ASX Announcement

AusNiCo Limited (the Company)

19 September 2011

Share Purchase Plan – Materials Being Dispatched

The attached materials are being dispatched today by the Company's share registry to all eligible AusNiCo shareholders in relation to the Share Purchase Plan.

On behalf of the Board
KM Schlobohm
Company Secretary

About AusNiCo

Since making its debut on the ASX in October 2010, AusNiCo has identified disseminated nickel sulphides, and copper, silver and gold potential in its South East Queensland tenement package. AusNiCo has also added to its tenement position in Queensland, and in the Koonenberry region of NSW with EPM's prospective for nickel sulphides.

AusNiCo offers:

- multiple commodities, including nickel, gold, silver, copper, cobalt and platinum group metals;
- an extensive package of tenements with encouraging mineralisation in an area of continuing industrial growth and established infrastructure;
- advanced targets with the prospect of rapid drilling results;
- accomplished Board and Management with substantial experience; and
- discovery of significant disseminated nickel sulphide mineralised zones in greenstone belts, initially in south east Queensland.

AusNiCo currently has 110,160,000 shares on issue.

Email: info@ausnico.com.au

Electronic copies and more information are available on the Company website: www.ausnico.com.au

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19 September 2011

Dear Shareholder

Share Purchase Plan

The Board of Directors of AusNiCo Limited ('AusNiCo' or 'the Company') (ASX:ANW) is pleased to invite you, as an existing shareholder of the Company, to participate in a fully underwritten Share Purchase Plan ('SPP') announced to the market on 14 September 2011.

The SPP is being undertaken in conjunction with a placement to raise a combined amount of up to $1.4 million. The placement was completed on 14 September 2011 and raised $800,000. These funds will be used by the Company to further its exploration and development efforts on its suite of tenement interests in Queensland and New South Wales, which are prospective for nickel, copper, silver and gold. Exploration activities for the next 12 months include:

- Drilling sulphide targets at Mt Cobalt, The Peak, Mt Clara;
- Drilling East Kilkivan gold target;
- Define drill targets at the major exploration regions of Marlborough, Koonenberry; and
- Regional advancement at Kandanga, Mt Slopea.

Since the IPO in October 2010, AusNiCo has undertaken geophysical techniques and identified disseminated sulphides in the Black Snake Plateau Region, expanded nickel sulphide potential at Pembroke and Mt Cobalt, expanded copper- silver sulphide potential at Silver Valley, identified a new, previously unknown gold target at East Kilkivan, confirmed low arsenic in nickel concentrate, and confirmed that nickel sulphide flotation recovery works.

Under the SPP, you have the opportunity to purchase up to $15,000 worth of shares in AusNiCo at a discounted price and free of any commissions or brokerage related costs.

The purchase price of the shares under this SPP Offer to shareholders will be lower of the placement price ($0.05) or a 10% discount to the 5 day VWAP up to and including the last day of the SPP offer period. The placement price of $0.05 represents a discount of approximately 16.7% to the last closing price of AusNiCo shares on the ASX immediately prior to the trading halt and placement raising announcement.

The SPP will open on 20 September 2011, and is scheduled to close at 5.00pm (Brisbane time) on 12 October 2011.

Australian and New Zealand registered shareholders, who held shares on the record date of 5:00pm AEST 13 September 2011, are eligible to participate in the SPP subject to the SPP Terms and Conditions which accompany this letter. Shareholders are encouraged to carefully read the SPP Terms and Conditions before making a decision as to whether to participate in the SPP.

The Board would like to take this opportunity to thank you for your continued support as a shareholder of AusNiCo. I personally believe that the forward traction that the Company will gain from the recent fund raisings will be significant and I look forward to the accomplishments which the Company is determined to achieve over the next 12 months.

Yours faithfully

Brian Moller
Chairman

Important Dates – AusNiCo Share Purchase Plan 2011

13 September 2011	Record Date
19 September 2011	Documents mailed to eligible shareholders
20 September 2011	Offer opening date
12 October 2011 at 5.00 pm (AEST)	Offer closing date
20 October 2011	Allotment date

Important Information

Foreign Jurisdictions

The documents contained in this SPP Booklet (including the SPP Terms and Conditions, Application Form and accompanying documentation) (**SPP Documents**) have been prepared for publication in Australia and New Zealand only and may not be released in other countries.

The SPP Documents do not constitute an offer of shares in any country in which such an offer would be illegal.

No Investment Advice Given

The offer to purchase shares under the SPP is not a recommendation to purchase shares. If you are in any doubt about whether to participate in this SPP, you should seek independent financial and taxation advice which should take into account your specific financial situation and your financial needs and objectives. The SPP documents do not constitute financial product advice, nor are they intended to influence your decision whether or not to participate in the SPP.

Share Price Movements

The market price of AusNiCo ordinary shares may rise or fall between the date of this offer and the date that the shares are issued to you under the SPP. The effect of these potential price movements is that the price that you pay for ordinary shares under the SPP may be higher or lower than the market price of AusNiCo ordinary shares at the time that the shares are issued to you under the SPP.

Payment options

BPAY® facility

You may pay by BPAY®. Payment must be received on or before 5:00pm (AEST) on 12 October 2011. **You are not required to complete and return an Application Form if you pay by BPAY®**.

Cheque, bank draft or money order

You may pay by cheque, bank draft or money order. You must complete and return an Application Form if you pay by cheque, bank draft or money order. Your Application Form must be accompanied by your cheque, bank draft or money order and it must be received on or before 5:00pm (AEST) on 12 October 2011.

Send the Application Form and your cheque, bank draft or money order using the reply paid envelope provided. Alternatively, mail or deliver to the mailing address, or hand delivery address, shown on the Application Form.

Frequently asked questions

Q. What is the Share Purchase Plan (SPP) Offer?

A. The SPP offer provides eligible shareholders the opportunity to buy up to A$15,000 worth of new fully paid ordinary shares in AusNiCo free of brokerage or other transaction costs.

Q. Am I eligible to participate?

A. Eligible shareholders are Australian and New Zealand registered shareholders who held shares on the Record Date of 13 September 2011 at 5.00pm (AEST).

Q. How do I apply?

A. To apply for new AusNiCo shares under the SPP, you can either:

- make a BPAY® payment as outlined on the Application Form at Option 1, provided that your financial institution supports BPAY®. If you make a BPAY® payment you are not required to return the Application Form; or
- complete the Application Form and return it with your application payment made payable to "AusNiCo Ltd" as outlined on the Application Form at Option 2.

Special rules apply if you are a custodian (as defined in ASIC Class Order 09/425) and are applying for Shares under the SPP on behalf of more than one beneficiary.

Q. What if I do nothing?

A. Participation in the SPP offer is optional. If you choose to do nothing, you will not participate in the SPP offer to acquire new shares.

Q. How many shares will I receive if I participate in the SPP Offer?

A. You can apply to buy new AusNiCo shares under the SPP in parcels of A$5,000, A$7,500, A$10,000 or $15,000. The number of shares you receive will depend on the value of the parcel of shares you apply for.

Q. What is the issue price of the shares under the Offer?

A. The issue price of new AusNiCo shares under the SPP will be lower of the placement price ($0.05) or a 10% discount to the 5 day VWAP up to and including the last day of the SPP offer period.

AusNiCo will announce the final issue price to ASX as soon as it is able to be calculated. The issue price will not be more than the maximum price of $0.05 per share.

The number of new shares to be issued to each applicant will be calculated by dividing the amount subscribed by you by the final issue price as announced to ASX. Fractions will be rounded to the nearest whole share. For example, all fractions from 0 up to 0.5 of a new share will be rounded down to the nearest whole new share, whilst all fractions of 0.5 and above of a new share will be rounded up to the nearest whole new share.

Q. When does the Offer close?

A. The SPP offer closes at 5.00pm (AEST) on 12 October 2011.

Q. When will I receive my shares?

A. AusNiCo expects that holding statements for new shares issued under the SPP will be dispatched on or about 20 October 2011.

Q. When can I trade allocated shares?

A. AusNiCo expects that new shares issued under the SPP will be allotted on or about 20 October 2011, and are expected to be available for trading on or about 24 October 2011. You should confirm your shareholding after the allotment date of before trading any new shares you believe you have acquired under the SPP offer.

Q. Why is there a maximum amount of A$15,000 per shareholder?

A. The offer of shares under the SPP must comply with the conditions of Australian Securities and Investments Commission (ASIC) Class Order 09/425 which permits AusNiCo shareholders to buy up to A$15,000 of new shares under this SPP, provided that eligible shareholders may only buy a maximum of A$15,000 of new AusNiCo shares under a share purchase plan within 12 months.

If you receive more than one offer under the SPP (for example, because you hold shares in more than one capacity) you may apply for shares under the SPP on different application forms however you may not apply for shares with an aggregate value of more than A$15,000.

Q. How will AusNiCo use the funds raised through the SPP Offer?

A. AusNiCo intends to use the funds raised through the SPP offer as additional working capital to support the Company's previously announced work program and the continued accelerated development of its commercial operations.

Specifically, the Company's exploration activities for the next 12 months include:

- Drilling nickel sulphide targets at Mt Cobalt, The Peak, Mt Clara;
- Drilling East Kilkivan gold target;
- Define drill targets at the major exploration regions of Marlborough, Koonenberry; and
- Regional advancement at Kandanga, Mt Slopea.

Q. Are there any broker or stamping fees payable?

A. A stamping fee of 1.5% (plus GST) of the value of new shares issued under the SPP ('Broker Stamping Fee') will be paid by Bizzell Capital Partners Pty Ltd ('BCP') to stockbrokers (being those entities recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Stamping Fee on successful applications. If AusNiCo undertakes a scale back or otherwise issues a lesser number of new shares than applied for, the Broker Stamping Fee will only be payable on the value of the shares issued.

AusNiCo
New Nickel

AUSNICO SHARE PURCHASE PLAN 2011

Terms and Conditions

1. Eligible Shareholders

(a) Subject to clauses 1(b) - 1(e) all persons registered as holders of fully paid ordinary shares (**Shares**) of AusNiCo Ltd (ACN 122 957 322) (**AusNiCo**) as at 5:00pm AEST 13 September 2011 (**Record Date**), whose address in the share register of AusNiCo is in Australia or New Zealand (**Eligible Shareholders**) may participate the in Share Purchase Plan (**SPP**).

(b) Directors and Employees of AusNiCo, as Eligible Shareholders, may participate in the SPP.

(c) If a shareholder is recorded on the register as holding Shares jointly with another person, the joint holding is deemed to be a single registered holding for the purpose of determining whether the shareholder is an Eligible Shareholder.

(d) If a trustee or nominee is recorded on the register as holding shares on behalf of a beneficiary, the beneficiary is taken to be the holder of the Shares and any application, certification or issue of Shares under this SPP will be taken to be an application, certification or issue of Shares to the beneficiary.

(e) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

2. Applying for Shares

(a) Participation in the SPP is entirely at the discretion of Eligible Shareholders who may apply to purchase a parcel of Shares in amounts of either A$5,000, A$7,500, A$10,000 or A$15,000 (**Subscription Amounts**).

(b) Eligible Shareholders will not be able to acquire Shares to a value exceeding A$15,000 in any 12 month period pursuant to the SPP. An exception to this rule is that this offer enables Eligible Shareholders who are custodians (as that term is defined in ASIC Class Order 09/425) to acquire Shares under the SPP on behalf of the beneficiaries on whose behalf the custodian is holding Shares, provided that the custodian can certify certain requirements which are referred to in the application form accompanying these Terms and Conditions (**Application Form**) and contained in a separate 'Custodian Certificate'.

(c) Eligible Shareholders who wish to participate in the SPP must follow the instructions on the Application Form and:

i. complete the Application Form and provide a cheque, bank draft or money order made payable to "AusNiCo Ltd" as directed on the Application Form; or

ii. make payment by BPAY® in an amount equal to the dollar value of Shares for which you wish to apply, so that it is received on or before 5.00pm (AEST) on 12 October 2011.

(d) If you make a payment that is not equivalent to a Subscription Amount, AusNiCo will round down the value of Shares that you apply for to the next lowest Subscription Amount and refund any application monies (without interest) which are not used to purchase Shares, following allotment.

(e) If you make a payment that is less than A$5,000 AusNiCo may reject your application and refund your application monies (without interest) following allotment of Shares under the SPP.

(f) If you apply for Shares under the SPP in a Subscription Amount, the number of Shares that you apply for will be calculated by dividing the relevant Subscription Amount by the Issue Price (outlined in clause 4) and rounding up to the nearest whole number of Shares.

(g) Eligible Shareholders who receive more than one Application Form as a result of holding Shares in more than one capacity may not apply for Shares with an aggregate value exceeding A$15,000.

(h) Eligible Shareholders who are custodians holding Shares on behalf of more than one beneficiary may apply for Shares with an aggregate value exceeding A$15,000 provided that the custodian can certify certain requirements which are referred to in the Application Form and contained in a separate 'Custodian Certificate'.

(i) AusNiCo may accept or reject an application for Shares under the SPP (in whole or in part) in its absolute discretion; including (without limitation) if AusNiCo considers that the application is not made in accordance with these Terms and Conditions.

3. Effect of Making an Application

If you submit a BPAY® payment **or** complete and return an application for Shares under the SPP by way of a method outlined on the Application Form:

(a) you acknowledge and represent that you are an Eligible Shareholder;

(b) you acknowledge that you have read, understood and agree to these Terms and Conditions;

(c) you acknowledge that your application is irrevocable and unconditional;

(d) you certify that you have not applied for more than $15,000 of Shares in aggregate as follows:

i. any Shares under the SPP the subject of the application;
ii. any other Shares under the SPP or any similar arrangement in the 12 months before an application under this SPP;
iii. any other Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
iv. any other Shares issued to a custodian in the 12 months before the application as a result of any instruction given by you to the custodian to apply for Shares on your behalf under an arrangement similar to the SPP;

(e) if you are a custodian applying for Shares under the SPP on behalf of more than one beneficiary, you certify the matters contained in the 'Custodian Certificate'; and

(f) you acknowledge that the Shares have not, and will not be, registered under the securities law of any state or other jurisdiction outside Australia or New Zealand.

4. Issue Price of the Shares

(a) The purchase price of the shares under this SPP Offer to shareholders will be lower of the placement price ($0.05) or a 10% discount to the 5 day VWAP up to and including the last day of the SPP offer period. The placement price of $0.05 represents a discount of approximately 16.7% to the last closing price of AusNiCo shares on the ASX immediately prior to the date of this announcement.

(b) You acknowledge that the market price of Shares may rise or fall between the date of this offer and the date that the Shares are allotted to you under the SPP. Therefore, the Issue Price which you pay for Shares under the SPP may exceed the market price of Shares on the date that shares are allotted to you under the SPP.

(c) Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX and AusNiCo will apply for Shares issued under the SPP to be quoted on the ASX.

5. Scaleback

(a) If the total number of Shares applied for under the SPP exceeds 30% of the number of ordinary fully paid AusNiCo shares already on issue, AusNiCo has the right in its absolute discretion to scaleback applications by offering you less than the number of Shares that you applied for.

(b) If the total value of applications for Shares under the SPP is more than A$600,000, AusNiCo may in its absolute discretion and to the extent and in the manner that it sees fit, scaleback applications by allocating to you less than the number of Shares you have applied for.

(c) If AusNiCo scales back applications in accordance with clauses 5(a) or 5(b), AusNiCo will refund any excess application monies (without interest) to Eligible Shareholder's whose applications are affected by the scaleback, as soon as practicable after allotment of Shares under the SPP.

6. Costs of Participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, Shares under the SPP.

7. Timetable

The timetable for the dates associated with the SPP (**Timetable**) is outlined in the paragraphs below and AusNiCo reserves the right in its absolute discretion to change any of the dates outlined below:

(a) **Record Date:**	13 September 2011
(b) **Opening Date:**	20 September 2011
(c) **Closing Date:**	12 October 2011
(e) **Allotment Date:**	20 October 2011

8. Dispute Resolution

AusNiCo has the right to make a determination in respect of any disputes or difficulties that may arise in connection with the SPP. Any determination made by AusNiCo is final and binding on all Eligible Shareholders and any additional parties to whom the determination relates.

9. Waiver, Amendment, Suspension and Withdrawal

AusNiCo may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions, or suspend or withdraw this offer at any time.

10. Underwriting

The SPP will be underwritten to the extent of $600,000 by BCP. An underwriting fee of 6.0% of the underwritten amount is payable to BCP by AusNiCo. Shareholder approval will be sought for the issue of any shortfall shares to BCP as Underwriter.

11. Governing Law

These Terms and Conditions are governed by the laws in force in Queensland, Australia.

12. Other Terms and Conditions

By accepting the offer to acquire shares under the SPP, Shareholders will be bound by AusNiCo's constitution and these Terms and Conditions.