
ASX ANNOUNCEMENT
29 MARCH 2022

NICKELX COMMENCES EXPLORATION AT COSMOS SOUTH NICKEL PROJECT

HIGHLIGHTS

- Following receipt of shareholder approval to acquire the Cosmos South Nickel Project (see ASX: NKL 17/03/22), the Company has immediately commenced exploration activities at the Project.
- NickelX has delivered to the vendors of Cosmos South a notice to exercise the option to acquire the project, and is proceeding with formal agreements and, as agreed, cash/share payments and commitment to minimum expenditure.
- NickelX has also contracted Drone Geoscience Pty Ltd to undertake a Drone Magnetic survey and Southern Geoscience Consultants Pty Ltd to process the data.
- The following information regarding the (1) Option Exercise Notice (2) Magnetic Surveys (3) Top 20 Shareholders and (4) Company Q & A, is provided for existing and future shareholders of the Company.

NickelX Limited (“NickelX”, “NKL” or “The Company”) is pleased to report that it has commenced exploration activities at the Cosmos South Nickel Project (“the Project”) after receiving overwhelming shareholder support to acquire the Project. Notification to the vendors of the Project that it will exercise the Option and commence exploration activities has been provided.

The Cosmos South Nickel Project is located 10km south of the world-class, high-grade Cosmos Nickel operations (Western Areas Limited – IGO Limited) and 20km north of the world class Leinster Nickel operations (BHP – Nickel West), within the prolific Wiluna Greenstone Belt (WGB).

Pursuant to the initial Terms Sheet, NickelX agreed to an exclusive option to purchase the Cosmos South Nickel Project and, subject to shareholder approval, exercised the option within the relevant timeframe.

According to the exercise of the Option, NickelX will earn a 100% interest in the Project by undertaking exploration expenditure of not less than \$500,000 over a 24-month period and making milestone payments of \$150,000 in NKL shares 12 months from the date of the Terms Sheet and \$150,000 in NKL shares 24 months from the date of the Terms Sheet.

NickelX has contracted Drone Geoscience Pty Ltd to undertake a Drone Magnetic survey in the June Quarter and Southern Geoscience Consultants Pty Ltd to process the data to further map ultra-mafic rocks and identify drill targets.

NickelX Managing Director Matt Gauci commented:

“The Cosmos South Nickel project ranked highly on our target list and following our due diligence, approval of shareholders and now exercise of the Option the team are excited to get on the ground with drilling on the basis of geological interpretation, upgrading magnetics indicating ultramafic rocks and re-compiling very strong and large bedrock conductors.”



Cosmos South Nickel Project Summary

Cosmos South M36/580 is situated within the highly endowed nickel rich region of the Agnew-Wiluna Greenstone belt. The belt hosts world class nickel deposits of the Leinster Nickel Operations, Mt Keith, Yakabindie, Honeymoon Well and Cosmos (Figure 1).

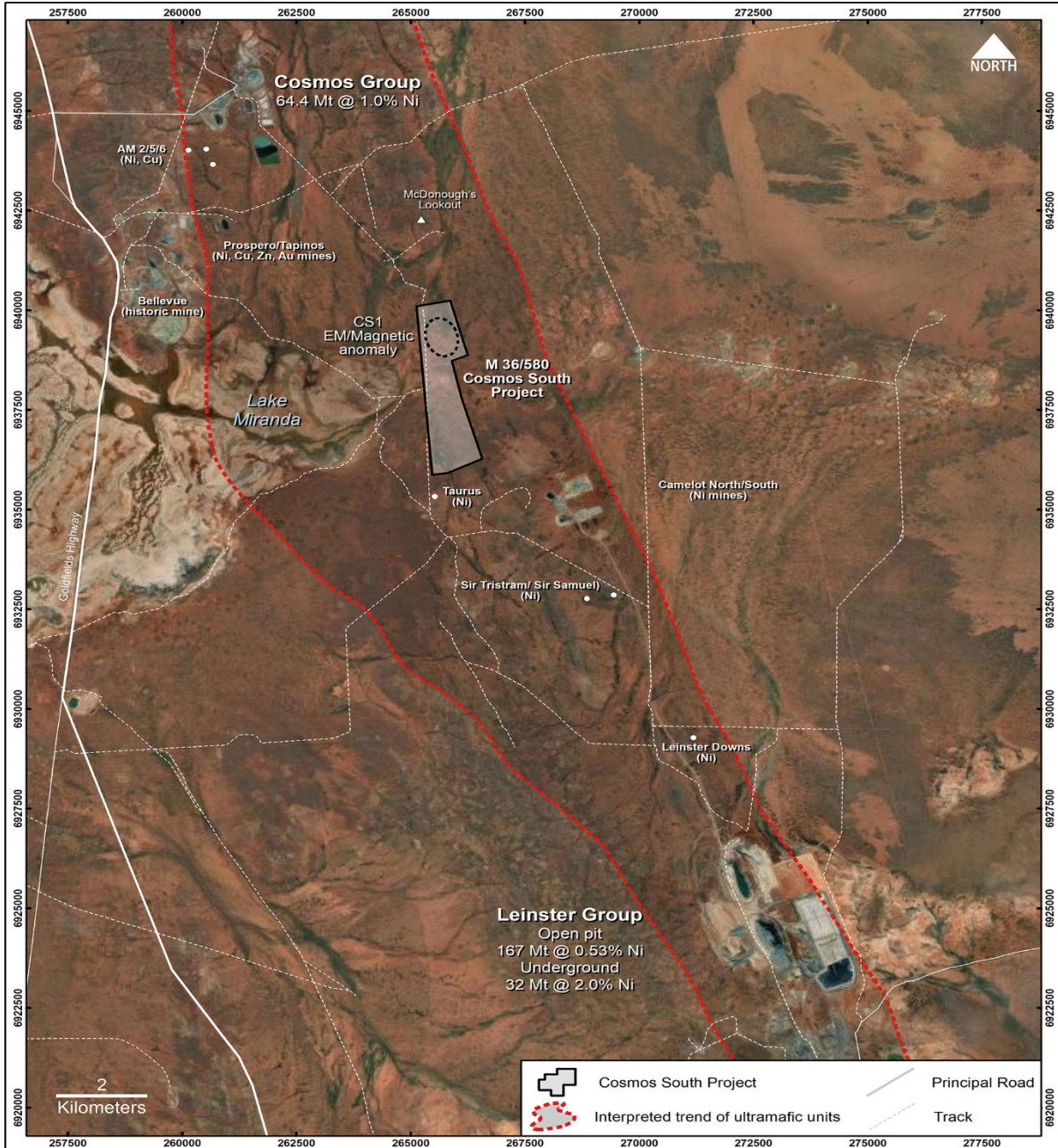


Figure 1. Cosmos South project location within the Wiluna Greenstone Belt

For further information on Cosmos South please see ASX: NKL 17/03/22.

Notice of Exercise of Option to Acquire Cosmos South

NickelX Limited is also pleased to announce that it has exercised the option to acquire the Cosmos South Nickel Project (comprising M36/580 (Lake Miranda) (**Tenement**)) from MG Resources Pty Ltd (ACN 651 489 539) (**MG Resources**) following receipt of shareholder approval pursuant to Listing Rule 11.1.2 at the general meeting held on 16 March 2022.

The Company now has the right to earn up to an undivided 100% interest in the Cosmos South Nickel Project by:

- (a) undertaking exploration expenditure of not less than \$500,000 on the Tenement over a period of 24 months (**Earn-in Period**); and
- (b) making the following milestone payments:
 - (i) issuing to MG Resources fully paid ordinary shares (**Shares**) to the value of \$150,000 on the date that is 12 months from the date of the agreement (calculated based on the volume weighted average price (**VWAP**) of Shares traded on the ASX in the 5 days prior to the date of issue (**Tranche 1 Shares**)). If issued, the Tranche 1 Shares will be subject to ASX escrow until 7 May 2023 (being 24 months from the date of the Company's official quotation); and
 - (ii) issuing to MG Resources Shares to the value of \$150,000 on the date that is 24 months from the date of the agreement (calculated based on the VWAP of Shares traded on ASX in the 5 days prior to the date of issue),

(together, the **Earn-In Requirements**).

Settlement of the acquisition of the Cosmos South Nickel Project will occur on that date which is 5 business days after the satisfaction (or waiver by the Company) of the Earn-In Requirements, or such other date as agreed between the parties.

Magnetic Surveys commence at Cosmos South

Existing Airborne Magnetic survey data at Cosmos South is 200 m line spacing at 80 m above ground and flown 160-340 degrees. The current contracted Drone Magnetics is proposed to be surveyed at 25 m E/W traverses at a height of probably 30m.

The survey objective of the Drone Magnetics is to better define the magnetic characteristics of the anomaly associated with the identified MLEM and FLEM anomaly's and to map structure (faults, etc) and lithology based on the results.

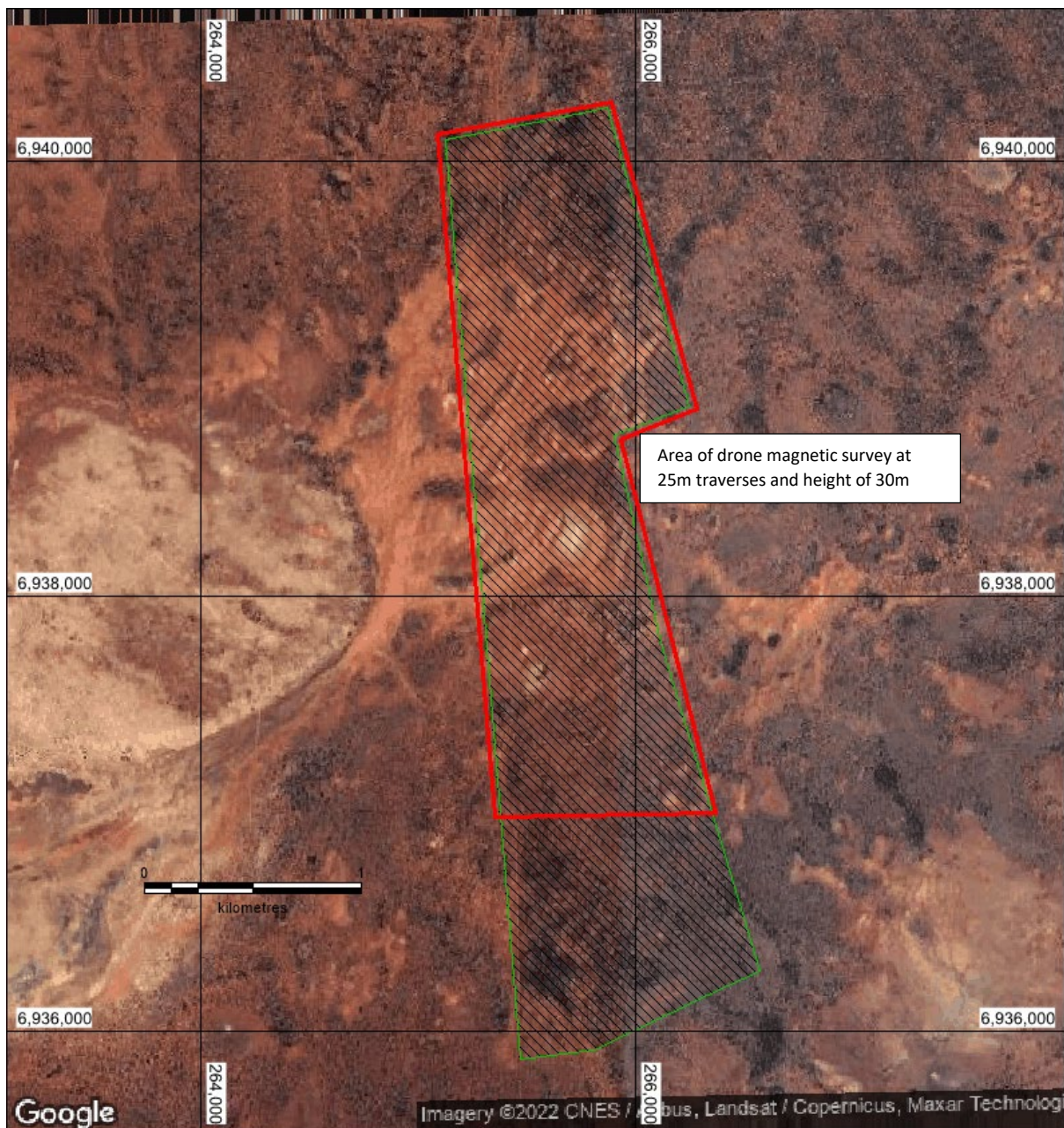


Figure 2: Drone Magnetic Survey traverses at Cosmos South Nickel Project



Indicative Drill plan at Cosmos South

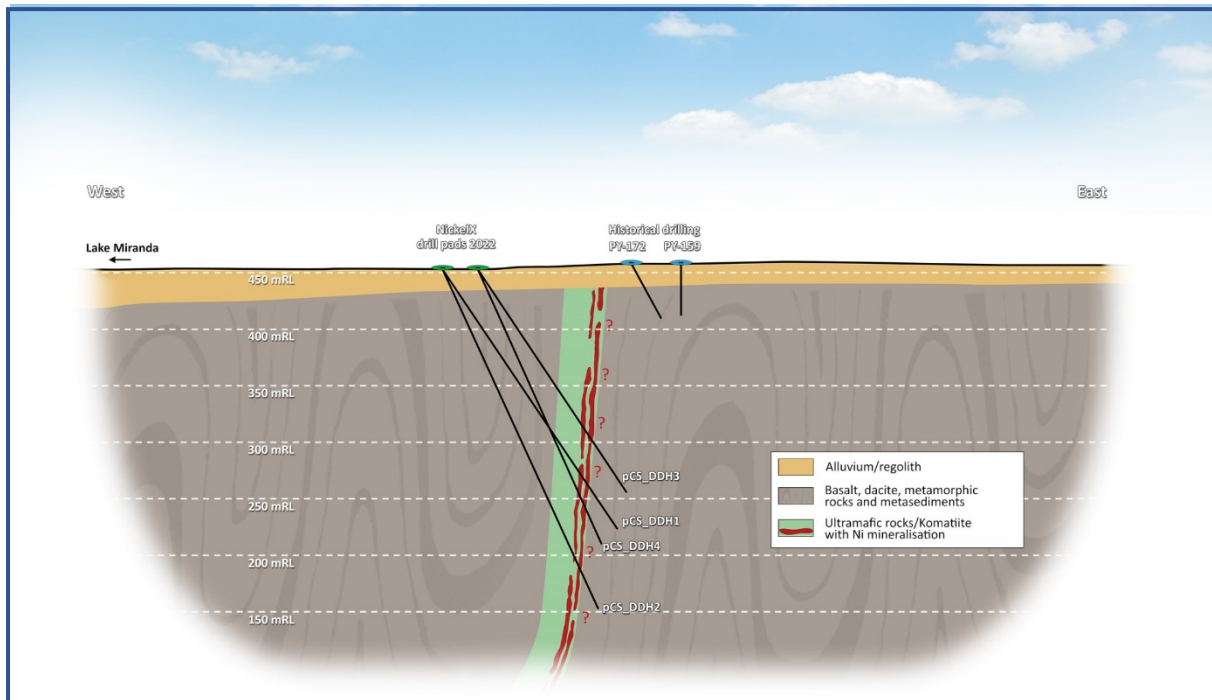


Figure 3: Interpretive cross section showing historical and planned drilling at the Cosmos South prospect. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

TOP 20 SHAREHOLDERS

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
VRX SILICA LIMITED	6,250,000	9.09%
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	5,210,050	7.58%
MATTHEW GAUCI <MACONDO FAMILY A/C>	1,700,001	2.47%
BLTS CAPITAL PTY LTD <ERKES A/C>	1,500,000	2.18%
MR GAVIN JEREMY DUNHILL	1,200,000	1.75%
CITICORP NOMINEES PTY LIMITED	1,056,467	1.54%
DR OLIVER PIERRE KREUZER	1,000,001	1.45%
INSURGENT METALS PTY LTD	1,000,001	1.45%
MR DIDIER BAMWANYA MBAYA	1,000,000	1.45%
CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	1,000,000	1.45%
CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	1,000,000	1.45%
PAGER PARTNERS CORPORATE ADVISORY PTY LTD <PAGER PARTNERS INVEST A/C>	1,000,000	1.45%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	677,999	0.99%
MS JANE ELIZABETH WAPSHOTT	667,621	0.97%
DANTEEN PTY LTD	554,193	0.81%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	503,131	0.73%
ZENITH MINERALS LIMITED	500,000	0.73%
MALAHIDE MANAGEMENT PTY LTD	500,000	0.73%
MALAHIDE MANAGEMENT PTY LTD	500,000	0.73%
AVANIA NOMINEES PTY LTD	500,000	0.73%
MRS ANDREA MURRAY <MURRAY FAMILY NO 2 A/C>	425,000	0.62%
MARVEL VENTURE LIMITED	415,000	0.60%
MR HAOCHEN HU	410,000	0.60%
MY FIFTH SEASON PTY LTD	400,000	0.58%
V & F TRUDA PTY LTD <VINCE TRUDA S/F A/C>	400,000	0.58%
ARIS NOMINEES PTY LTD <SHREEVE SUPER FUND A/C>	400,000	0.58%
MIRPIN PTY LTD <DES AMIS SUPER FUND A/C>	400,000	0.58%
DR CHIN HIAN CHANG	400,000	0.58%
MR CHEYNE MICHAEL DUNFORD	400,000	0.58%
MR DAVID KENNEDY	375,000	0.55%
MR PAUL CHARLES WILD	372,761	0.54%
MR ROBERT GHERGHETTA	356,515	0.52%
Total Top 20	32,073,740	46.64%
Total issued capital – ordinary fully paid shares	68,768,613	100.00%

Nickel X Management Q&A

For further information from Nickel X Management regarding the acquisition of the Cosmos South Nickel Project, please follow the link below with Chapter One Advisors.

<https://nickelxlimited.com/>

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

ENDS.

CONTACT:

Matt Gauci
NickelX Limited
info@nickelxlimited.com
+61 417 417 907

David Tasker
Chapter One Advisors
dtasker@chapteroneadvisors.com.au
+61 433 112 936

ABOUT NICKELX LIMITED

NickelX Limited is an Australian, ASX listed, Nickel and Copper exploration company primarily exploring for high-grade Nickel and Nickel-Copper sulphide deposits in Western Australia. The Company is developing an inhouse Nickel prospectivity database, generating projects in the South East and South West Yilgarn district including the prolific Wiluna Green Stone Belt, where the Company has recently acquired the Cosmos South Nickel Project, located in Western Australia.

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.