
ASX ANNOUNCEMENT
5 AUGUST 2021

DRILLING COMMENCES AT FIRE DRAGON NICKEL TARGET

HIGHLIGHTS

- Diamond drilling has commenced at the Fire Dragon and FD1-FD4 nickel targets within the Biranup Project, located in the world class Albany Fraser Orogen (AFO), WA.
- Maiden diamond drilling program designed to test for massive sulphides primarily at the recently defined conductors at Fire Dragon and FD1 targets.
- Follow-up diamond/RC drilling program to expand on Phase 1 at Fire Dragon and to test the Silver Dragon (Nickel-Copper) and Black Dragon (Gold) targets.
- Re-processing of Airborne Electromagnetic (AEM) SPECTREM survey data identified new robust conductivity anomaly targets throughout the ~400km² Biranup Project.
- Follow-up Moving Loop Electromagnetic (MLEM) surveys completed adjacent to the existing Fire Dragon conductor, comprised 17 lines across first-order targets at FD1-4.
- Preliminary review of MLEM survey data identified a robust, late-time conductive response at FD1, while further modelling interpreted FD1 target to be consistent with a strong, moderately dipping basement conductor with a strike length of 800m.
- \$150,000 EIS co-funded drilling grant awarded by the WA Government in support of a diamond drilling program.

NickelX Limited ("NickelX", "NKL" or "The Company") is pleased to report it has commenced its maiden diamond drilling program at the Fire Dragon Nickel-Copper Target within the Biranup Project, located in the world class Albany Fraser Orogen (AFO). The maiden (Phase 1) 1,212m diamond drilling program will test for massive sulphides primarily at Fire Dragon and the FD1 conductors (see Figures 2-5).



Figure 1. Fire Dragon Nickel-Copper Target drill rig

The target conductors at Fire Dragon and FD1 have been well defined via re-processing previous AEM (SPECTREM) survey data and follow-up MLEM surveys (see ASX announcement 10 June 2021 and Prospectus dated 16 March 2021). The Phase 1 drilling program is supported by an EIS co-funded drilling grant of \$150,000 received from the WA Government.

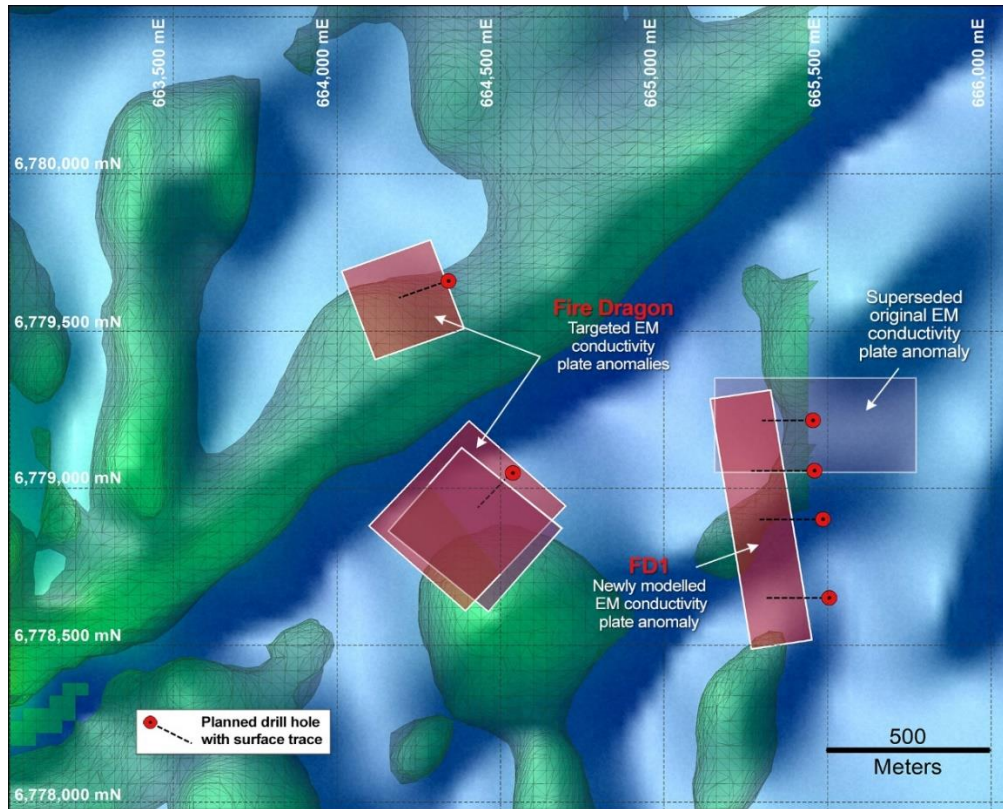


Figure 2. Fire Dragon and FD1 Nickel-Copper Target Phase 1 drill hole locations

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:

"The NickelX team are very excited to have contracted DDH1 and commenced drilling so soon after listing, based on well-defined conductors particularly the robust, late-time conductive response at Fire Dragon and FD1, with additional conductive responses observed at FD2 and FD4.

"Importantly, the maiden drilling program is supported by the EIS grant of \$150,000 for the initial program and we've contracted DDH1 for a wider 5,000m program to expand on this initial program, and to test other highly prospective targets at Silver Dragon (Nickel-Copper) and Black Dragon (Gold).

"We look forward to a busy September Quarter of exploration, drilling and evaluation of the Biranup project - in particular the Fire Dragon, Silver Dragon and Black Dragon targets - and results will be released as they become available."

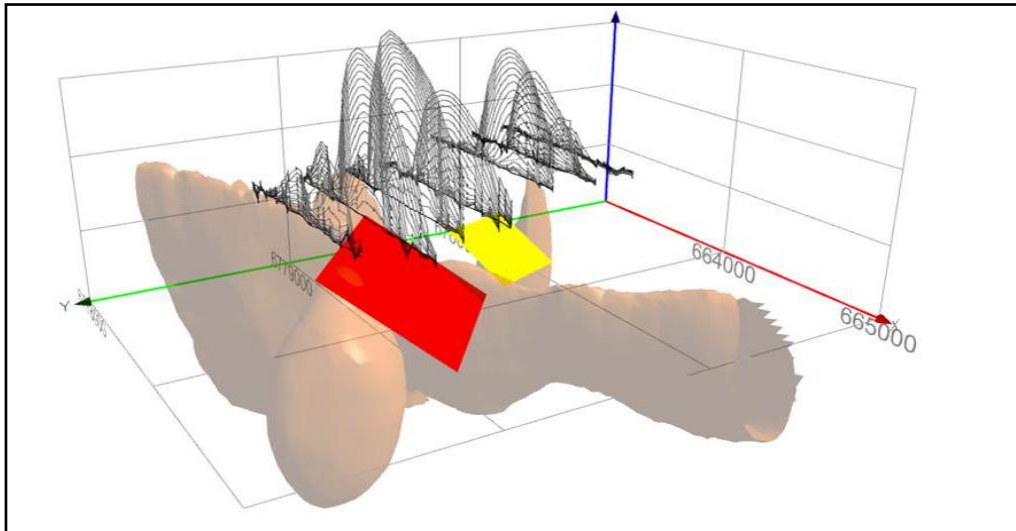


Figure 3. Fire Dragon 3D modelled conductor plate

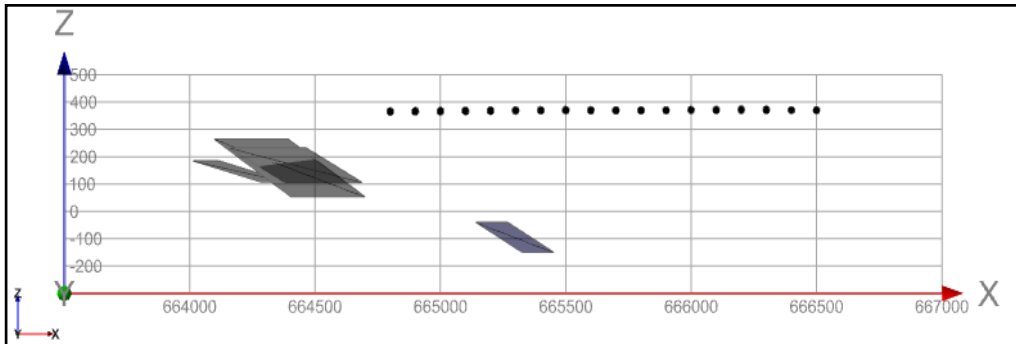


Figure 4. Fire Dragon and FD1 3D modelled conductor plates looking north

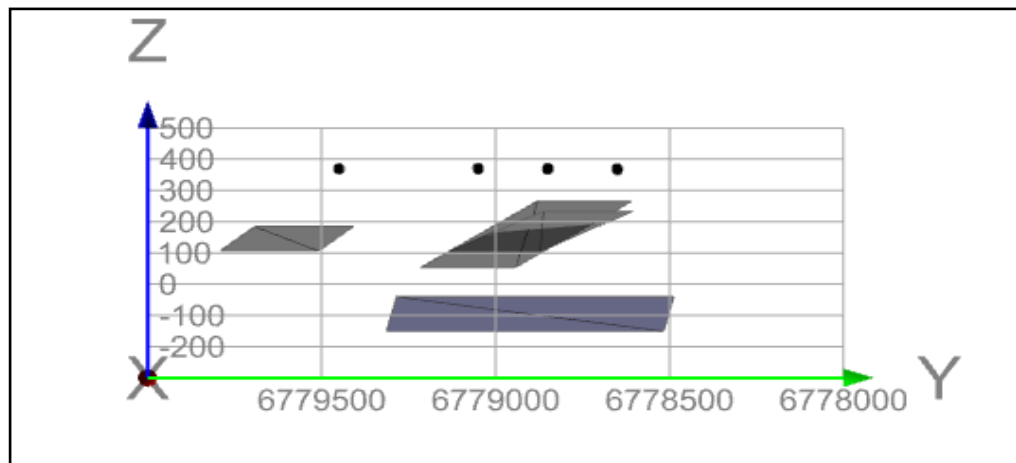


Figure 5. Fire Dragon and FD1 3D modelled conductor plates looking east

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 in the north-eastern Albany Fraser Orogen (AFO). Previous work at Biranup 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-copper target has been the subject of a SPECTREM AEM survey, ground MLEM surveys (by both previous explorers and by NickelX) and very limited historic drilling, which intersected narrow zones of semi-massive to massive sulphides (including pentlandite and chalcopyrite). NickelX is currently diamond drilling the Fire Dragon nickel target(s).

The AFO is still considered an emerging mineral belt as nickel-copper discoveries (e.g., the Silver Knight deposit (Creasy Group), Mawson's deposit (Legend Mining Limited) and the Orion target (IGO Limited)) continue to be made after only 10 years since 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.

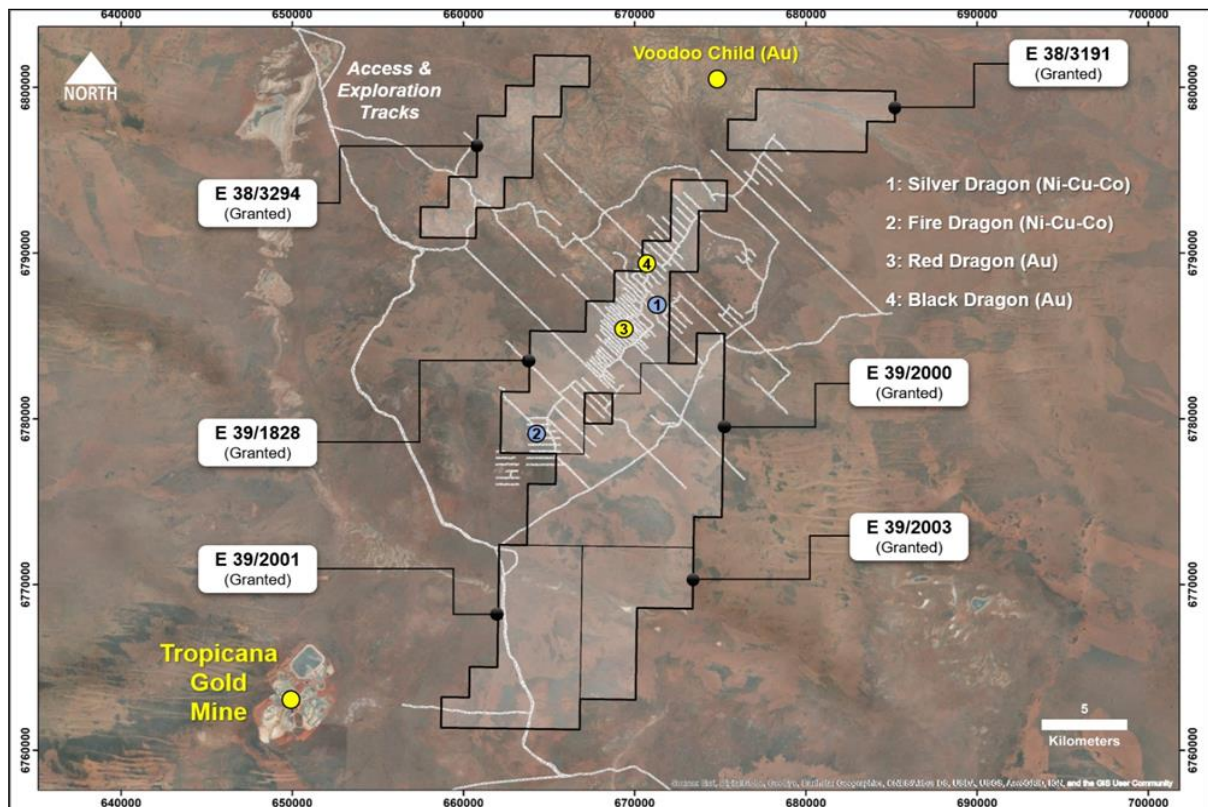


Figure 6. Biranup High Priority Nickel-Copper and Gold Targets

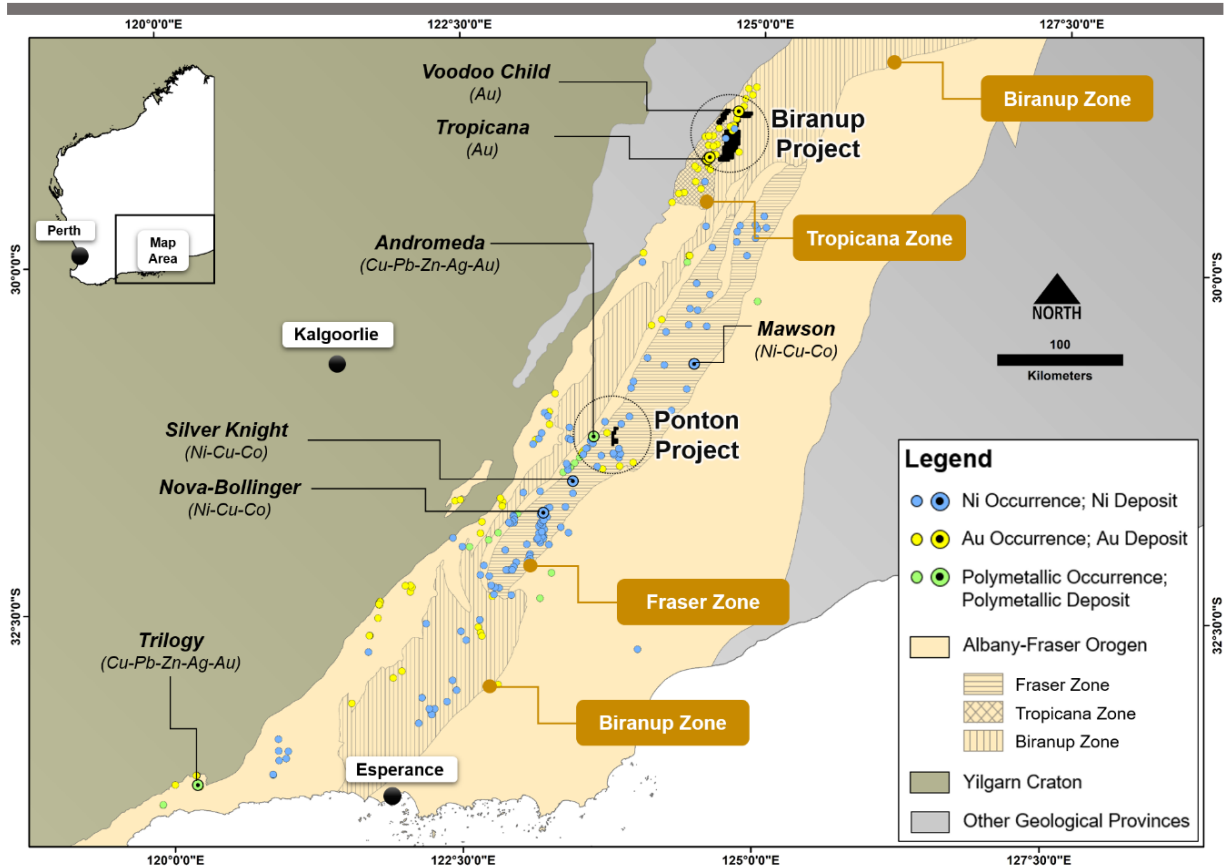


Figure 7. NickelX Biranup and Ponton Projects in the Albany Fraser Orogen

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.