
ASX Announcement

15 June 2021

DIAMOND DRILLING TO COMMENCE AT FIRE DRAGON

HIGHLIGHTS

- Diamond drilling to commence at the Fire Dragon Nickel-Copper Target within the Biranup Project, located in the world class Albany Fraser Orogen (AFO).
- DDH1 have now been contracted with a diamond drill rig secured for an early July program intended to operate through the majority of the September Quarter.
- A PHASE 1 4 hole 1,212m diamond drilling program will test for massive sulphides at Fire Dragon and the now enhanced FD1 conductors defined by the recent MLEM program.
- A PHASE 2 follow up 5,000m drilling program is contracted to expand on the initial program at Fire Dragon, FD1, FD2, FD4 and Silver Dragon (Nickel-Copper) and Black Dragon (Gold).
- The PHASE 1 4 hole 1,212m diamond drilling program is supported by an Exploration Incentive Scheme (EIS) co-funded drilling grant of \$150,000 received from the WA Government.
- CPS Capital, who have significant and demonstrated experience in the mining sector with a proven track record, have been appointed as Corporate Advisor to the Company for 12 months.

NickelX Limited ("NickelX", "NKL" or "The Company") is pleased to report that it has contracted DDH1 Limited (DDH1) and secured a diamond drill rig for an early July program at the Fire Dragon Nickel-Copper Target within the Biranup Project, located in the world class Albany Fraser Orogen (AFO).

The DDH1 contract includes 2 PHASES of drilling for a total of 6,212m of Diamond and Diamond with RC pre-collars to test for Nickel-Copper sulphides at Fire Dragon and FD1 based on current data, while a wider PHASE 2 program of Diamond and Diamond with RC pre-collars is planned to test for Nickel-Copper sulphides at Fire Dragon, FD1, FD2, FD4 and Silver Dragon and to test for structural Gold at Black Dragon, will be based on completion of modelling from the recent EM surveys and results from PHASE 1.

A diamond rig has been secured for an early July program with Safety Management Systems established and a Program of Works (POW) approved. Refurbishing and clearing of tracks (where warranted) and establishments of drill pads and sumps will get underway shortly in preparation for the drill arrival on site to commence work. As the approved POW sites fall within areas already cleared for heritage by previous explorers, NKL has received advice that no further heritage clearance work is required at this stage of exploration, enabling drilling to commence immediately.

The PHASE 1 4 hole 1,212m diamond drilling program will test for massive sulphides at Fire Dragon and the now enhanced FD1 conductors (see Figure 2). The PHASE 1 program is supported by an EIS co-funded drilling grant received from the WA Government. The strategy at Fire Dragon is not only to locate thicker and potentially economic extensions of the nickel-copper bearing sulphide zone intersected by historical drilling (see VRX ASX announcement dated 17th January 2017) but also to better understand the style of this mineralisation (i.e., whether magmatic or hydrothermal, or a tectonothermal modification of either). This will have important implications for Nickel exploration throughout the Biranup project and the AFO.

NickelX Managing Director Matt Gauci commented:

"We're pleased to have contracted DDH1 as our drilling partner and having secured a Diamond Rig for our PHASE 1 and PHASE 2 drilling programs at Fire Dragon (Nickel Copper), Silver Dragon (Nickel Copper) and Black Dragon (Gold), for what will be the only comprehensive and systematic drill program on highly prospective targets, identified by the NickelX team's data review and recently successful EM surveys."

Biranup Nickel Project Overview

The Biranup Project is comprised of six granted exploration licenses (EL's) covering a total area of ~400km² and is located at the north-eastern Albany Fraser Orogen (AFO), where previous work has identified 20+ EM conductors, including 4 high priority targets, that are considered highly prospective for magmatic nickel-copper mineralisation. The high priority Fire Dragon nickel target has been the subject of an AEM survey, ground MLEM survey and very limited drilling by previous explorers, which intersected semi-massive to massive sulphides (including pentlandite and chalcopyrite), from a limited 4-hole program.

The AFO is still considered an emerging mineral belt as nickel-copper discoveries continue after only 10 years from the discovery of the Nova-Bollinger deposit. Total mineral endowment of the AFO is approximately 0.3Mt contained nickel-copper, whereas more mature belts, such as the Thompson Belt in Canada, have been explored for more than 40 years with total mineral endowment of 2.7Mt contained nickel. Discoveries continue to be made in the AFO including the Silver Knight deposit (Creasy Group), Mawson's deposit (Legend Mining Limited) and the Orion target (IGO Limited).

Figure 1. NickelX Biranup and Ponton Projects in the Albany Fraser Orogen

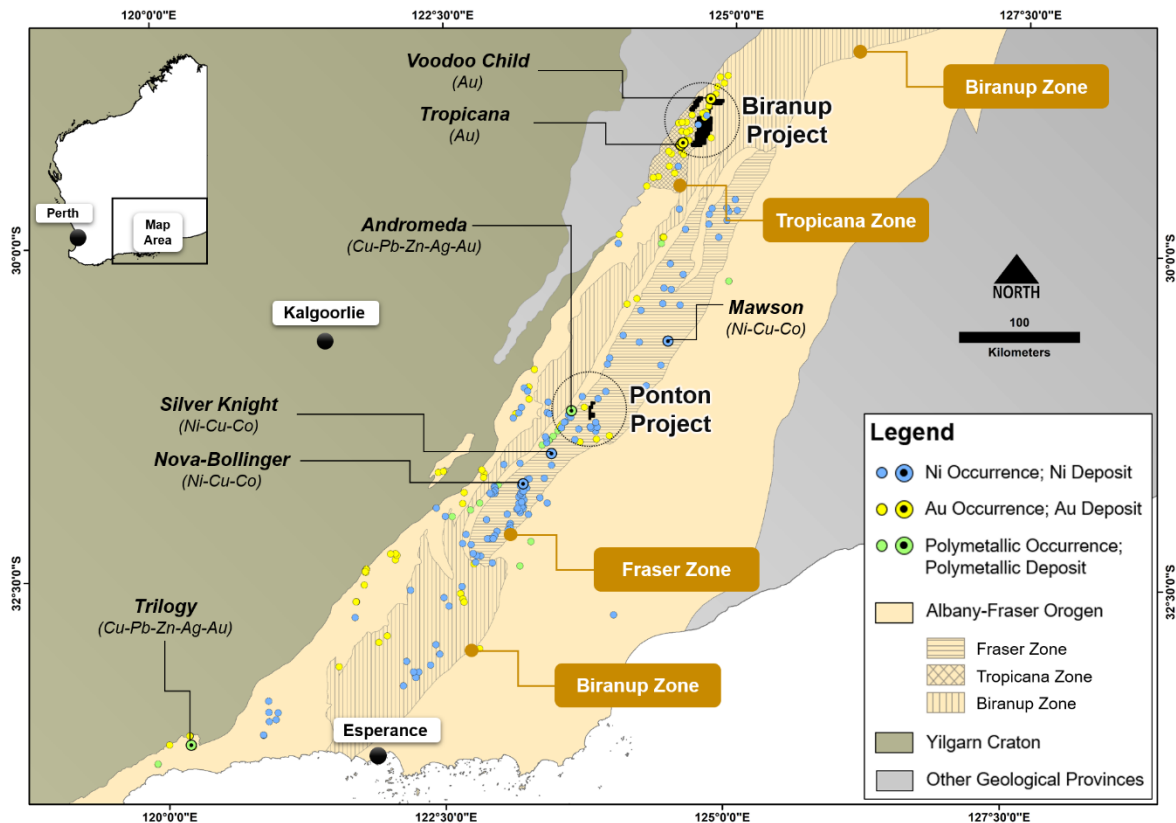
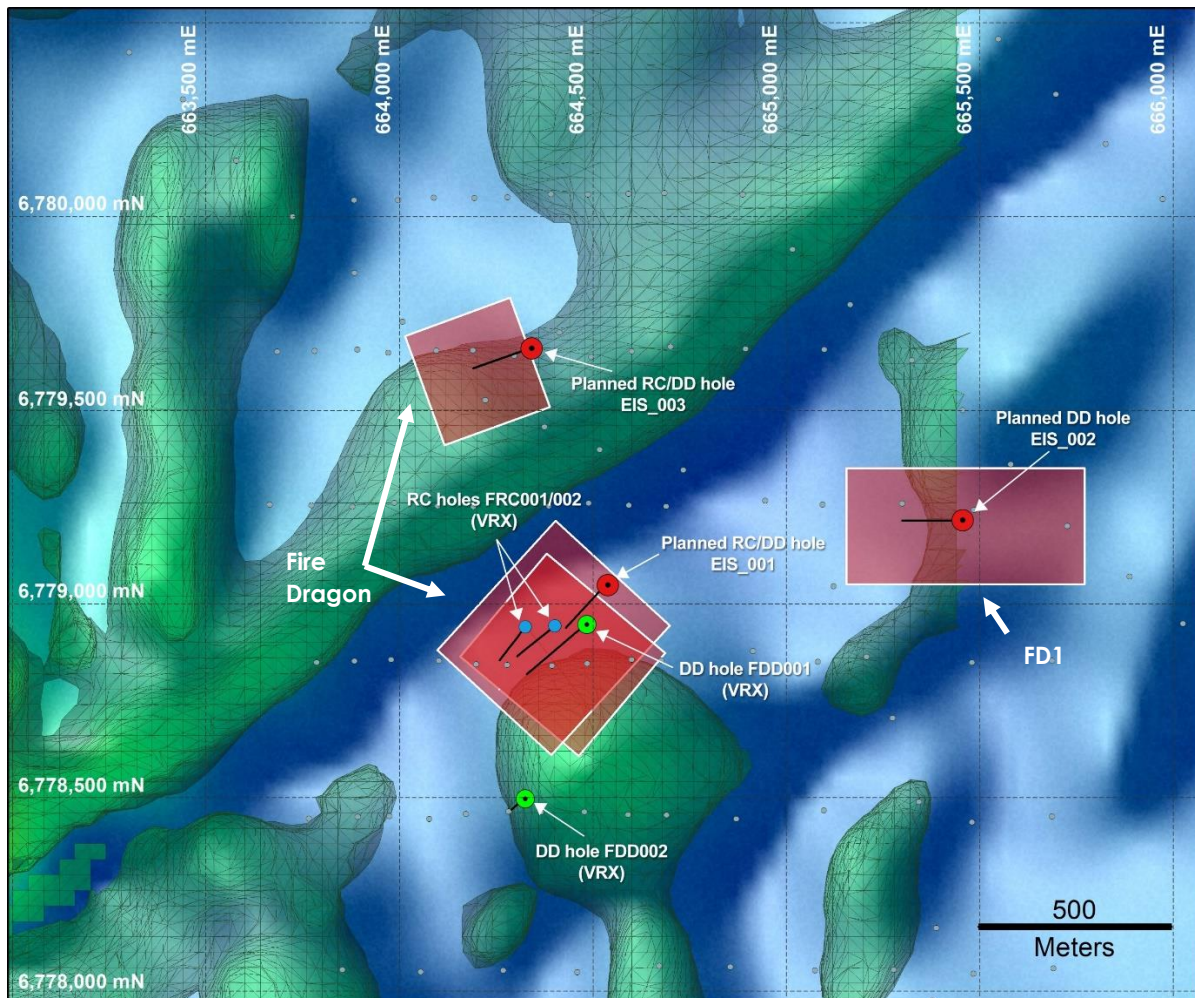


Figure 2. Fire Dragon Nickel-Copper Target PHASE 1 drill hole locations



CORPORATE ADVISORY AGREEMENT

CPS Capital Group Pty Ltd (CPS), who have significant and demonstrated experience in the mining sector with a proven track record, have been appointed as Corporate Advisor to the Company for 12 months. The material terms are set out below:

- CPS will provide NKL with access to its corporate advisory services on an ad hoc basis, from time to time as and when needed by NKL.
- CPS will work with NKL to complete corporate advisory tasks as agreed.
- Either party may terminate this agreement with 14 days' notice.
- NKL will pay CPS A\$5,000 per month for a period of 12 months for these services.
- NKL will issue CPS 2,000,000 unlisted options exercisable at \$0.25 per share with a 3-year term.

The options will be issued utilising the Company's existing Listing Rule 7.1 placement capacity.

This announcement is authorised for ASX release by Matt Gauci, Managing Director of the Company.

ENDS.

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ABOUT NICKELX LIMITED

NickelX Limited is an Australian, ASX listed, Nickel and Copper exploration company primarily exploring for high-grade Nova-type magmatic Nickel-Copper deposits, as well as large scale Tropicana-type structural Gold deposits in the world class Albany Fraser Belt (AFO), located in Western Australia.

The Company owns 100% interest in its 6 granted Exploration Licenses (EL's) at the Biranup Project in the Albany Fraser Orogen, including numerous high priority targets at Fire Dragon, Silver Dragon, Black Dragon and Red Dragon, as well as additional priority targets which comprise the projects.

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tony Donaghy who is a Registered Professional Geoscientist (P.Geo) with the association of Professional Geoscientists of Ontario (PGO), a Recognised Professional Organisation (RPO). Mr Donaghy is an employee of CSA Global, an ERM Company, and is contracted as Exploration Management Consultant to Nickel X Limited. Mr Donaghy has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Statements regarding plans with respect to the Company's mineral properties may also contain forward looking statements.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in exploration and development activities, geological, mining, processing and technical problems, the inability to obtain exploration and mine licenses, permits and other regulatory approvals required in connection with operations, competition for among other things, capital, undeveloped lands and skilled personnel; incorrect assessments of prospectivity and the value of acquisitions; the inability to identify further mineralisation at the Company's tenements, changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt exploration and development activities, operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks and various other risks. There can be no assurance that forward-looking statements will prove to be correct.