-based valuation methodology based on peers' EV/Resources multiples to estimate the present value of the company's estimated exploration target of 11.95 Mt of gallium, applying a conservative premium to account for the high prospect for further potential discoveries of gallium at Block 3 East and the remaining Mons project as well as other critical minerals such as copper, gold, nickel at Masson.

We have assumed a six-year mine life for the Block 3 project, with the potential to extend by another couple of years through the conversion of the resources at the project into reserves by further drilling and studies. Production at Block 3 is assumed to commence in FY29.

Our model estimates that the company will incur operating expenses (net of R&D incentive/grants) of about A\$15 million between FY26 and FY28. We have also assumed that Nimy will be able to raise sufficient capital through equity injections and grants to maintain its operations. This expectation is based on the rising demand for Gallium, especially from sources other than China, and an anticipated successful maiden JORC resource by the end of 2025.

The Masson project, part of Nimy Resources' Mons Project, represents a significant growth opportunity for the company. Discovered through advanced geophysical surveys and drilling Masson has shown promising results with high-grade copper, nickel, cobalt, and PGEs mineralization. Initial drilling returned 5 meters at 0.73% nickel, 0.53% copper, 0.06% cobalt, and 0.55 g/t 2PGE from 102 meters. The project currently has a substantial strike length of 240 meters and depth of 216 meters, with mineralization remaining open in multiple directions. The presence of a molybdenum halo with drill intercepts of up to 804g/t (4m composite), and accompanying soil anomalies, suggests additional exploration targets. The Masson project's high potential and strategic importance enhance Nimy's overall asset value and growth prospects, making it a key driver for future development and valuation.

To estimate the present value of the company's gallium estimated resources, we have used an EV/measured resource multiple of 2.59x, which is the average of close peers and added a conservative premium of 35% due to the high potential for further discoveries of Gallium at Block 3 and the Mons project as well as the high potential for discoveries at the Masson project for other critical minerals including copper, gold, nickel to derive a valuation multiple of 2.94x, resulting in an EV range of A\$35.14m to 52.71m.

Our EV / Resource valuation methodology has valued Nimy at A\$0.17 per share in a base-case scenario and A\$0.25 per share in a bull-case scenario. Our midpoint target price of A\$0.21 per share indicates an 162% upside potential to the current share price of A\$0.08 per share.

We highlight that our valuation is conservative given that NIMY's vast and prospective greenstone belt contains multiple Masson style deposits in the northern section of the tenement.

The key risks to our investment thesis include volatility in commodity prices due to the current uncertain economic conditions and funding risks. We estimate that Nimy will need about A\$19 million of equity capital additional between FY26 and FY28. The other key risks are execution risk and geological risk, which are common for all mining companies.

We believe Nimy's share price can potentially re-rate towards our target price in the next twelve months as the company meets certain milestones, including announcements of favourable drilling results from the ongoing drilling campaigns.

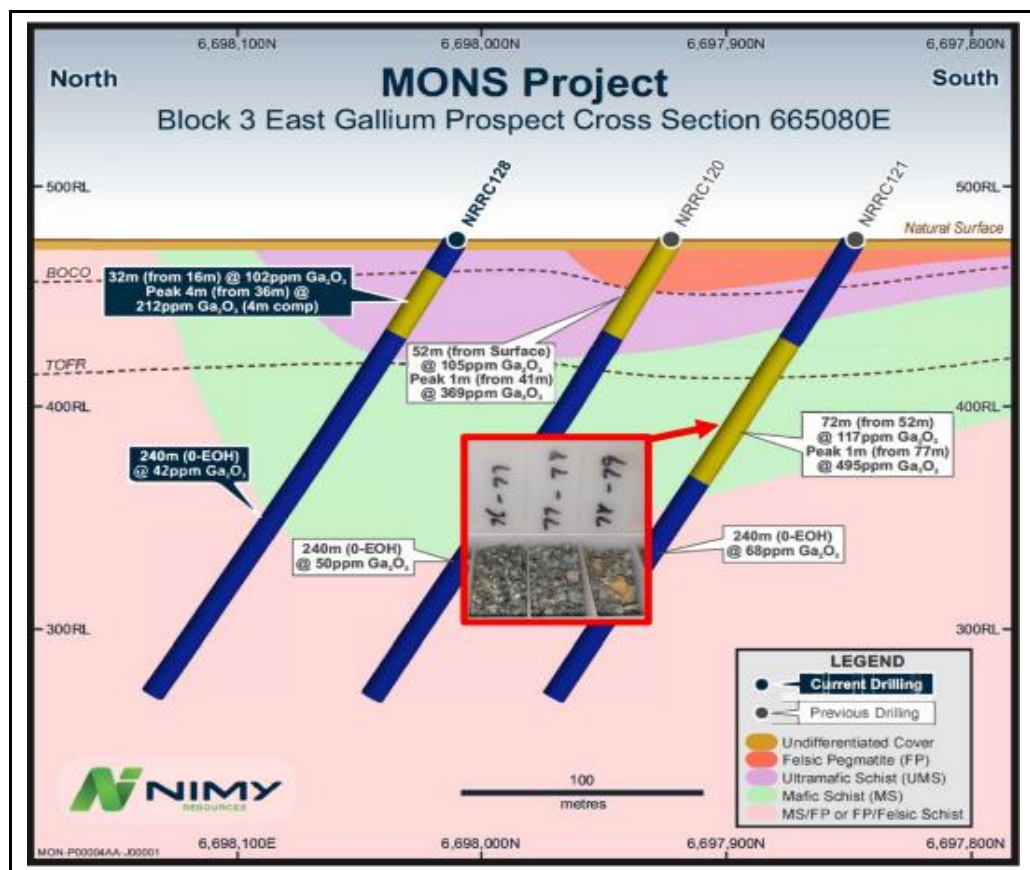
Nimy Resources: Gallium likely to Swing Fortunes

Discovery of highest-grade gallium mineralisation at Mons project at Block 3 East in Tier 1 jurisdiction of Western Australia is a potential transformative asset for Nimy Resources, with no comparable grades and intervals recorded in Australia. Gallium is listed as a critical metal by major geographies including Australia, USA, EU, India, Japan, Republic of Korea, and the UK and is essential for use in electric vehicles, charging infrastructure, defence systems, and renewable energy. The Block 3 East Gallium prospect has revealed exceptional near-surface, high-grade gallium mineralisation extending over an area measuring 250m by 150m; the mineralisation remains open, and the host geology extends for several kilometres. Nimy has defined targets for gallium exploration between 9.6 Mt to 14.3 Mt with an average grade ranging from 39g/t to 78g/t Ga.

The study undertaken by CSIRO characterised high-grade fresh rock samples from Block 3 Prospect, confirming the presence of gallium mineralisation in a chloritized schist. These latest results support the advancement towards first metallurgical tests covering ore characterisation, gallium recovery analysis, extraction methods, and flowsheet development which are about to commence at Curtin University (following a research-related MoU between Nimy and the Curtin university).

Nimy Resources' strategic plan for 2025 is aimed at establishing a maiden JORC (Australian Joint Ore Reserves Committee) compliant resource at its Block 3 gallium discovery in Western Australia and is a key next step.

Figure 1: Block 3 East - Drill Section including rock chips NRRC121 76-79m interval



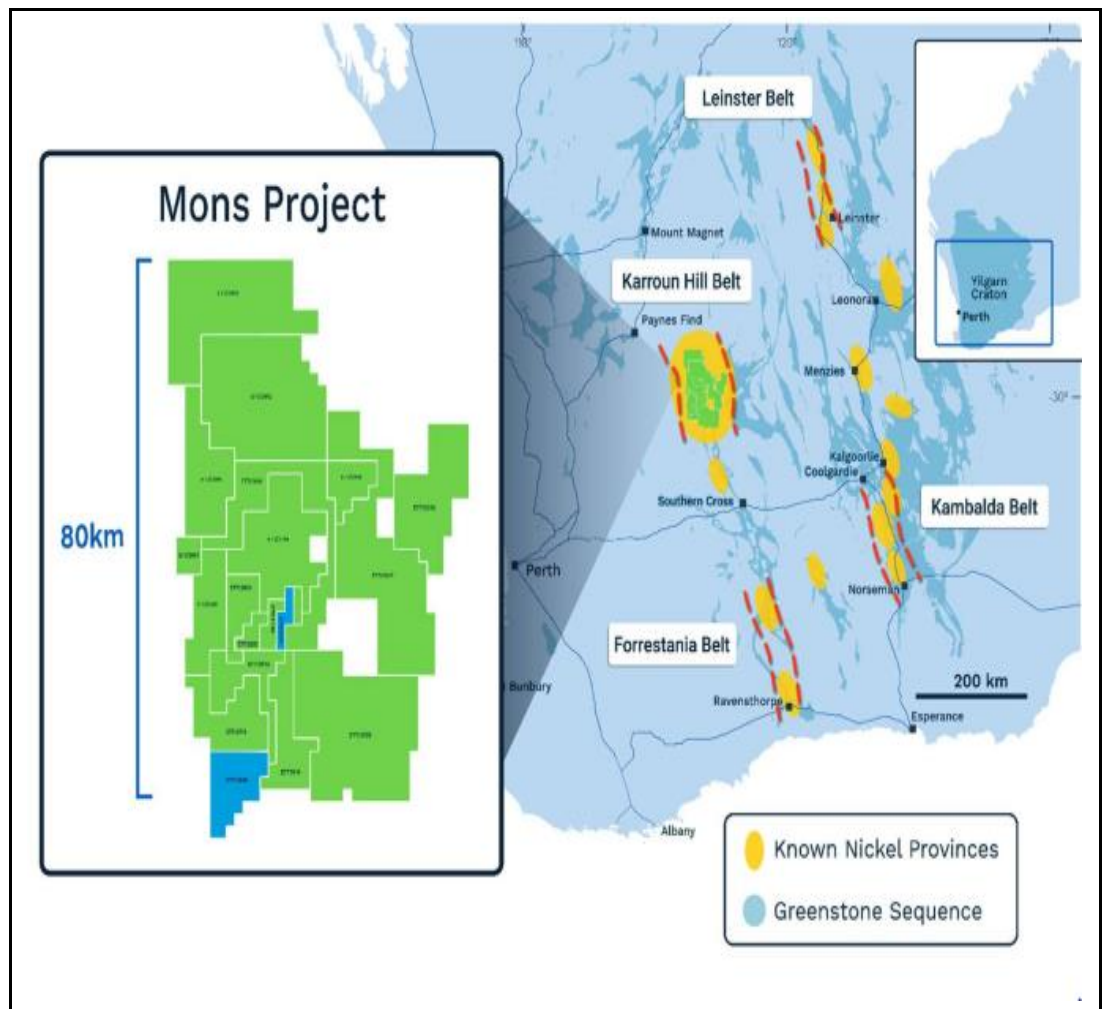
Source: Company

Mons Project: Breakthrough Gallium and Copper-Nickel-PGE Prospect

The breakthrough discovery of Masson (Copper - Cu, Nickel - Ni, Cobalt - Co, Gold - Au, & Platinum Group Elements - PGE's) and Block 3 East (Gallium - Ga) both are part of the Mons belt which offers multi-commodity potential to generate cash through the cycle.

Nimy has prioritised the development of its Mons belt, which spans across ~90km x 30km over 17 tenements with a north/ south strike of 80km of mafic and ultramafic sequences which are known to host significant mineral deposits covering the Karroun Hill district at the northern end of the Forrestania belt. The geological setting is particularly significant as the company has indicated that the project area contains similar key geology and favourable structures to those found in the nickel sulphide deposits within both the Forrestania and Kambalda nickel belts.

Figure 2: Mons Project and Tenement Location on the Yilgarn Craton in Western Australia



Source: Company

Strategic location:

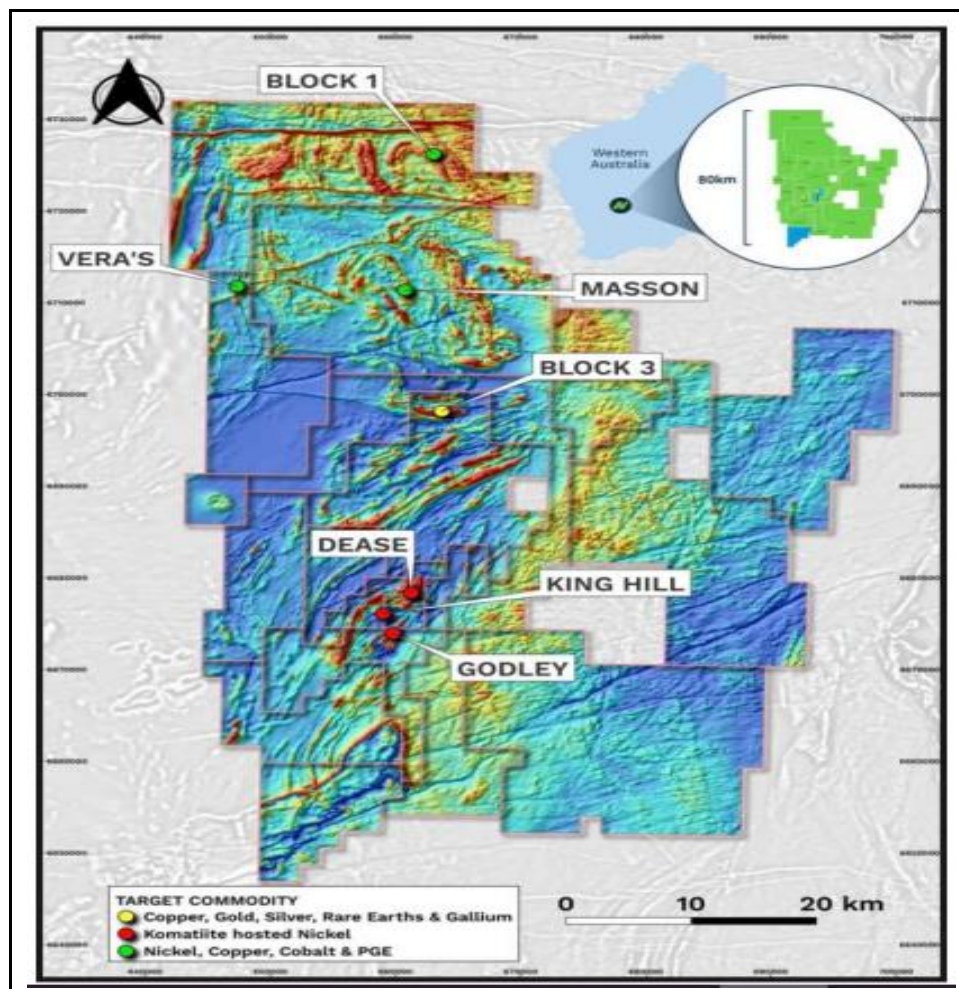
The Mons Project is strategically positioned in Western Australia's Yilgarn Craton, approximately 370 km northeast of Perth and 140 km north-northwest of Southern Cross. The project benefits from proximity to the Great Eastern Highway, a major freight corridor linking Perth to Kalgoorlie and the eastern states. Recent upgrades between Southern Cross and Ghooli (22 km) as well as the planned upgrades between Ghooli to Coolgardie (79 km) will enhance road safety and freight efficiency. These improvements reduce transportation costs for equipment and future mineral shipments, aligning with Western Australia's focus on upgrading regional infrastructure to

support mining activities. The Eastern Goldfields Railway passes through Southern Cross, connecting Perth to Kalgoorlie and forming part of the interstate standard gauge network. This rail line facilitates bulk freight transport, with Southern Cross serving as a key junction. The railway's capacity to handle heavy loads makes it ideal for transporting ore to Perth's ports or processing facilities. The Goldfields Gas Pipeline (GGP), a 1,378 km transmission pipeline, delivers natural gas from the Pilbara region to Kalgoorlie. While the GGP does not directly service the Mons Project, its presence in the region underscores access to energy infrastructure, critical for potential future processing plants. The Goldfields Water Supply Scheme, operational since 1903, channels water from Mundaring Weir (Perth) to Kalgoorlie via a 530 km pipeline. Southern Cross is a key node along this pipeline, ensuring reliable water access for drilling and processing activities-a critical advantage in Western Australia's arid interior.

Proximity to established mining regions:

The Mons Project lies within the Yilgarn Craton's Murchison Domain, adjacent to the Forrestania nickel belt and Kambalda nickel fields. These regions host world-class komatiite-hosted nickel deposits, providing geological analogy for Nimy's exploration targets.

Figure 3: Mons project tenement map magnetics with prospects



Source: Company

Expanding Tenements Portfolio

Nimy holds an extensive tenement portfolio within Western Australia's Yilgarn Craton, primarily focused on its flagship Mons Project. The company controls 17 granted tenements spanning 3,004 km². These tenements are strategically positioned 370 km northeast of Perth, covering a north-south strike of approximately 80 km in the Archean Murchison Domain of the Youanmi Terrane. The portfolio has expanded from 15 tenements (2,564 km²) in 2023 to 17 granted tenements by 2025, reflecting ongoing acquisitions and approvals.

Figure 4: Tenement Schedule

Tenement	Commence	Expiry	Area (Blocks)	Approx. Area Ha	Locality	Status
E77/2255	10-Mar-15	9-Mar-25	7	1,960	Mount Jackson	Approved
E77/2332	4-Jul-16	3-Jul-26	32	8,960	Mount Jackson	Approved
E77/2438	9-Oct-17	8-Oct-22	16	4,480	Mount Jackson	Approved
E77/2683	29-Mar-21	28-Mar-26	9	2,520	Mount Jackson / Karroun Hill	Approved
E77/2714	15-Apr-21	14-Apr-26	75	21,000	Mount Jackson West	Approved
E77/2741	7-Jul-21	6-Jul-26	41	11,480	Mount Jackson / Karroun Hill	Approved
E77/2810	20-Jan-22	19-Jan-27	66	18,480	Karroun Hill NR East	Approved
E77/2811	20-Jan-22	19-Jan-27	37	10,360	Karroun Hill NR East	Approved
E77/2812	20-Jan-22	19-Jan-27	135	37,800	Karroun Hill NR East	Approved
E77/2813	28-Jan-22	27-Jan-27	112	31,360	Karroun Hill NR East	Approved
E77/2818	28-Jan-22	27-Jan-27	20	5,600	Karroun Hill NR East	Approved
E77/2833	28-Jan-22	27-Jan-27	20	5,600	Mount Jackson	Approved
E77/3015	19-Jul-202	18-Jul-28	51	14,280	Mount Jackson	Approved
E77/3104	9-Feb-24	8-Feb-29	35	9,800	Mount Jackson	Approved
E77/2938	3-Jul-23	3-Jul-28	146	40,880	Kawana	Approved
E77/2936	3-Jul-23	3-Jul-28	70	19,600	Menzies	Approved
E77/2937	3-Jul-23	3-Jul-28	30	36,400	Kawana North	Approved
E77/3240	24-Jul-24	-	35	9,800	Mt Jackson	Pending
E77/3241	26-Jul-24	-	6	1,680	Mt Jackson	Pending

Source: Company

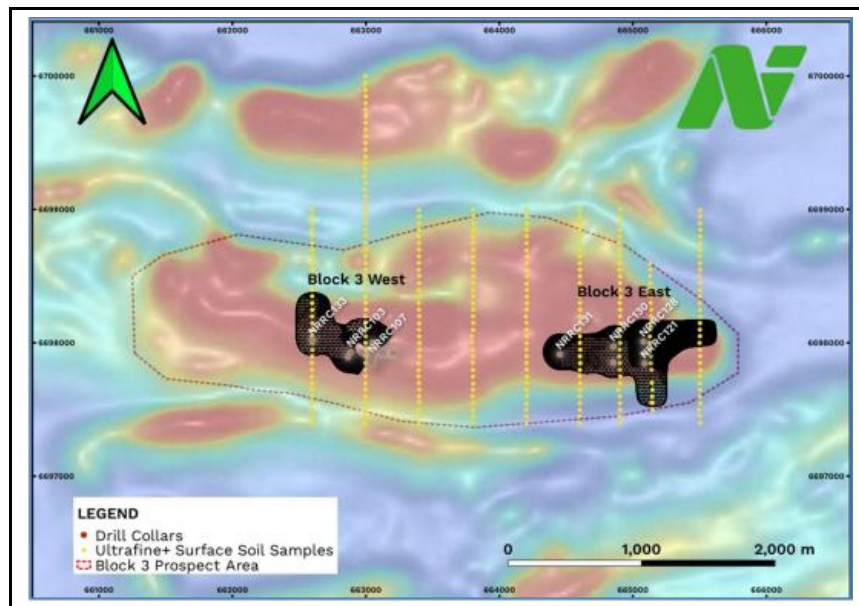
Gallium – Block 3

Nimy has made high-grade gallium discovery at Block 3 within its Mons Project in Western Australia. The discovery extends from the surface and high-grade mineralisation has been encountered over a 160m strike length which also remains open. Additionally, high-grade gallium has been intersected in two drill holes exceeding 220 m to the west. The drilling has revealed multiple intervals of gallium exceeding 100 ppm, including 72 m intervals at 117 ppm Ga₂O₃. The defined target area spans approximately 3 km x 1.5 km.

Nimy's discovery is supported by ~350 soil samples with a mean concentration of 22.38 ppm, peaking at 35.5 ppm. Soil sampling further suggests significant potential to grow the size of the discovery in the future.

Nimy's exploration target has increased the potential resource area at Block 3 East to 1,350 m x 650 m and at the Block 3 West saprolite domain to 700 m x 700 m. There is an immediate opportunity to drill an untested 1,200m x 600m corridor between the two targets with a series of shallow holes, potentially extending the Ga-enriched saprolite and saprock domains.

Figure 5: Block 3 Prospect - Surface Assays (Yellow), Drill Collars (Red) & Exploration Target Footprint (Black)



Source: Company

Recent drill results show promising quality of deposits

The highest-grade was recorded at the Block 3 East (D1) Saprock and Schist geological domains with an upper Ga grade range of 116g/t and 174g/t Ga, respectively, indicating that the grade increases with depth.

Promising drill results:

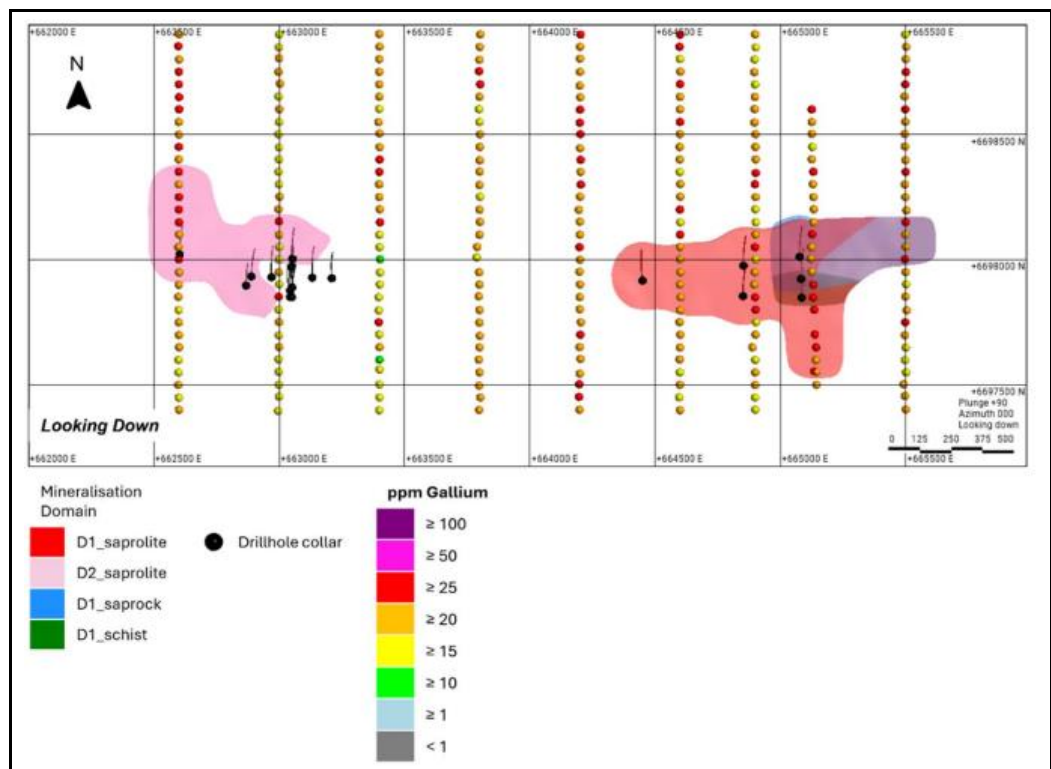
- RC hole NRRC0120 returned highly anomalous gallium with 240 metres (0-240m eoh) @ 50g/t Ga_2O_3 including a highly anomalous zone of 52m @ 105g/t Ga_2O_3 , peak value 1m @ 369g/t Ga_2O_3 .
- RC hole NRRC0121 returned highly anomalous gallium with 240 metres (0-240m eoh) @ 68g/t Ga_2O_3 including a highly anomalous zone of 72m @ 117g/t Ga_2O_3 , peak value 1m @ 495g/t Ga_2O_3 .
- Hole 24NRRC0128 returned 32m @ 102g/t Ga_2O_3 from 16-48m, peak value 4m @ 212g/t Ga_2O_3 (4m composite) from 32m.
- Hole 24NRRC0129 returned 8m @ 102g/t Ga_2O_3 from 160m, peak value 4m @ 110g/t Ga_2O_3 (4m composite) from 160m.
- Hole 24NRRC0130 returned 12m @ 99g/t Ga_2O_3 from surface, peak value 4m @ 127g/t Ga_2O_3 (4m composite) from 8m, and 8m @ 118g/t Ga_2O_3 from 84m peak value 4m @ 198g/t Ga_2O_3 (4m composite) from 88m.

Mineralogical studies by CSIRO

CSIRO's preliminary characterisation completed to date on the Block 3 high-grade zone, indicates the gallium mineralisation is hosted within chloritized schists, with total Ga assay concentrations in fresh rock ranging from 100 to 300 g/t. The mineralogy of the schists is relatively simple, comprising talc, chlorite, with minor amounts of quartz and amphibole. Preliminary compositional analyses indicate that chlorite is the primary host for gallium, early estimates suggest gallium within chlorite ranges from 400 to 800 g/t.

Overall, mineralogical studies by CSIRO confirm gallium incorporation into chlorite-group minerals within the schist matrix, a favourable setting for conventional extraction methods. The deposit's shallow nature (mineralization starts at surface) and consistent thickness reduce stripping ratios, enhancing economic viability.

Figure 6: Mineralisation Domains in Section 663050 E – Block 3 East (Looking East)



Source: SLR, Company

The Discovery

VTEM and MLEM surveys conducted by Nimy identified electromagnetic anomalies within Block 3. The western part of Block 3 was drill tested and returned copper, silver, gold in massive sulphides, indicating potential for a large mineralized system. The eastern part of Block 3 was drill tested and returned a zone of high-grade gallium.

Drilling and Soil Sampling:

Follow Up Drilling: The 24NRRC0128 drill hole extended the near-surface high-grade gallium strike length intersected previously to 160 meters and was repeated 220 meters to the west in holes 24NRRC0129 and 24NRRC0130.

Soil Sampling: Western drill lines extended the anomaly 240 meters from the original NRRC0120 and NRRC0121 drill holes. Soil sampling extended the anomalous zones to approximately 900m x 650m. Further interpretation of soil samples is underway, with a probable western extension approximately 2.4 km west of the original drill holes, reaching a peak value (in soil sample) of 38 g/t.

Geology:

Block 3 East lies 14.2km south of the Masson copper-nickel-PGE discovery, forming part of a 53.5km mineralized corridor within the 80km-long Mons Greenstone Belt. Prior to Nimy's involvement (pre-2021), the area was erroneously mapped as granite, with historical exploration limited to cursory gold prospecting. The absence of previous gallium-focused work underscores the project's greenfield status, with Nimy's systematic approach (VTEM surveys, soil geochemistry) enabling discovery.

Next steps:

- **First metallurgical tests, which are about to commence at Curtin University (research-related MoU):** The Curtin University will undertake metallurgical test work covering ore characterisation, gallium recovery analysis, extraction methods, and flowsheet development. The Curtin University agreement is supported by the Resources Technology and Critical Minerals Trailblazer, funded by the Department of Education. Curtin University is partnering with Nimy Resources to manage this initiative through its Industry Exchange program. The Curtin University Western Australian School of Mines will facilitate the test work and studies at its Kalgoorlie Campus.
- **Drilling at the Block 3 prospect, testing potentially high-grade and near-surface mineralisation along strike to commence in early-May:** Drilling and metallurgy results will underpin a maiden JORC Resource in 2025. SRK Consultants' technical geology specialists have been appointed to oversee the gallium resource definition process, acting as Competent Person to establish a gallium resource at Block 3 compliant with JORC standards.

Nimy is actively progressing discussions with strategic partners and end-users to support the ongoing development of the unique Block 3 gallium discovery.

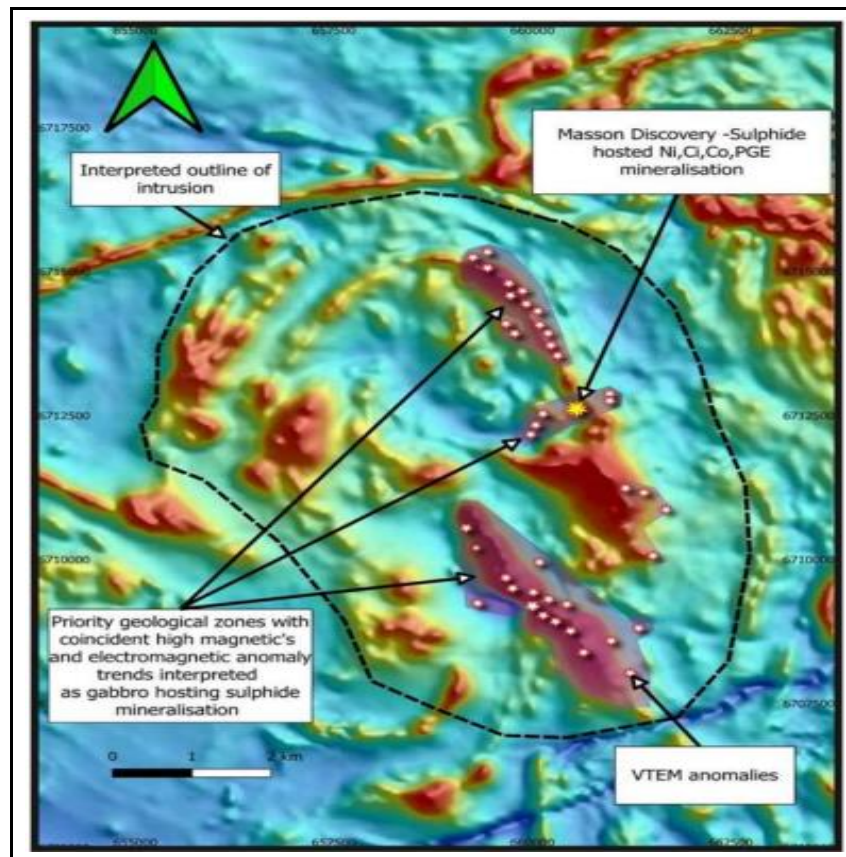
Masson Discovery - Hosting High-Grade Copper-Nickel-PGE Mineralization

The Masson project area is characterized by the indicated presence of copper, cobalt, nickel, accompanied by PGEs (palladium, platinum) and silver within broader zones of massive and semi-massive sulphides. A distinctive molybdenum halo (up to 804 g/t in 4m composites) surrounds the copper lens, serving as a critical pathfinder for mineralization. The sulphide system extends along a 550m × 175m electromagnetic anomaly, open at depth and along strike.

The Discovery:

In 2023, Masson project area discovery was facilitated by a combination of Versatile Time Domain Electromagnetic (VTEM) and Moving Loop Electromagnetic (MLEM) surveys, which identified conductive plates along a contact zone defined by magnetic anomalies. It was the first of the five interpreted zones in the north Mons project. Conductive plates were identified, drilled and followed up with Downhole Electromagnetic (DHEM), the first hole (23NRRC100) returned 5m @ 0.73% Ni, 0.53% Cu, 0.06% Co and 0.55 g/t 2PGE from 102m.

Figure 7: Masson Discovery relative to mineralised extensions

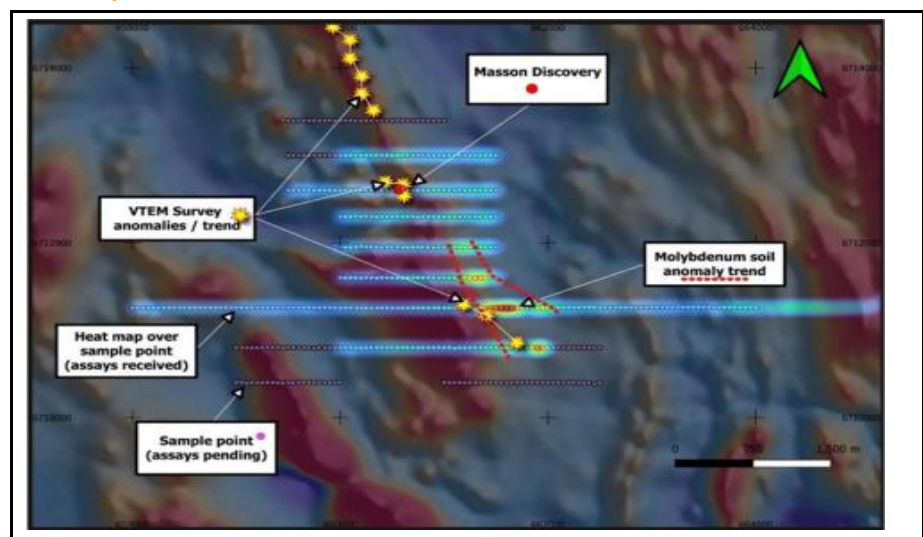


Source: Company

Soiling:

Systematic soil sampling has revealed a 1.4-kilometer molybdenum anomaly south of the Masson discovery, aligning with VTEM identified targets. This geochemical halo, with molybdenum values up to 11.8 g/t in soils, correlates with subsurface copper-nickel mineralization and guides exploration targeting. Ultrafine+™ soil analysis techniques have further delineated a 3.1km magnetic-EM trend north of Masson, highlighting potential extensions.

Figure 8: Masson Prospect Soil sampling (assays received and pending) over heat map showing a molybdenum trend, relative to Masson discovery and VTEM anomaly trend



Source: Company

Promising drill results:

»The first hole – the discovery intersection – reverse circulation hole (23NRRC0100) intersected 10 metres of disseminated to massive style sulphide mineralisation:

» 10m from 98m @ 0.42% nickel, 0.39% copper, 0.04% cobalt and 0.32g/t PGE's (Pt, Pd) including 5m @ 0.73% nickel, 0.53% copper, 0.06 % cobalt and 0.55g/t PGE's (Pt Pd) from 102m.

Follow up diamond hole (23NRDD008) – intersected a 54-metre sulphide mineralised zone from 126m as predicted by the EM model, assay highlights include: 5.5m from 126.5m @ 0.36% nickel, 0.27% copper, 0.04% cobalt and 0.25g/t PGE's (Pt, Pd) including 2m from 130m @ 0.66% nickel, 0.42% copper, 0.07% cobalt and 0.57g/t PGE's (Pt, Pd) and 1m from 130m @ 0.81% nickel, 0.46% copper, 0.07% cobalt and 0.53g/t PGE's (Pt, Pd) 2m from 136.5m @ 0.37% nickel, 1.07% copper, 0.07% cobalt and 0.27g/t PGE's (Pt, Pd) including 1m from 137m @ 0.40% nickel, 1.49% copper, 0.10% cobalt and 0.29g/t PGE's (Pt, Pd) and 0.5m from 137m @ 0.35% nickel, 2.05% copper, 0.17% cobalt and 0.33g/t PGE's (Pt, Pd)

24NRRC0124

13m @ 0.62% Cu, 0.36% Ni, 0.04% Co, 0.25 g/t PGE (Pt & Pd), 2.30g/t Ag (1.33% CuEq) from 126m including: o 2m @ 1.05% Cu, 0.15% Ni, 0.03% Co, 0.14 g/t PGE (Pt & Pd), 5.28g/t Ag (1.38% CuEq) from 126m. o o 2m @ 1.03% Cu, 0.38% Ni, 0.04% Co, 0.18 g/t PGE (Pt & Pd), 3.30g/t Ag (1.76% CuEq) from 130m. 2m @ 0.26% Cu, 0.72% Ni, 0.06% Co, 0.46 g/t PGE (Pt & Pd), 0.74g/t Ag(1.63% CuEq) from 136m.

24NRDD0125

5.58m @ 1.27% Cu, 0.42% Ni, 0.06% Co, 0.32 g/t PGE (Pt & Pd), 4.32g/t Ag (2.13% CuEq) from 230.52m including: o o o 1.28m @ 0.15% Cu, 0.87% Ni, 0.06% Co, 0.63 g/t PGE (Pt & Pd), 1.14g/t Ag (1.78% CuEq) from 230.52m. 1.20m @ 1.01% Cu, 0.21% Ni, 0.02% Co, 0.11 g/t PGE (Pt & Pd), 5.52g/t Ag (1.40% CuEq) from 231.8m. 2.65m @ 2.09% Cu, 0.37% Ni, 0.09% Co, 0.33 g/t PGE (Pt & Pd), 10.17g/t Ag (2.95% CuEq) from 233.5m.

24NRDD0126

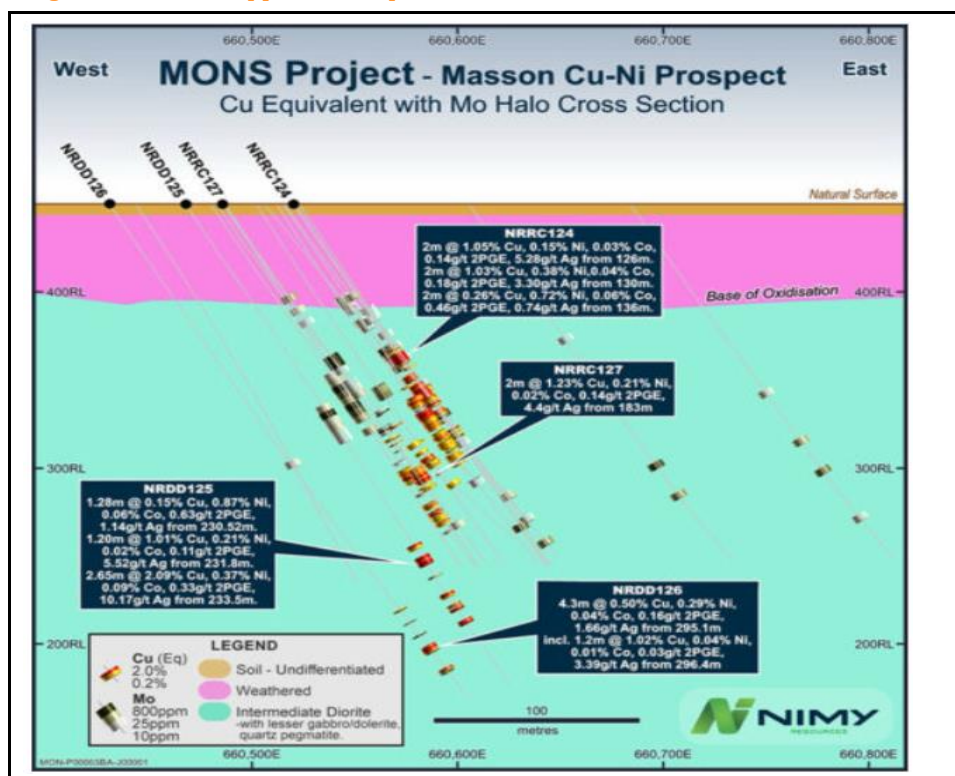
4.3m @ 0.50% Cu, 0.29% Ni, 0.04% Co, 0.16 g/t 2PGE, 1.66g/t Ag (1.08% CuEq) from 295.1m including: o 1.2m @ 1.02% Cu, 0.04% Ni, 0.01% Co, 0.03g/t 2PGE, 3.39g/t Ag (1.12% CuEq) from 296.4.

1.3m @ 0.38% Cu, 0.27% Ni, 0.05% Co, 0.20g/t 2PGE, 2.76g/t Ag (0.96% CuEq) from 310.4m.

24NRRC0127

11m @ 0.36% Cu, 0.21% Ni, 0.02% Co, 0.15 g/t PGE (Pt & Pd), 1.31g/t Ag (0.77% CuEq) from 176m including: o 1m @ 0.19% Cu, 0.64% Ni, 0.04% Co, 0.41 g/t PGE (Pt & Pd), 0.16g/t Ag.

Figure 9: Masson Copper-Ni Prospect



Source: Company

Figure 10: Massive sulphide intersections (128-138m marked by wooden pegs; NRRC124 R/C Drill piles)



Source: Company

The Copper lens extends vertically from 126m to 298m downhole (172m interval), with grades exceeding 1% copper in all four 2024 drill holes. Mineralization spans 240m strike length and 62m downhole width, remaining open.

A molybdenum halo is present above and around the Copper mineralisation, molybdenum is a reliable pathfinder to copper mineralisation.

The Masson discovery is within an interpreted intrusive stretching 6kms across by 9kms long one of 5 such geological settings (all containing similar VTEM responses).

Nimy Resources: Corporate Overview

Nimy Resources Limited (ASX: NIM) is an emerging Australian exploration company strategically positioned to capitalize on the growing demand for critical minerals. Headquartered in Perth, Western Australia, and incorporated in 2012, Nimy listed on the Australian Securities Exchange in 2021 and currently boasts a market capitalization of approximately A\$17 million. Nimy is also listed, or can be traded, on five German exchanges under the ticker P4G.

Nimy's flagship asset, the Mons Project, is a district-scale landholding in Western Australia's highly prospective Yilgarn Craton – one of the world's premier mining jurisdictions. As a first mover in exploring a new greenstone belt, Nimy commands a significant competitive advantage, unlocking untapped mineral potential across a Tier 1 region.

Originally focused on nickel, copper, cobalt, and platinum group elements (PGEs), Nimy has recently pivoted to leverage its significant gallium discovery. This strategic shift aligns with robust global market trends, as gallium – an essential input for semiconductors, defence, radar, and aerospace technologies – is forecast to clock a CAGR of 24.3% from 2024 to 2034. By targeting gallium, Nimy is positioned at the forefront of a rapidly expanding market driven by technological innovation and supply chain security concerns.

The company is led by Managing Director and Executive Director Neville Luke Hampson, who has provided consistent leadership since Nimy's inception. Under his guidance, Nimy Resources is advancing its exploration initiatives and building shareholder value through discovery and development in one of the world's most attractive mining environments.

Capital Funding Snapshot:

Nimy Resources has been active in securing equity capital to advance its critical minerals portfolio, particularly targeting gallium, copper, nickel, and lithium at its flagship Mons Project in Western Australia. Below is an overview of the company's most recent and significant capital raising activities, highlighting amounts and strategic use of funds.

- **February 2025 Share Placement:** Raised A\$ 1.15 million, to undertake a 22-hole program at the high-grade Block 3 gallium discovery, where Nimy has already outlined extensive mineralisation; along with general working capital requirements.
- **December 2024 Share Placement:** Raised A\$ 0.68 million, for ongoing exploration of Gallium, Copper and other critical metals at the Mons Project in Western Australia, and for general working capital purposes.

Key strategic initiatives include:

Collaboration with M2i Global Inc.: In February 2025, Nimy executed a strategic, nonbinding collaboration agreement with US global critical minerals supply chain firm M2i Global Inc. The partnership aims to supply high-value gallium to the US government's defence sector, particularly supporting the US Department of Defence's need for gallium in semiconductor production, radar, and aerospace technologies.

Academic Partnership: The company is collaborating with Curtin University to develop efficient processing techniques for gallium and establish a trusted supply chain for this critical mineral.

Resource Definition Focus: Nimy is working toward defining a maiden JORC-compliant

gallium mineral resource at the Block 3 East prospect which would represent a significant milestone for the company.

Gallium – The Rising Demand

Gallium is on the critical metal list for Australia, USA, EU, India, Japan, Republic of Korea, and the UK. Gallium is needed to produce gallium nitride (GaN), used in the manufacture of LEDs, magnets, integrated circuits, and solar panels. GaN-based chips can handle higher amounts of power than silicon, making them more efficient and durable. Demand is projected to accelerate, particularly for gallium arsenide (GaAs) and gallium nitride (GaN) semiconductors, while supply remains constrained by the metal's status as a byproduct of bauxite and zinc mining.

The demand for gallium is expected to increase significantly, with the market predicted to grow from USD 3.7 Bn in 2025 to USD 17.0 Bn by 2032, representing a CAGR of 24.5% (as per Persistence Market Research).

Before China's restriction on rare earth minerals, the concentration of gallium production was overwhelmingly dominated by China, which accounted for 98% of global production. Other countries like Russia, Japan, and South Korea had minimal contributions.

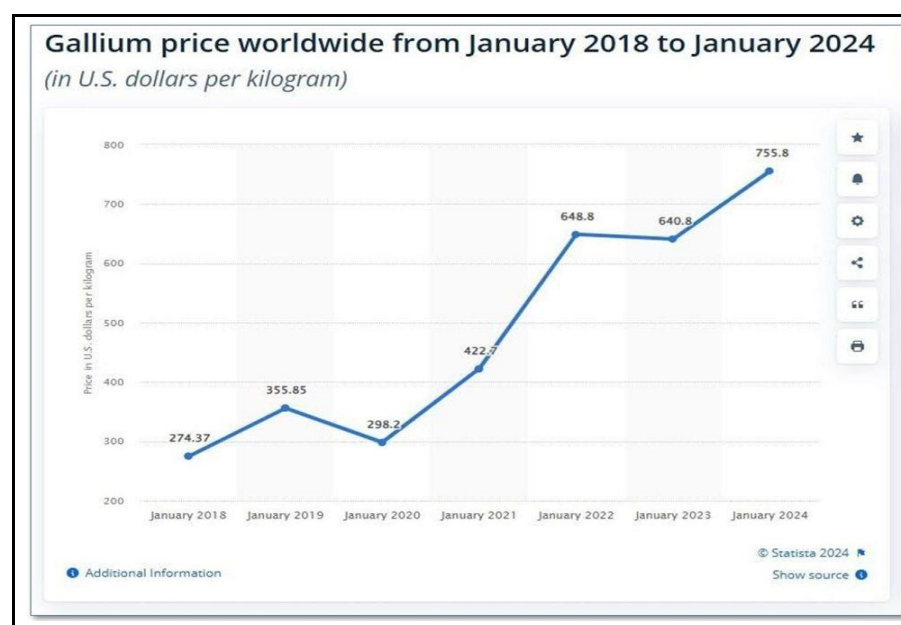
In response, the world is pivoting and exploring new sites for gallium production and refining. Efforts are being made globally to diversify supply chains and reduce dependency on a single country for critical minerals.

Increasing Gallium prices:

- Geopolitical tensions and supply chain disruptions
- Expanding use of gallium in high-performance electronic devices, telecommunications, and green technologies
- The heightened defence spending – gallium is a critical component in advanced military technologies such as radar systems, missile guidance, and electronic warfare.

Gallium prices have displayed considerable volatility over the past decade, with a pronounced upward trend since 2021 when prices began to climb steeply, more than doubling by 2024. This surge was catalysed by a combination of pandemic-related supply disruptions, growing demand for semiconductors, and, most critically, China's imposition of export controls on gallium in August 2023. By early 2025, prices neared US\$1,000 per kilogram, representing a nearly fourfold increase from 2018 levels.

Figure 11: Gallium Prices Over Last 5 Years



Source: [Gallium price 2024 | Statista](#)

End-use:

Gallium's primary use is in the electronics industry, particularly in the manufacture of compound semiconductors. The following table summarizes the distribution of gallium consumption by end use, with a focus on the United States as a representative advanced economy.

Gallium arsenide (GaAs) and gallium nitride (GaN) semiconductors: Used in integrated circuits, high-frequency and power electronics, LEDs, laser diodes, and solar cells.

Optoelectronics: Includes LEDs, laser diodes, and photodetectors, essential for telecommunications, data transmission, and consumer electronics.

Photovoltaics: Gallium is used in high-efficiency, multi-junction solar cells for satellites and specialized terrestrial applications.

Defence and aerospace: GaN and GaAs chips are critical for radar, satellite communications, and military electronics.

Figure 12: Gallium Consumption by End Use (U.S., 2022)

End Use	Consumption (kg)	Share (%)
Analog Integrated Circuits	13,800	70
Optoelectronic Devices	4,900	25
Research & Development	1,000	5
Total	19,700	100

Source: Statista, USGS

Gallium as a critical mineral:

Gallium's unique properties, such as its low melting point (29.76°C) and superior electron mobility in its semiconductor compounds (gallium arsenide, GaAs; gallium nitride, GaN), make it indispensable for high-frequency electronics, LEDs, and power devices. It outperforms silicon in efficiency and heat resistance, making it crucial for 5G technology, solar cells, electric vehicles (EVs), and aerospace applications. Additionally, gallium's versatility extends to its use in alloys, thermometers, and as a mercury substitute in niche applications, ensuring strong demand driven by the rising adoption of renewable energy, 5G, and EVs.

Despite these advantages, gallium's supply is limited by its natural abundance, as it is primarily a byproduct of bauxite and zinc ore processing, tying its availability to other industries. The extraction and refining processes are energy-intensive and costly, limiting scalability. Furthermore, supply constraints and demand fluctuations lead to price volatility, which can affect industries that require cost stability. Cheaper silicon-based alternatives, although less efficient, pose competition in cost-sensitive applications.

The expanding electronics market, driven by the growth of 5G, IoT, EVs, and renewable energy, increases the demand for GaAs and GaN in chips, solar panels, and power electronics. Emerging technologies such as quantum computing, flexible electronics, and advanced sensors present new revenue streams for gallium. Advances in recycling gallium from e-waste could reduce reliance on primary sources and lower costs. Additionally, geopolitical diversification, prompted by supply chain disruptions like China's export restrictions, may lead to new partnerships and investments.

However, supply chain risks are significant, with China controlling over 90% of the global gallium supply and imposing export restrictions in 2024, disrupting availability. Environmental concerns arise from the significant waste generated during bauxite-derived gallium extraction, which invites regulatory scrutiny. Economic slowdowns can reduce demand for electronics, impacting

gallium consumption. Moreover, technological advancements in alternative materials such as silicon carbide and graphene could diminish gallium's market share, posing a threat to its long-term viability.

Global Production Landscape

Globally, primary gallium is recovered as a byproduct of processing bauxite (aluminium ore) and zinc ores. The global supply is highly concentrated, with China dominating both primary and refined gallium output.

Figure 13: Gallium Output by Region

<u>World Low-Purity Production and Production Capacity:</u>			
	<u>Primary production</u>		<u>Production capacity</u>
	<u>2023</u>	<u>2024^e</u>	<u>2024</u>
United States	—	—	—
China	⁴ 621,000	⁴ 750,000	1,000,000
Japan ^e	3,000	3,000	10,000
Korea, Republic of ^e	3,000	3,000	16,000
Russia ^e	6,000	6,000	10,000
Other countries ⁵	—	—	^e 88,000
World total (rounded)	633,000	760,000	^e 1,100,000

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2025

Planned Mining Projects

Several new projects and expansions are underway or proposed to diversify supply:

United States (Montana): The USGS has identified high-grade gallium deposits, and feasibility studies are underway to assess domestic production potential.

Australia (Queensland Bauxite Hills Mine): Metro Mining Limited's \$30 million project includes gallium recovery.

Guinea (Koumbia Bauxite Project): A \$1 billion project aiming to increase bauxite output, with gallium recovery as a byproduct.

Laos (Dakcheung Bauxite-Alumina Complex): Vietnam-backed, \$1 billion investment to increase alumina and gallium production.

Cu, Ni, PGE – The consistent demand and supply tussle:

Copper, Nickel, and platinum-group elements (PGEs) are also on the critical metal lists for many countries, including Australia, the USA, the EU, India, Japan, the Republic of Korea, and the UK. These metals are essential for various high-tech and green energy applications, making them indispensable in the modern economy.

Copper is crucial for electrical wiring, plumbing, and electronics due to its excellent conductivity and malleability. It plays a vital role in renewable energy technologies, electric vehicles (EVs), and

the broader energy transition. The demand for copper is projected to rise significantly, driven by the expansion of green technologies and infrastructure development

However, the supply chain is vulnerable to geopolitical risks, with major production concentrated in countries like Chile, Peru, and China

Efforts are underway globally to diversify supply chains and reduce dependency on a few key producers.

Nickel is vital to produce stainless steel and batteries, particularly in EVs. Its high energy density and ability to withstand extreme temperatures make it a key component in lithium-ion batteries. The growing EV market and renewable energy sector are expected to drive nickel demand, with the market projected to grow substantially in the coming years.

However, nickel mining and processing are energy-intensive and environmentally challenging leading to concerns about sustainability and regulatory scrutiny.

Countries are exploring new sites for nickel production and refining to ensure a stable supply.

Platinum-group elements (PGEs), including platinum, palladium, rhodium, ruthenium, iridium, and osmium, are known for their exceptional catalytic properties and resistance to corrosion. They are crucial in automotive catalytic converters, which reduce harmful emissions, and in various industrial applications such as chemical manufacturing and electronics.

The demand for PGEs is expected to increase with the tightening of emission standards and the growth of hydrogen fuel cell technology.

However, the supply of PGEs is highly concentrated, with South Africa and Russia being the primary producers, posing significant supply chain risks.

Global efforts are focused on diversifying sources and developing new mining technologies to mitigate these risks.

In conclusion, Cu, Ni, and PGEs are indispensable for modern technology and the transition to a green economy. While their demand is set to rise, ensuring a stable and sustainable supply will require addressing geopolitical risks, environmental concerns, and the development of new mining and recycling technologies. Diversifying supply chains and investing in sustainable practices will be crucial to meeting future demand and mitigating potential disruptions.

Volatility in Prices:

Increasing Copper Prices:

- Geopolitical tensions and supply chain disruptions
- Expanding use of copper in renewable energy technologies, electric vehicles (EVs), and infrastructure development
- Economic growth and industrial demand

Copper prices have experienced significant volatility over the past decade, with a notable upward trend since 2021. This increase was driven by a combination of factors, including pandemic-related supply disruptions, growing demand for renewable energy technologies and EVs, and infrastructure development. Geopolitical tensions, particularly involving major producers like Chile and Peru, have also contributed to price fluctuations. By early 2025, Copper prices reached approximately \$9,499.85 per ton, reflecting the metal's critical role in the global economy.

Increasing Nickel Prices:

- Rising demand from the electric vehicle (EV) market
- Supply constraints and geopolitical risks
- Environmental and regulatory challenges

Nickel prices have shown considerable volatility, with a pronounced upward trend driven by the growing EV market and increased demand for lithium-ion batteries. Supply constraints, particularly from major producers like Indonesia, and geopolitical risks, including sanctions on Russia and trade restrictions on China, have further impacted prices. Environmental and regulatory challenges associated with nickel mining and processing have also contributed to price fluctuations. By early 2025, nickel prices were around \$15,285.99 per ton.

Increasing PGE Prices:

- Tightening emission standards and growing demand for automotive catalytic converters
- Supply concentration in South Africa and Russia
- Technological advancements and alternative technologies

Platinum-group elements (PGEs) have experienced price volatility due to their critical applications in reducing vehicle emissions and various industrial uses. The tightening of emission standards globally has increased demand for PGEs, while the supply remains highly concentrated in South Africa and Russia, making the market vulnerable to geopolitical risks. Technological advancements and the development of alternative technologies, such as electric vehicles, could impact future demand. By early 2025, platinum was priced at \$978.80 per ounce, palladium at \$974.00 per ounce, and rhodium at \$5,375.00 per ounce.

Copper, Nickel, and Platinum-group elements (PGEs) have a positive outlook due to their essential roles in renewable energy, electric vehicles (EVs), and infrastructure development. The demand for these metals is expected to rise significantly, driven by the expansion of green technologies and tightening emission standards. Geopolitical risks and concentrated production add to supply chain vulnerabilities, further supporting price increases. Nimy Resources stands to benefit from these trends, as the rising demand and constrained supply enhance the value of their assets and exploration projects.

Geopolitical Tensions and Supply Chain Disruptions

Geopolitical tensions remain a significant factor affecting global supply chains, particularly for critical minerals like gallium, copper, nickel, and platinum group elements (PGE). The World Economic Forum's Global Risks Report 2025 identifies state-based armed conflict as the most immediate global risk, with nearly a quarter of respondents citing it as the most severe challenge. These conflicts disrupt trade routes, impact critical resources, and destabilize regional supply networks.

For example, the ongoing tensions in the South China Sea and the Russia-Ukraine war have continued to create uncertainties in the supply of critical materials, including gallium and Ni. China's strategic control over critical minerals, including gallium, nickel, and PGEs, has been a significant factor in these geopolitical tensions. China's dominance in the production and processing of these minerals allows it to exert considerable influence over global supply chains. This has prompted Western nations to reconsider their reliance on Chinese imports and to explore alternative sources and supply chain strategies.

Supply Chain Disruptions

Supply chain disruptions have further exacerbated the situation. The COVID-19 pandemic initially highlighted vulnerabilities in global supply chains, and subsequent geopolitical conflicts have only intensified these issues. The World Economic Forum's report also highlights the impact of extreme weather events, cyber-espionage, and resource shortages on supply chain efficiency and resilience.

These disruptions have forced companies to seek alternative suppliers and to invest in supply chain resilience. The U.S. Geological Survey (USGS) has identified gallium, Ni, and PGEs as critical minerals with significant supply chain vulnerabilities. A 30% supply disruption of these minerals

could have severe consequences for industries reliant on them, including electronics, automotive, and defence sectors.

Australia's mining backdrop is a positive:

Australia has established itself as a major global mining jurisdiction with a stable regulatory environment, skilled workforce, and advanced infrastructure. The country has a particularly strong position in minerals like iron ore, coal, gold, and various base metals.

In recent years, the Australian government has placed increased emphasis on critical minerals development as part of its Critical Minerals Strategy. This national focus aligns with Nimy Resources' exploration focus and could potentially provide supportive policy conditions for the company's development.

Western Australia, where Nimy's projects are located, is particularly known for its mining-friendly regulations and established mining services ecosystem, which can provide operational advantages for exploration and development activities.

Valuation: EV/ Managed Resource approach indicates significant upside potential

We have utilized an asset-based valuation methodology based on peers' EV/Resources multiples to estimate the present value of the company's ~11.95 Mt of gallium content - the midpoint of Nimy's exploration target at Block 3 East (part of Mons project) and a conservative approach for the upside from further potential discoveries of gallium and other critical mineral discoveries of copper, gold, nickel at its Mons project.

To value the company, we have used:

- 1) **peer-based average EV/measured resource multiple of 2.59x** to account for Block 3 East estimated gallium exploration target so far.
- 2) **added a conservative premium of 35% to account for** i) further potential gallium discoveries at Block 3 and the broader Mons project, ii) discoveries of copper, gold, nickel at Mons project including the discovery made at the Masson Prospect with a sub vertical copper lens of >1% copper from 126 intersected in 4 holes.

The above methodology derives a valuation multiple of 2.94x, resulting in an EV range of A\$35.1m in our base-case to A\$ 52.7m in our bull-case scenario. Our EV / Resource valuation methodology has valued Nimy at A\$0.17 per share in a base-case scenario and A\$0.25 per share in a bull-case scenario. **Our midpoint target price of A\$0.21 per share indicates a +162% upside potential to the current share price of A\$0.08 per share.**

We emphasize that:

- i) **our valuation is conservative given that Nimy's vast and prospective greenstone belt contains multiple Masson style deposits in the northern section of the tenement.**
- ii) **the assessed area represents only 10% of the targeted area and as the company publishes other exploration and drilling results the upward valuation impact could likely materially exceed what we have captured providing for further strong re-rates in Nimy's stock price in the future.**

Below we provide details on valuation and model assumptions:

- Our valuation model for Nimy is based on the strong drilling results for the Block 3 project, incorporating the assumptions from the CSIRO study released in 2025. We have assumed a six-year mine life for Block 3 but there is significant upside potential for mine life through future exploratory drillings.
- Our model includes an average annual exploration expenditure of approximately A\$4.2 million (excluding grants/R&D incentive) from FY26 to FY28 to cover the costs of converting resources into reserves and greenfield exploration to expand the resource base.
- We have considered the high-grade gallium intervals at Block 3 (up to 400 g/t) and a conservative premium for further gallium discovery at Block 3 and remaining Mons project as well as further high-grade discovery of copper, gold, nickel at Masson project.
- We have assumed extraction from Block 3 to commence from FY29. However, further clarity will be given post release of its JORC in the second half of 2025.
- We have adjusted exploration expenses net of potential R&D incentives. The exploration cost is expected to increase at CAGR of ~23% (from FY25 through to FY28), indicating company focus the exploring the full potential of the concerned area.

- We estimate that the company will incur operating expense (net of R&D incentive) of about A\$15 million between FY26 and FY28. We have also assumed that Nimy will be able to raise sufficient capital through equity injections and grants to maintain its operations. This expectation is based on the surging demand of gallium and an anticipated successful maiden JORC resource by the end of 2025.

Where do our assumptions stand differently?

Gallium Prices: We expect the upward trend in gallium prices to continue supported by increasing demand for gallium in end-use industries including technology, renewable energy, defence. This is also backed by the supply chain disruptions caused after China's restriction on exports and therefore a heightened need for supply chain diversification globally.

Project Scope and Timeline: Our valuation model for Nimy is based on the strong drilling results for the Block 3 project, incorporating assumptions from the CSIRO study released in 2025.

Capital Costs and Funding: We estimate operating expenses of approximately A\$15 million (net of incentives/grants), to be incurred across FY26 and FY28. Additionally, we anticipate that Nimy will need to raise ~A\$19 million, along with A\$5.5 million through grants and rebates between FY26 to FY28. Due to surging gallium prices and an anticipated successful maiden JORC resource by the end of 2025, we expect the company to raise capital comfortably.

Exploration and Expansion: Our model includes an average annual exploration expenditure of approximately A\$4.2 million (excluding grants) from FY26 to FY28 to cover the costs of converting resources into reserves and greenfield exploration to expand the resource base.

Operating Costs: We have adjusted exploration expenses net of potential R&D incentives, with exploration costs expected to increase at CAGR of ~23% (from FY25 through to FY28), indicating company focus the exploring the full potential of the concerned area.

Valuation Methodology: To estimate the present value of Nimy's ~11.95 Mt of gallium in defined resources, we have utilized an asset-based valuation methodology based on peers' EV/Resources multiples.

Future Potential: While we have only included the Block 3 project in our valuation calculations, we recognize the significant potential for additional value creation from Nimy's other projects in the future. This conservative approach ensures that our valuation remains robust, even as we acknowledge the potential for further resource expansion and project development.

NIMY is amongst the few Gallium companies with defined Gallium resources in Western Australia. **Figure 14** provides the names of these companies with their total resources and measured resources. To make the comparison of these companies more reasonable, we have taken an average EV/Measured resource ratio of the peers with closest market cap and measured resource value. For Nimy, we have taken the measured resource quantity as an average of the estimates given by Nimy of the 4 domains.

We have used the peer group average EV/weighted Measured resource multiple of 2.94x to value NIMY's expected resources.

Figure 14: Nimy's peer list with their resources

Company	ASX Code	Market Cap** (A\$m)	EV** (A\$m)	Total Resources (Mt)	Measured Resources (Mt)	EV / Measured Resources (A\$m/Mt)
Ardea Resources	ARL	85.9	96.0	854.00	22.00	4.11
Victory Metals	VTM	70.1	312.5	247.50	25.00	2.61
Alliance Ni	AXN	23.2	162.2	40.69	23.70	1.05
Peer Median		48.7	77.8	347.3	23.1	3.4
Peer Average		59.7	60.2	380.7	23.6	2.6

Source: Company's JORC, Market Screener, East Coast Research

The high likelihood of further improvement in estimates and valuation can be done post the release of NIMY's JORC by the end of FY2025.

Our valuation of Nimy indicates a base-case scenario of A\$0.17 per share and a bull-case scenario of A\$0.25 per share, with a midpoint target price of A\$0.21 per share, representing an 162% upside potential from the current share price of A\$0.081 per share. We assume operating expenses (net of R&D incentives/grants) of approximately A\$15 million to be incurred across FY26 and FY28 and anticipate that Nimy will raise sufficient capital through equity injections and grants to sustain its operations. The company should be able to raise capital given the rising demand for gallium and a successful maiden JORC resource by the end of 2025. To value the company, we have used an EV/measured resource multiple of 2.59x, which is the average of close peers and added a conservative premium of 35% due to the further potential discoveries of gallium at Block 3 and Mons project as well as other critical minerals discovery at Masson project to derive a valuation multiple of 2.94x, resulting in an EV range of A\$35.14m to 52.71m.

Figure 15: NIMY Resources' Valuation

Nimy Resources Valuation		Base	Bull
Total Resources	Mn tonnes	245.1	367.7
Gallium Measured Resource	Mn tonnes	12	17.9
EV/Measured Resource Multiple		2.59x	
Premium (Block 3, Masson)		35.00%	
EV/Measured Resource Multiple		2.94x	
Enterprise Value	A\$ Mn	35.14	52.71
Add: Net Cash	A\$ Mn	0.17	0.25
Equity Value	A\$ Mn	35.30	52.96
Market Cap	A\$ Mn	16.9	16.9
No of Equity Shares	Mn	208.13	208.13
Target Price	A\$	0.17	0.25
Current Price	A\$	0.08	0.08
Mid Price range	A\$	0.21	
Upside	%	+162%	

Source: Company, Yahoo Finance, East Coast Research estimates

Re-rating of NIMY

NIMY Resources' stock is currently trading below our mid-point target valuation. We believe that achieving the following milestones will enable a re-rating on the stock, thereby increasing shareholder value:

Tremendous Resource Potential from presence of Multiple Masson Style Deposits

NIMY's vast and prospective greenstone belt contains multiple Masson style deposits in the northern section of the tenement. Masson is one of the five intrusive zones interpreted in the north of the Mons Project which represents significant upside to resource potential. Further, as the company publishes other exploration and drilling results the upward valuation impact could likely materially exceed what we have captured providing for further strong re-rates in NIMY's stock price in the future.

Announcements of favourable drilling results: NIMY Resources has recently completed significant drilling programs at its Masson and Block 3 prospects. The Masson drilling program revealed high-grade copper, nickel, cobalt, and PGE mineralization. Assay results from additional drilling are still pending, and future drilling programs are planned across the company's extensive portfolio. Favourable drilling results will enhance the company's resource estimates and project economics.

Announcement of successful scoping study: NIMY Resources expects to release the initial scoping study based on a successful JORC resource definition by second half of 2025 which is likely to demonstrate superior results compared to preliminary studies, thereby enhancing the economic attractiveness of the company's projects. It will also significantly aid in making an earlier favourable Final Investment Decision.

Successful commencement of production at Block 3: NIMY Resources is preparing to start a Phase 2 drilling program at its Block 3 gallium discovery, aiming to establish a maiden JORC resource. The expected cash flows generated from Block 3 will be highly valuable, as they can be used to develop the company's other projects and reduce the need for external funding sources (less equity dilution).

Favourable production figures at Masson: NIMY Resources is currently advancing its Masson prospect, which has shown promising results with high-grade mineralization. Successful production at Masson will generate valuable cash flows, reducing the company's need for external funding sources for the development of its other assets.

Risks

We foresee the following key risks to our investment thesis for NIMY:

- **Commodity price risk:** Nimy Resources is significantly exposed to commodity price risk due to its focus on critical minerals like Ni, Copper, and gallium. The prices of these commodities are highly volatile and influenced by various macroeconomic factors, including global supply-demand dynamics, geopolitical events, and currency fluctuations. Any prolonged decline in the prices of these metals could adversely affect Nimy Resources' financial stability and growth prospects. This volatility can lead to unpredictable revenue streams and impact the company's ability to fund ongoing and future projects.
- **Funding risk:** Based on current projections, Nimy Resources will need to raise substantial capital to fund the development of its projects, including the Masson and Block 3 prospects. While the company has secured some funding through programs like CSIRO's Kick-Start, there is no guarantee that they will successfully secure additional debt or equity financing in the current tight credit markets. Raising the entire required capital through equity would result in a significantly higher dilutionary impact on the number of shares post-financing compared to current projections. However, Nimy Resources' board and management have extensive experience in capital raising and have a successful track record of securing large amounts of equity capital on favourable terms when needed.
- **Execution risk:** Any potential delay in the initiation of mining activities, whether due to funding or operational challenges, will negatively affect cash flow and potential shareholder returns.

Timely execution is crucial for maintaining investor confidence and achieving projected financial outcomes. Additionally, the company operates in a highly competitive environment, where technological advancements and operational efficiencies are crucial for maintaining a competitive edge.

- **Governance Risk:** Effective corporate governance is crucial for maintaining investor confidence and ensuring long-term sustainability. Any lapses in governance practices, including issues related to transparency, accountability, and ethical conduct, could lead to significant risks. The effectiveness of the board in overseeing the company's strategy and operations is critical. Any lack of independence or expertise among board members could impact the company's decision-making processes and overall governance.
- **Geological risk:** For a mining company like Nimy Resources, there is a constant risk of downward revisions in reserve estimates. Additionally, there is a risk of re-categorizing indicated reserves to inferred reserves in further studies. Such incidents would negatively impact the stock's valuation and investor sentiment.

Appendix I: NIMY SWOT analysis

Figure 16: SWOT analysis

Strengths	Weakness
Strategic Location: NIMY Resources holds 17 approved tenements and 2 pending approvals total covering approximately 3,004 sq. km in Tier 1 Jurisdiction – Yilgarn Craton, Western Australia High-Grade Discoveries: The company has made significant high-grade discoveries, particularly in gallium, which is critical for various advanced technologies Technological Advancements: Successful application of advanced exploration techniques such as VTEM, MLEM, DHEM, GAIP, and soil sampling. First Mover Advantage: Being the first to explore the previously undiscovered Mons Belt, NIMY Resources has a unique opportunity to capitalize on this new frontier Strong Partnerships: Collaboration with US minerals specialist M2i Global to provide a sustainable supply of gallium to the US Defence Industrial Base	Limited Production History: As a junior exploration company, NIMY Resources has limited experience in transitioning from exploration to production, which could pose operational challenges Dependence on External Factors: The company's success is heavily dependent on the global demand for critical minerals and geopolitical factors. Dependence on Key Personnel: The company's success is heavily reliant on the expertise and decision-making of a few key individuals, making it vulnerable to changes in leadership. Financial Stability: The need for continuous funding for exploration and development projects could strain financial resources
Opportunities	Threats
Growing Demand for Critical Minerals: Increasing global demand for gallium and other critical minerals used in semiconductors, 5G technology, and military application. Expansion Potential: Potential to expand resource estimates and develop new projects within the existing tenement. Market Positioning: Opportunity to position itself as a key supplier of critical minerals to Western markets, especially given the restrictions on Chinese exports. Research Collaboration: Partnership with Curtin University to advance gallium research and development, enhancing their technological capabilities and market position.	Regulatory Risks: Changes in mining regulations and environmental policies could impact operations. Market Volatility: Fluctuations in commodity prices and market demand could affect profitability. Geopolitical Tensions: Ongoing geopolitical tensions could disrupt supply chains and market access.

Source: East Coast Research

Appendix II: Management Team

NIMY Resources has a highly experienced leadership team with diverse experience across the resources industry, in exploration and mining, as well as in finance and capital raisings, which is crucial in the currently tight credit markets for a development stage mining company such as NIMY.

Figure 17: NIMY Resources management and board members

Name and Designation	Profile
Mr. Neil Warburton Non-Executive Chairman	- Mr. Warburton brings over 40 years of experience in the mining industry. - He has served as a director of IGO Ltd and Barmenco, and is currently the Non-Executive Chairman of Belararox Limited, Northcliffe Group, and Executive Chairman at Abyssinian Metals.
Mr. Luke Hampson Managing Director	- Mr. Hampson has over 30 years of experience in the mining industry, specializing in project asset management. - He has held leadership roles at WesTrac Pty Ltd, Rio Tinto Iron Ore, and Cloonmore Mining and Energy.
Mr. Christian Price Executive Director	- Mr. Price is a Mining Engineer and Mineral Economist with over 19 years of experience in operational, technical, and senior leadership roles. - He has worked with ASX:REZ and has extensive experience in exploration and development projects in Western Australia and Queensland.
Mr. Fergus Jockel Head of Exploration	- Mr. Jockel has over 30 years of experience in mineral exploration and resource development. - He has been involved in several gold discoveries in Western Australia and has worked with various commodities including gold, base metals, rare earths, and Ni.
Dr. John Simmonds Technical Advisor – Geology	Dr. Simmonds brings over 40 years of specialised experience in geology, with a significant emphasis on mineral exploration Cu-PGE-Ni targeting models.
Mr. Henko Vos Joint Company Secretary / CFO	- Mr. Vos is a member of the Australian Institute of Company Directors, the Governance Institute of Australia, and Chartered Accountants Australia and New Zealand. - He holds similar secretarial roles in various other listed public companies.
Ms. Geraldine Holland Joint Company Secretary	Ms. Holland holds an MBA in Finance and a BA (Hons) in Accounting and Finance. She has been working in company secretarial and corporate governance roles since 2009, dealing with ASX and ASIC.

Source: Company, East Coast Research

Appendix III: Financial Statements

Figure 18: NIMY Resources Financial Statements

Profit & Loss (A\$'000)	2024	2025e	2026e	2027e	2028e	2029e	2030e
Total Revenue	20.2	0.0	0.0	0.0	0.0	11950	14818
Exploration Expenses	(2,497.4)	(2,797)	(3,357)	(4,162)	(5,203)	(6,243)	(7,492)
Operating expenses	3,007.3	3,713	4,228	4,979	5,811	6,534	7,382
EBITDA	(2,987.1)	(3,713)	(4,228)	(4,979)	(5,811)	2,070	3,287
Depreciation	(67.0)	(82)	(93)	(110)	(128)	(144)	(162)
EBIT	(3,054.1)	(3,795)	(4,321)	(5,088)	(5,938)	1,926	3,124
Cash Flow (A\$'000)	2024	2025e	2026e	2027e	2028e	2029e	2030e
Profit after tax	(2,431.5)	(4,509.7)	(4,320.7)	(5,088.2)	(5,938.5)	1,925.9	3,124.1
Depreciation	(67.0)	(82)	(93)	(110)	(128)	(144)	(162)
Operating cashflow	(2,269.6)	(4,419.7)	(4,194.2)	(4,943.0)	(5,791.6)	2,075.7	3,284.9
Payments for PPE	(31.7)	(42.0)	(184.6)	(208.1)	(260.1)	(312.2)	(374.6)
Equity raised (repurchased)		4,090	7,000	7,000	5,000	-	-
Financing cashflow	2,204	4,173	7,000	7,000	5,000	-	-
Net change in cash	-0	288	2,621	1,849	1,052	1,764	2,910
Cash at End Period	524	236	2,857	4,706	3,654	5,417	8,328
Balance Sheet (A\$'000ssss)	2024	2025e	2026e	2027e	2028e	2029e	2030e
Cash	524	236	2,857	4,706	3,654	5,417	8,328
Total Assets	1008	728	3508	5552	4757	6814	10086
Total Liabilities	862	1039	1106	1204	1312	1406	1516
Shareholders' Funds	145	-311	2,402	4,348	3,446	5,408	8,570

Source: East Coast Research Estimates

Appendix IX: Analyst's Qualifications

Rahul Tiwari, the analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

- Rahul has a bachelor's and master's degree in Applied Finance from Macquarie University, a master's in Accounting from UNSW, and an MBA from Cornell University in the USA.
- Rahul has several years of experience across wealth management and investments, infrastructure project finance, private equity and high tech.

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