ASX ANNOUNCEMENT
14 OCTOBER 2021

SULPHIDES AT FIRE DRAGON AND SILVER DRAGON NICKEL TARGETS

HIGHLIGHTS

- Maiden first pass diamond drilling program of 2402.5m in six diamond drill holes designed to test for semi-massive to massive sulphides at the Fire Dragon and Silver Dragon Nickel targets have now been successfully and safely completed.
- Drilling has indicated the presence of massive sulphides within the Fire Dragon target and disseminated sulphides at the Silver Dragon target from inspection of the core.
- At Fire Dragon, 0.55m massive sulphide breccia interval contained within highly altered and deformed mafic from 262.2m to 273.7m in NKLDD004.
- At Silver Dragon, two styles of mineralisation were encountered in NKLDD005 from surface to the EOH depth of 408.4m:
    - minor narrow (1-10m) gabbro intervals cross-cutting the background gneissic sequence with trace disseminated sulphides; and variably developed intervals of disseminated and remobilised stringer vein sulphides associated with granitic dykes
    - veins with magnetite-potassic feldspar-quartz-epidote alteration overprinting the gneissic and gabbroic lithologies.
- Downhole EM surveys are being organised to test for off-hole conductors and potential follow up Diamond/RC drilling program initially at Fire Dragon.
- Core samples dispatched to ALS Kalgoorlie with assays for both targets due as soon as practical.
- Reconciliation with geological model is ongoing and planning for the potential next stage is underway.
- The drilling program was supported by a $150,000 EIS co-funded drilling grant awarded by the WA Government.

NickelX Limited ("NickelX", "NKL" or "the Company") is pleased to report it has completed 2402.5m of diamond drilling consisting of six diamond drill holes testing five targets at the Biranup Project, located in the world class Albany Fraser Orogen (AFO).

Drilling successfully encountered massive sulphides at the Fire Dragon Nickel target and disseminated sulphides at the Silver Dragon Nickel target.

At Fire Dragon the drill program was designed to not only 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).

"We're pleased with the successful and safe completion of the maiden first pass drill program at the Fire Dragon and Silver Dragon Nickel targets. And to have encountered sulphides at both projects is highly encouraging.

"While we would have anticipated thicker intervals in the gabbro based upon the geophysical interpretations, the program was only a first pass and once assays are received, we will incorporate those results into our geological model for planning of the potential next stage of drilling. In the meantime, Downhole Electromagnetic (DHEM) surveys will commence shortly to detect any off-hole conductors."

Fire Dragon Nickel Target

Hole NKLDD004 at the Fire Dragon 2 target has intersected 0.55 metres of massive breccia sulphides from 263.65 to 264.2m downhole depth. The downhole depth coincides with the target depth of the surface EM plate tested by the drill hole. The breccia sulphide interval is contained within a wider interval of highly altered and deformed mafic (amphibolite) gneiss interpreted to be deformed gabbro from 262.2m to 273.7m in NKLDD004 containing disseminated sulphides and minor remobilised sulphide veinlets. Sulphides are dominated by pyrrhotite with pyrite and lesser chalcopyrite

Figure 1. 0.55m massive breccia sulphides intersected at 263.55m depth in drill hole NKLDD004 at the Fire Dragon 2 target.

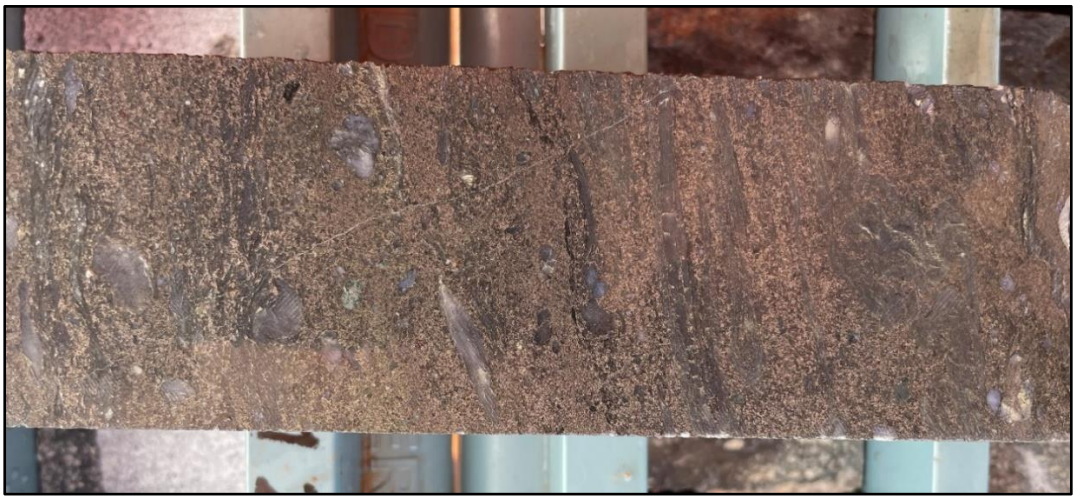

Figure 2. Massive pyrrhotite-chalcopyrite breccia at 263.65 to 263.9m in drill hole NKLDD004 at the Fire Dragon 2 target.

Figure 3. Massive pyrite-pyrrhotite breccia at 263.9 to 264.2m in drill hole NKLDD004 at the Fire Dragon 2 target.

Figure 4. Disseminated and remobilised sulphide in altered mafic (amphibolite) gneiss interpreted to represent deformed gabbro at 263.4 metres in NKLDD004.

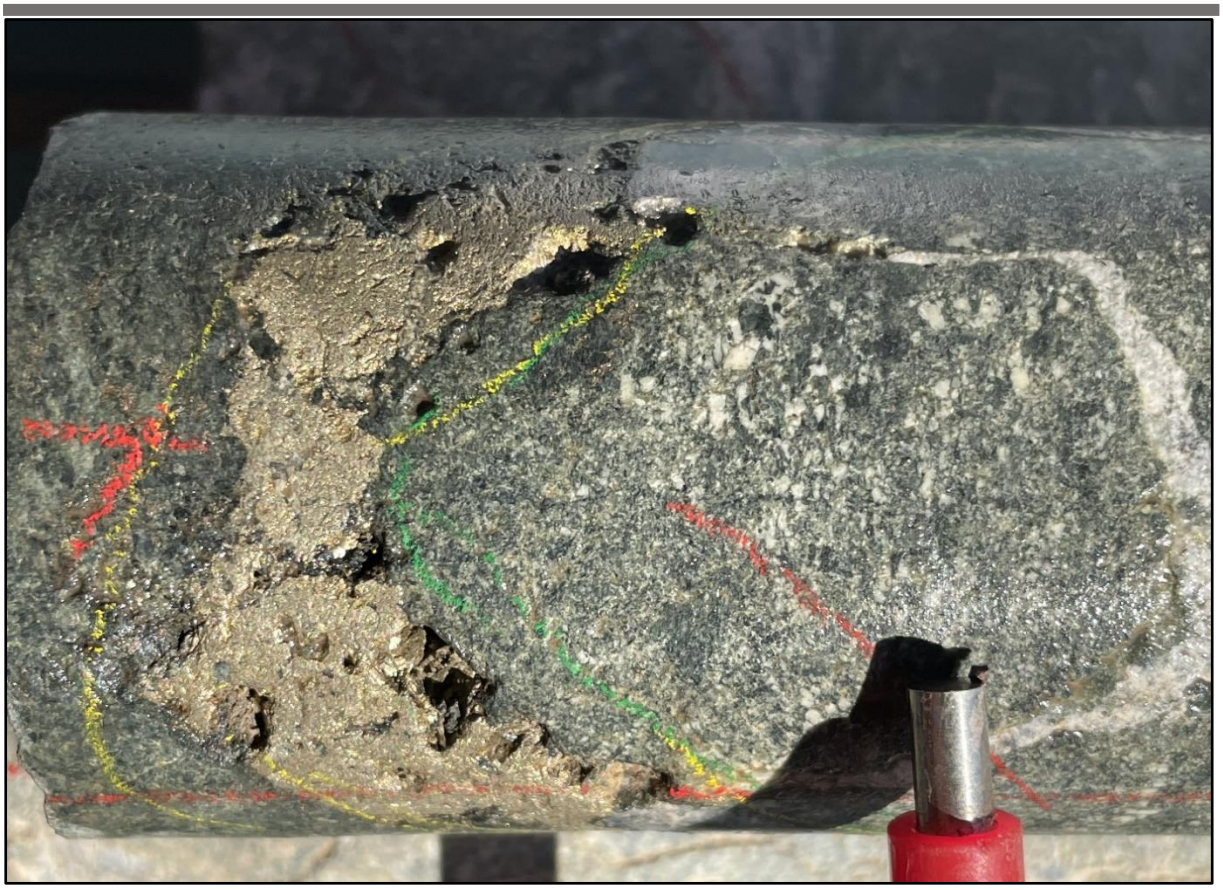

Figure 5. Coarse remobilised sulphide in altered mafic (amphibolite) gneiss interpreted to represent deformed gabbro at 267.9 metres in NKLDD004.

Silver Dragon Nickel Target

Hole NKLDD005 on the Silver Dragon target was terminated at 408.4m downhole depth. The hole intersected two different styles of sulphide mineralisation.

The first sulphide population consisted of trace disseminated sulphide (pyrrhotite-pyrite) present within narrow intervals of deformed and metamorphosed gabbro and leucogabbro encountered consistently down the hole that crosscut the background country rock assemblage of intermediate composition gneisses.

The second sulphide assemblage comprised pyrite-pyrrhotite-chalcopyrite disseminations and minor stringer veinlets associated with a variably developed alteration assemblage of magnetite-alkali feldspar-quartz-epidote-sausserite, affecting all lithologies and in close spatial association with numerous narrow fine-grained felsic (granitic) dykes that crosscut all other lithologies in the hole.

Both styles of mineralisation were encountered from the base of oxidation to the end of hole at 408.6m.

Next Steps

All holes drilled at Fire Dragon and Silver Dragon have been PVC lined and Wireline Services Group is mobilising to site to complete borehole EM geophysical surveys. The Company looks forward to updating the market with results as they become available.

All sulphide-bearing intervals observed in the six diamond drill holes completed have been sampled with cut core and all samples taken have been submitted to ALS Laboratories in Kalgoorlie for multi-element analysis. Assays are pending and the Company looks forward to updating the market with results as they become available.

The company is updating its geological data model of the targets with the results of drilling, with borehole EM results and assay data to be added as they become available. NickelX is developing further targets for follow up drilling and will announce plans for further exploration plans once all the new data results have been analysed and interpreted.

Biranup Nickel Project Overview

The Biranup Project is comprised of six granted exploration licenses (EL's) covering a total area of ~400km^2 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.

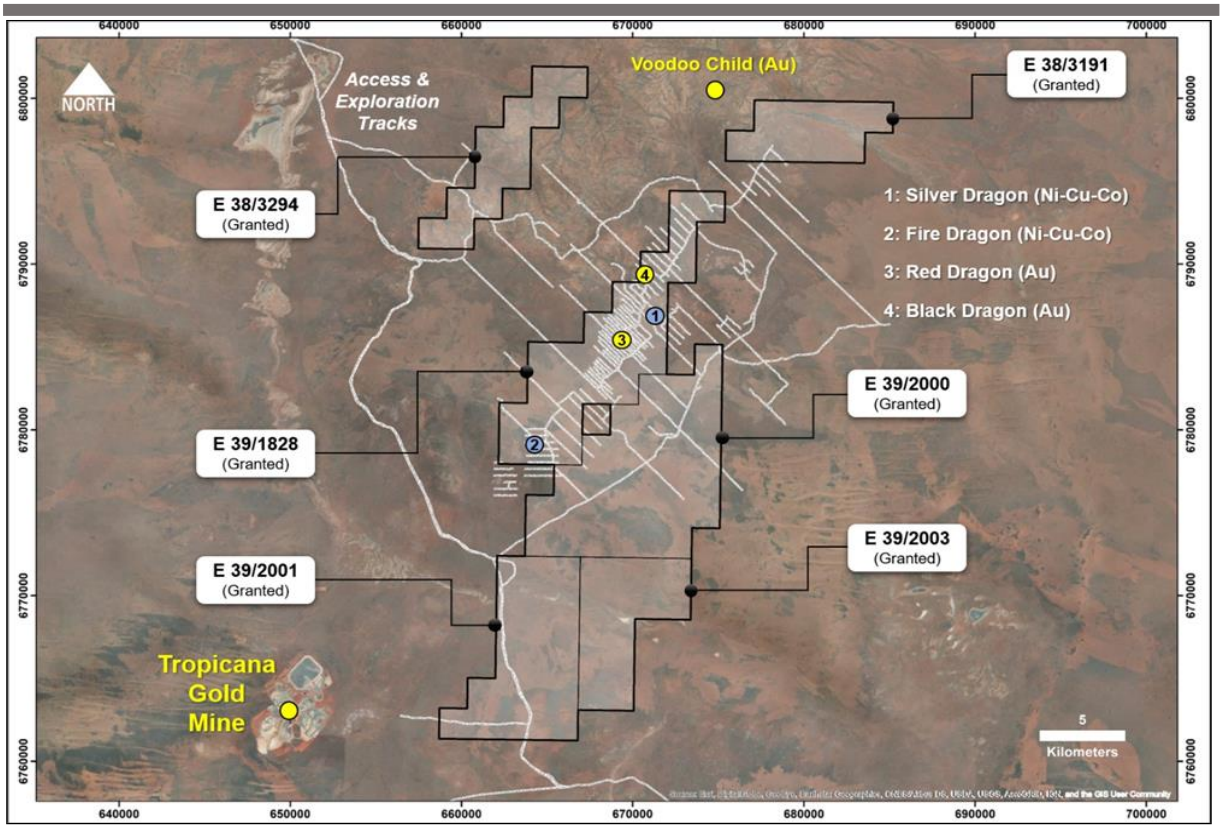

Figure 6. Biranup High Priority Nickel-Copper and Gold Targets

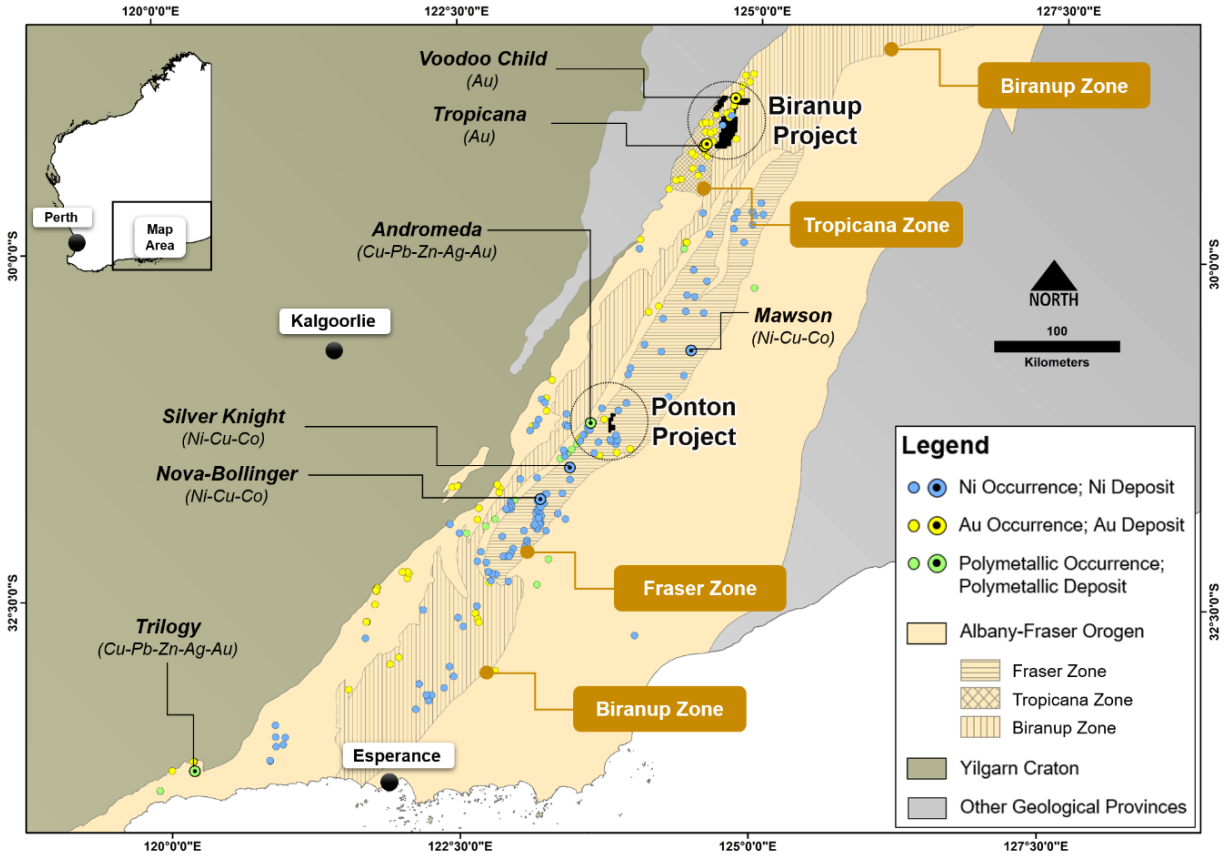

Figure 7. NickelX Biranup and Ponton Projects in the Albany Fraser Orogen

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.