
ASX ANNOUNCEMENT
5 MAY 2022

EIS Drilling Grant for Cosmos South Nickel Project

HIGHLIGHTS

- NickelX has been awarded a co-funded drilling grant of up to A\$180,000 under the WA government Exploration Incentive Scheme (EIS) for the Cosmos South Nickel Project, located in the Wiluna Greenstone Belt, WA.
- The compilation of geophysical, geochemical and geological data has defined high priority drill targets for which the company is now progressing the permitting process and engagement of drilling contractors to test.
- The Wiluna Greenstone Belt (WGB) is currently the subject of one of the world's largest Nickel producing district consolidations with the proposed takeover of Western Areas Limited (ASX: WSA) by IGO Limited (ASX: IGO) and expansion of the BHP Nickel West Leinster Nickel operations

NickelX Limited ("NickelX" or "the Company") is pleased to report that it has been awarded an Exploration Incentive Scheme (EIS) grant of up to A\$180,000 by the WA Government in support of four diamond drill holes.

The Company is currently in the process of obtaining the required access agreements, permits and contractor engagement to drill test the targets identified. An initial program of four diamond drill holes is planned to test the near-surface and down dip extension of the conductivity and magnetic anomalies identified (Figures 2 and 3). Refer ASX announcement 26 April 2022 for further detail on the high priority drill targets.

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), WA (Figure 1).

NickelX Managing Director Matt Gauci commented:

"The Cosmos South Nickel Project ranked highly on our target list and following our due diligence, approval by shareholders and exercise of the Option, the team are excited to have received some very positive results from a recent close spaced drone magnetic survey.

"As per our application to the Exploration Incentive Scheme (EIS), the results have indicated prospective magnetic characteristics for ultramafic rocks and co-incident with the existing highly conductive MLEM and FLEM conductors within the project area.

"The team are very excited to be well funded and are now planning to execute our drilling plans at Cosmos South with the planned program designed to test these new, exciting targets not previously the subject of a systematic exploration program.

The Company thanks the WA Government for its support of the exploration industry via the EIS scheme."

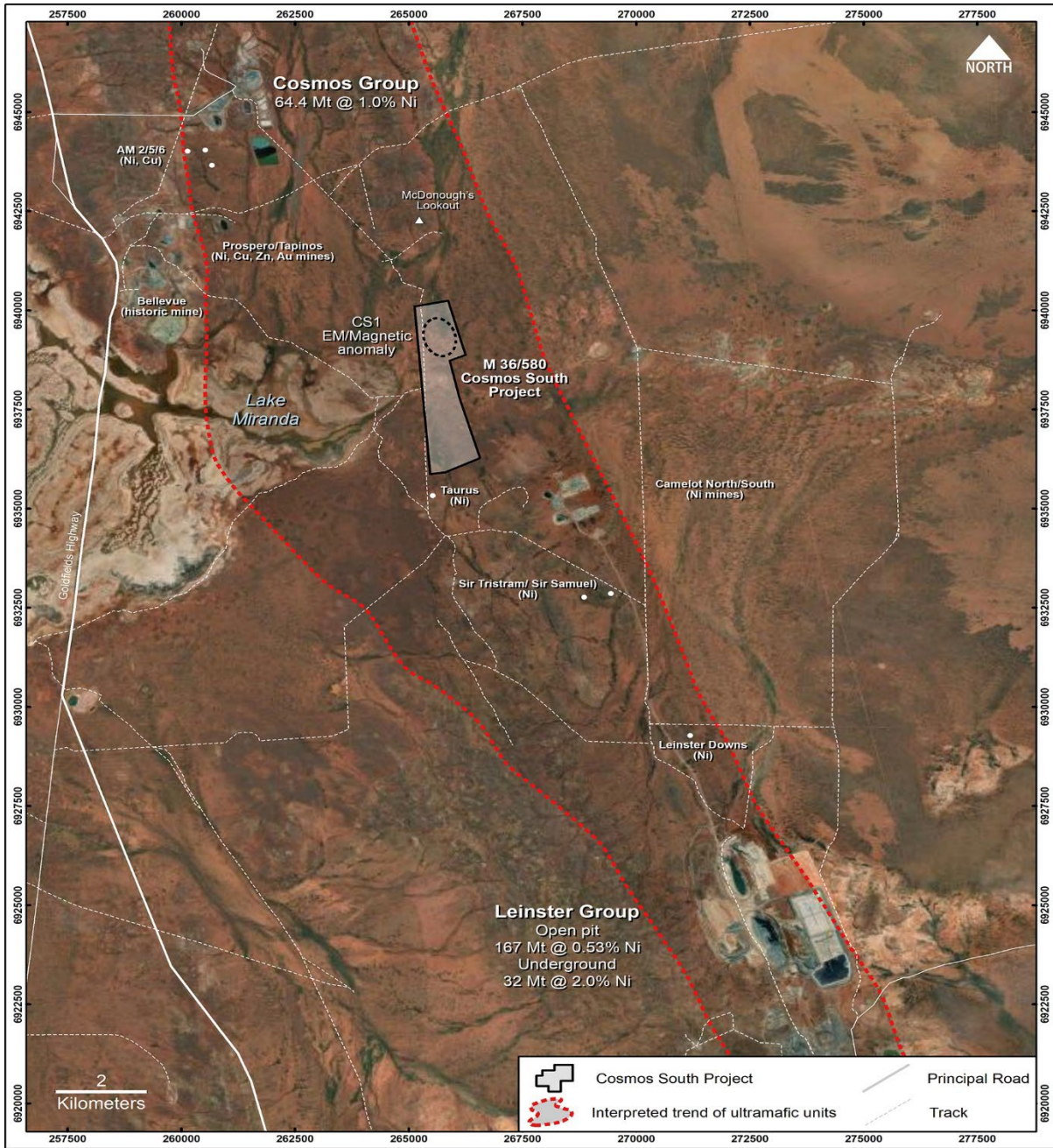


Figure 1. Cosmos South project location within the Wiluna Greenstone Belt (WGB)

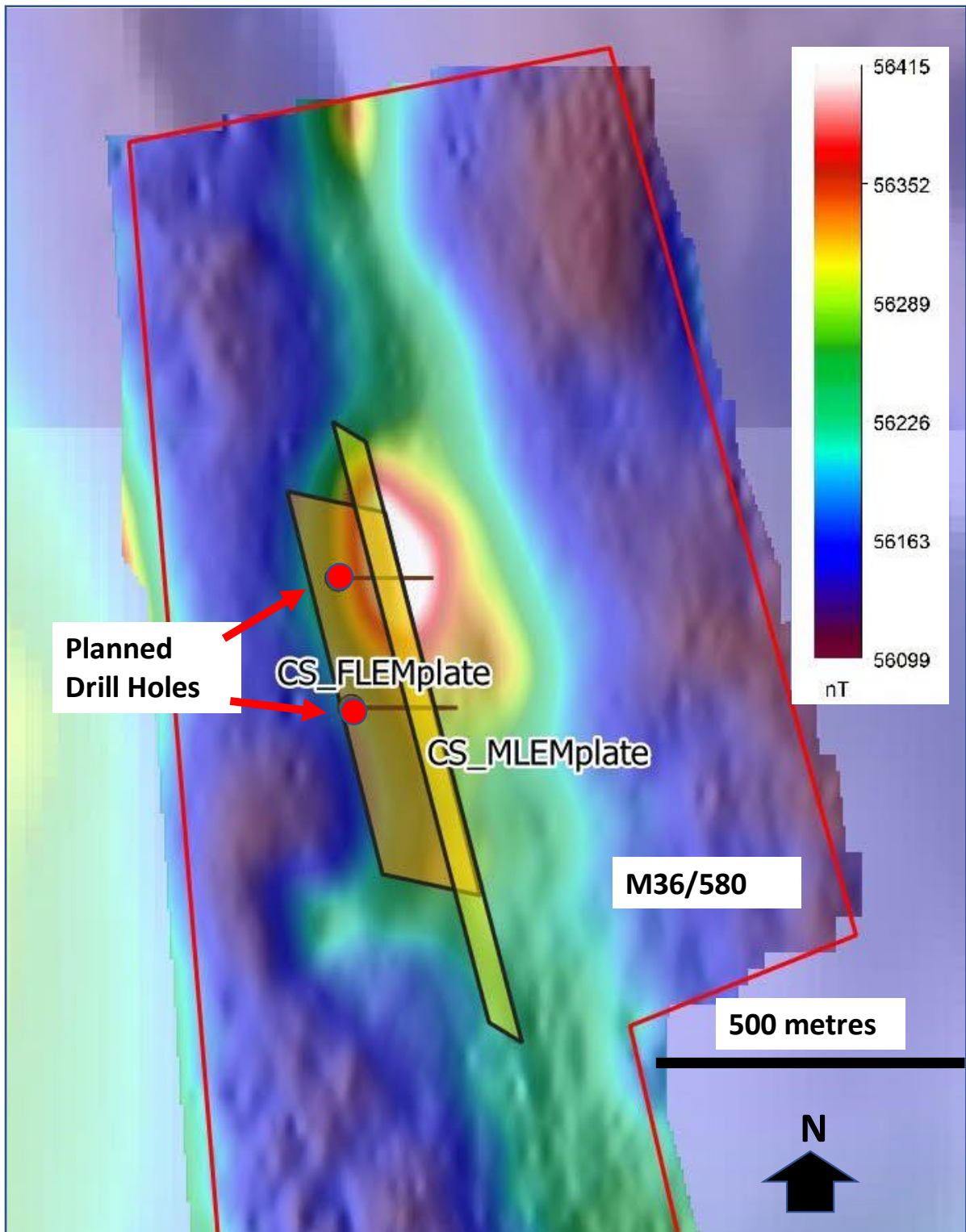


Figure 2: Indicative Drill plan at Cosmos South Nickel Project. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

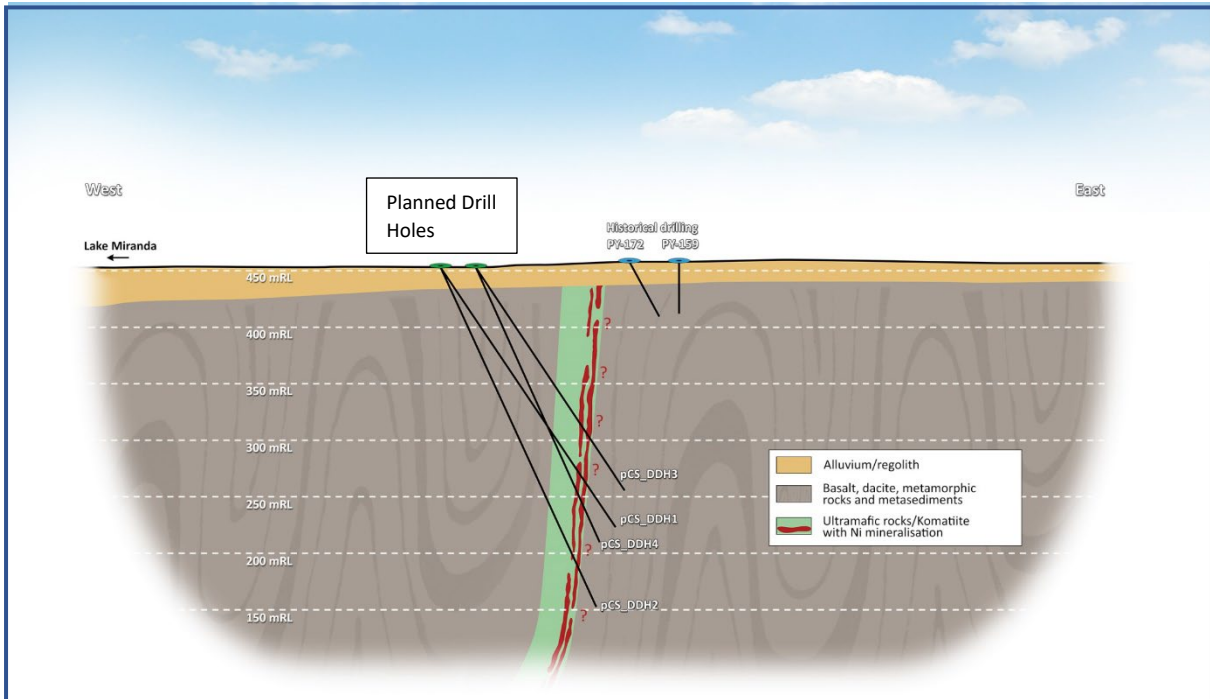


Figure 3: Interpretive cross section showing historical and planned drilling at the Cosmos South prospect. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

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 Gold exploration company primarily exploring for high-grade Nickel sulphide deposits, initially in the world class Albany Fraser Orogen (AFO) and, based on the company's inhouse Nickel prospectivity database, generating additional projects including the Cosmos South Project in the prolific Leinster Nickel Belt, all 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.