
ASX Announcement
29 JULY 2022

QUARTERLY ACTIVITIES REPORT

EXPLORATION

COSMOS SOUTH – WILUNA GREENSTONE BELT

- NickelX commenced exploration activities at the Cosmos South Nickel Project, located 10km south of the Cosmos Nickel operations, (IGO Limited) and 20km North of the Leinster Nickel Operations (BHP Nickel West), located in the world class nickel producing Wiluna Greenstone Belt.
- A magnetic survey and subsequent data processing was completed to deliver very detailed geophysical data, which helped to better define the magnetic character of the highly conductive Moving Loop Electromagnetic (MLEM) and Fixed Loop Electromagnetic (FLEM) anomaly CS1.
- The magnetic survey confirmed that CS1 is associated with a prominent positive magnetic anomaly indicative of buried channelised komatiite volcanic rocks prospective for nickel sulphide mineralisation.
- A reconnaissance field visit was also undertaken by the exploration team to evaluate road access, track condition, drill pad locations as well as engaging with neighbouring exploration and mining companies.
- A Land Access and Mineral Exploration Agreement was also progressed with the Tjiwarl Aboriginal Corporation with a Heritage Survey planned for early September and following a successful outcome the maiden drilling program soon thereafter.

BIRANUP – ALBANY FRASER BELT

- Data compilation, review and planning of gold exploration activities at Biranup are ongoing with the Company also evaluating possible divestment and/or joint venture opportunities to unlock the value of its Black Dragon and Red Dragon Gold targets.

CORPORATE

- NickelX was 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, and received a first instalment of \$138,538 (80%) from the EIS for the recently completed Biranup Nickel Project.
- NickelX has been reviewing several additional Nickel exploration and mining projects identified with the support of its Nickel prospectivity database and negotiations are ongoing with various parties.
- Solid cash position of \$2.85 million



Setting of the Cosmos South Nickel Project (M36/580)

NickelX Limited's (NickelX or the Company) has the right to earn-in to 100% of mining lease M36/580 (refer ASX announcement 25 November 2021). M36-580 is situated within the highly Nickel endowed Agnew-Wiluna greenstone belt. The belt hosts the world-class Nickel mining operations of the Leinster Group (Mt Keith, Yakabindie, Honeymoon Well and Cosmos) to the south of the Company's Cosmos South Nickel Project and the significant Nickel deposits of the Cosmos Group to the north-northeast of M36/580 (Figure 1).

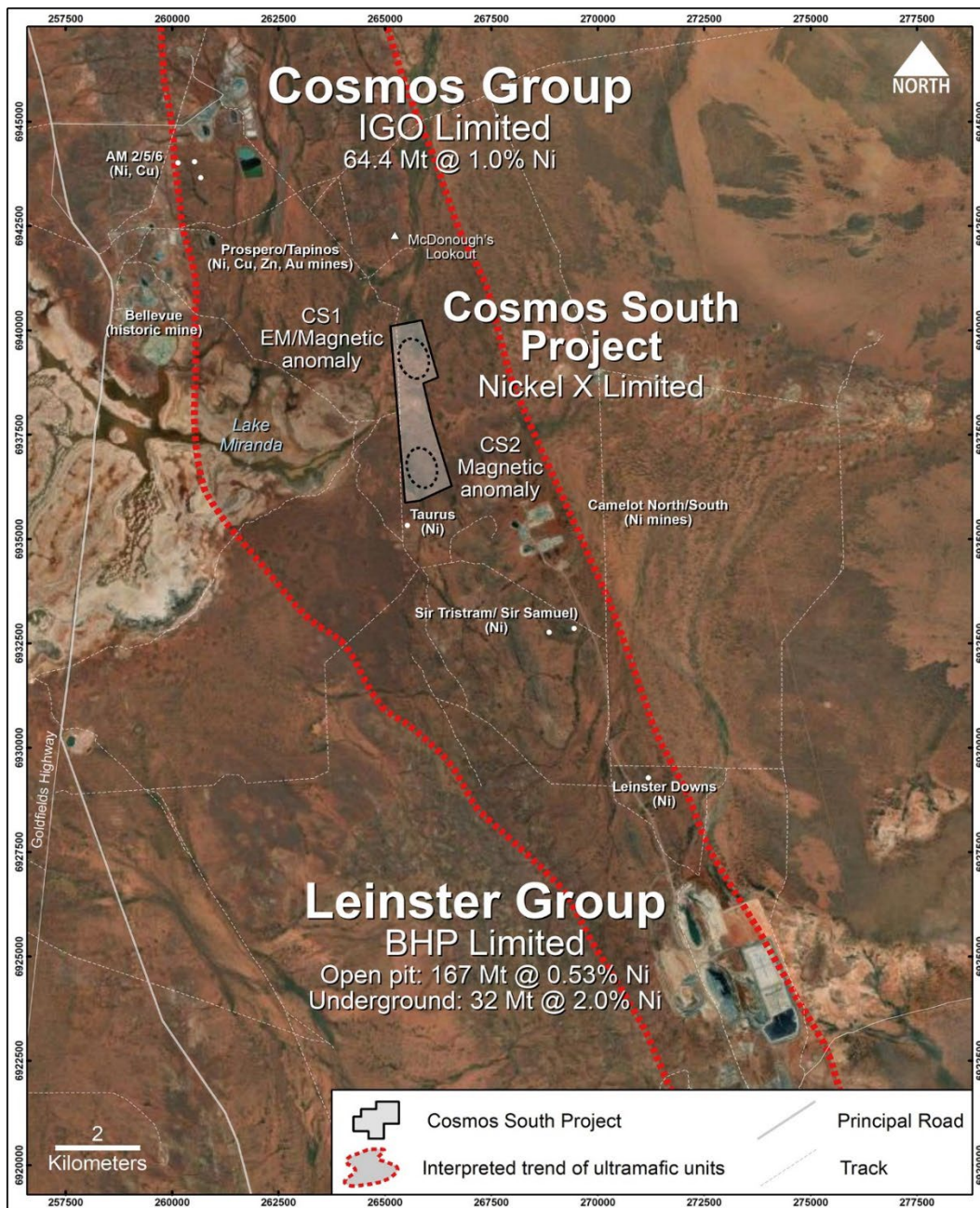


Figure 1. Cosmos South project location within the Wiluna Greenstone Belt (WSG)

Completed Drone Magnetic Surveys at Cosmos South Nickel Project

Previous Airborne Magnetic survey data over Cosmos South was acquired along 200m-spaced lines, orientated NNW-SSE and 80m above surface. NickelX's recent Drone Magnetism survey was completed at 25m E-W traverses at a flying height of approximately 30m. The survey objective was to better define the magnetic characteristics of the CS1 MLEM and FLEM anomaly and to map structure (faults, etc) and lithology based on the results.

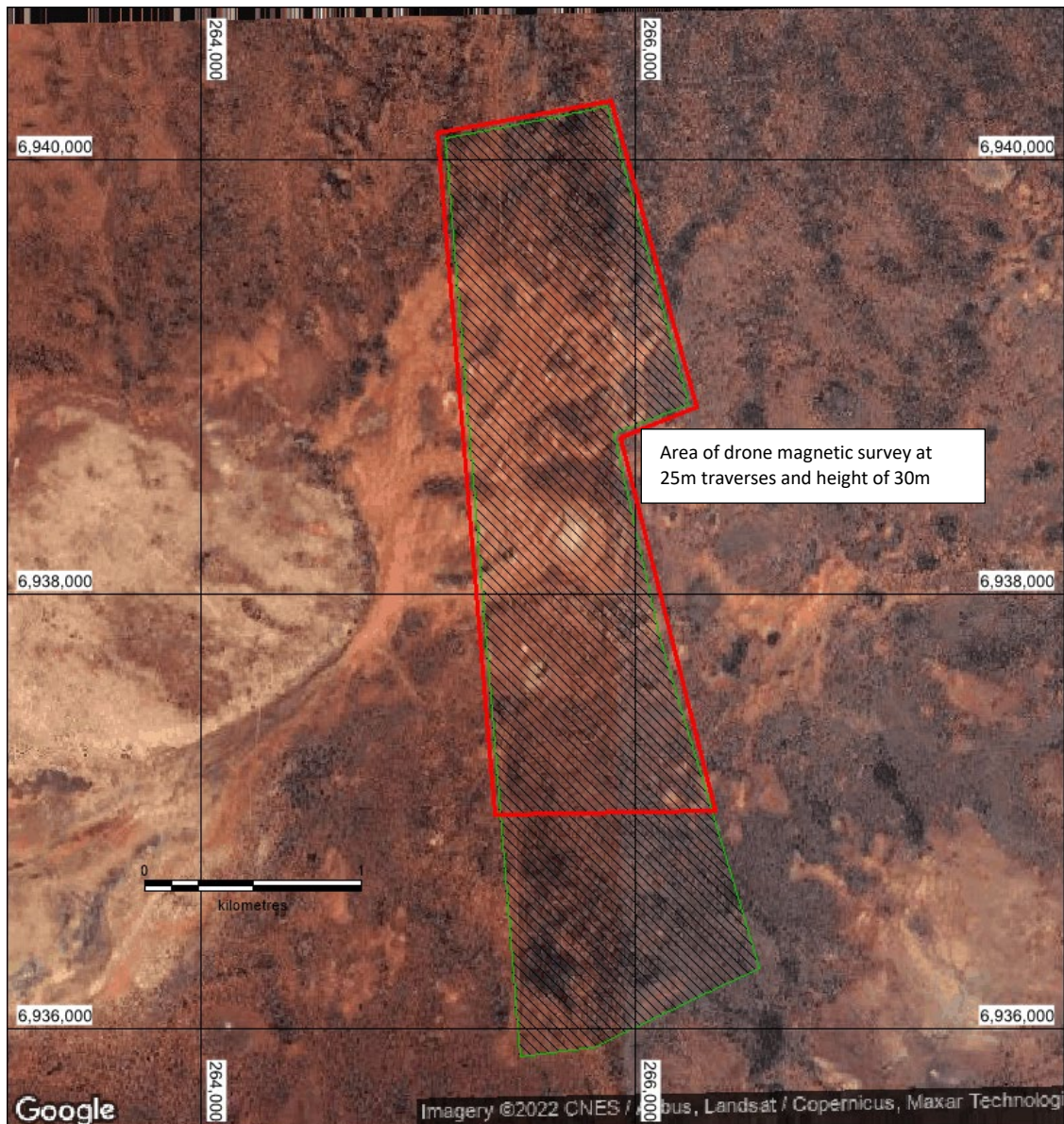


Figure 2: Completed Drone Magnetic Survey traverses at Cosmos South Nickel Project

The Cosmos South project is covered by recent transported cover sequences associated with the Lake Miranda drainage system. Mapping of subsurface lithology is dependent on interpretation of geophysical data.

Completed Drone Magnetic Surveys at Cosmos South Nickel Project

Previously acquired airborne magnetic survey data over Cosmos South was not optimal for use in targeting, having been acquired at 200m line spacing at a height of 80m above ground and flown on a bearing sub-parallel to the NNW-SSE strike of the host strata and controlling structures. The recent Drone Magnetics survey (Figure 2) was completed on 25m-spaced E-W traverses orthogonal to the greenstone belt fabric at a height of only approximately 30m above ground, offering significantly better data resolution.

The survey objective was to better define the magnetic characteristics of the strata associated with the identified MLEM and FLEM conductivity anomaly CS1 and to better map subsurface structure (faults, etc) and lithology based on the results.

The resolution of the existing magnetic data was insufficient to map local variations in the interpreted buried ultramafic volcanic (i.e. komatiite) sequences indicative of possible channelised environments that represent preferred host environments in komatiite-hosted Nickel sulphide systems.

The magnetic data (Figure 3) has delineated a clear NNW-SSE-oriented magnetic anomaly trend through the centre of the Project area and coincident with the conductivity plates modelled from the MLEM and FLEM surveys. Furthermore, the refined resolution of the drone survey shows there is a substantial thickening of the magnetic strata and an increase in the magnetic anomaly intensity associated with the northern part of the conductivity anomaly CS1.

Such thickening of the magnetic strata accompanied by an increase in magnetic anomaly intensity is consistent with channelised komatiite systems where the thickened sequence of olivine cumulates in the channel environment have been serpentinised, leading to growth of substantial secondary magnetite. Such magnetic responses are considered key exploration criteria for komatiite-hosted nickel sulphide systems such as at Kambalda, Leinster and Cosmos.

The coupling of the magnetic anomaly with the strong conductivity anomaly CS1 from the MLEM and FLEM data define a clear high-priority drill target prospective for nickel sulphide mineralisation.

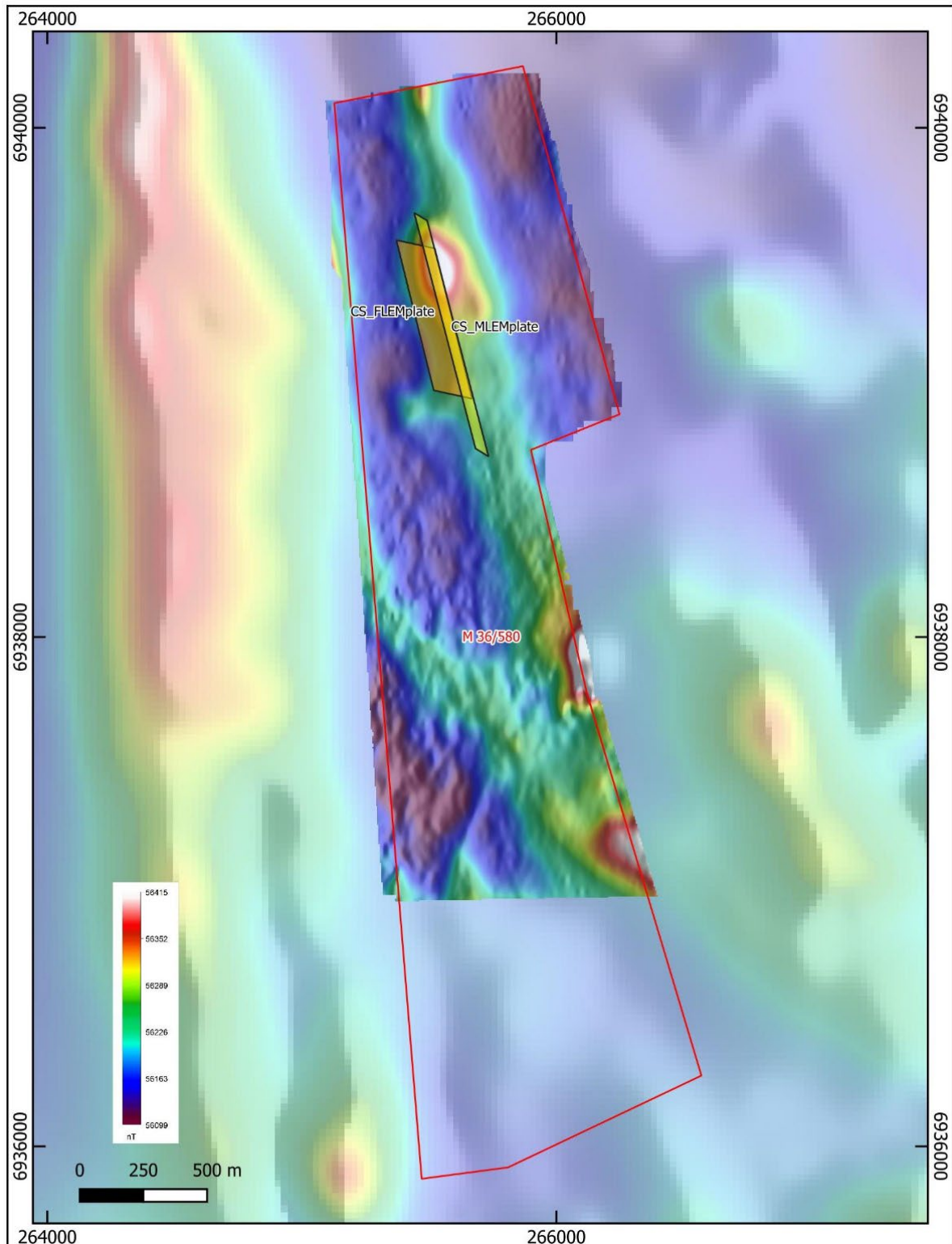


Figure 3: RTP magnetic anomaly map with EM plates modelled from the MLEM and FLEM surveys

FIELD WORK AND LAND ACCESS AGREEMENTS

A reconnaissance field visit was also undertaken by the exploration team to evaluate road access, track conditions, drill pad locations as well as engaging with neighbouring exploration and mining companies while a Land Access and Mineral Exploration Agreement was also signed with Tjiwarl Aboriginal Corporation.

PLANNED 3rd QUARTER ACTIVITIES

The Company is currently in the process of organising a Heritage Survey with the Tjiwarl Aboriginal Corporation for early September and following a successful outcome, the maiden drilling program soon thereafter. Four drill holes are planned (in two sets of two drill holes) to test the near-surface and down dip extension of the conductivity and magnetic features identified (Figures 4 and 5).

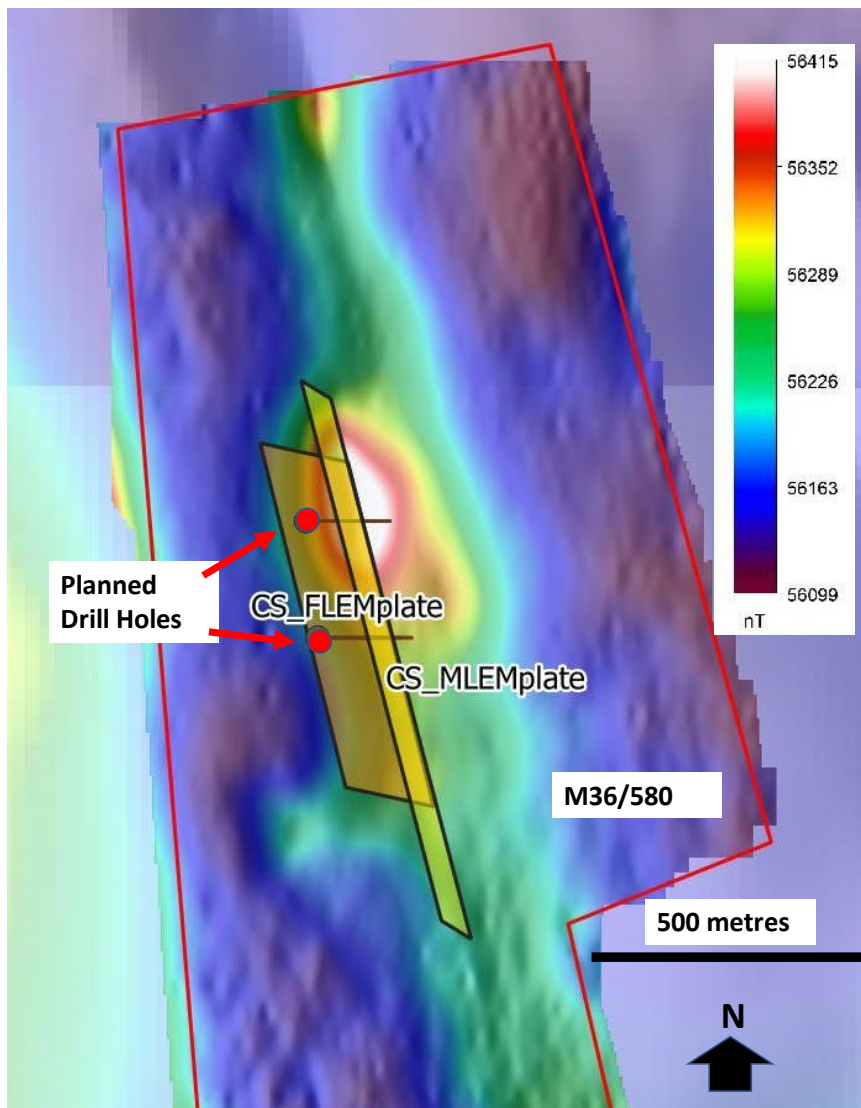


Figure 4: Indicative Drill plan at Cosmos South Nickel Project. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

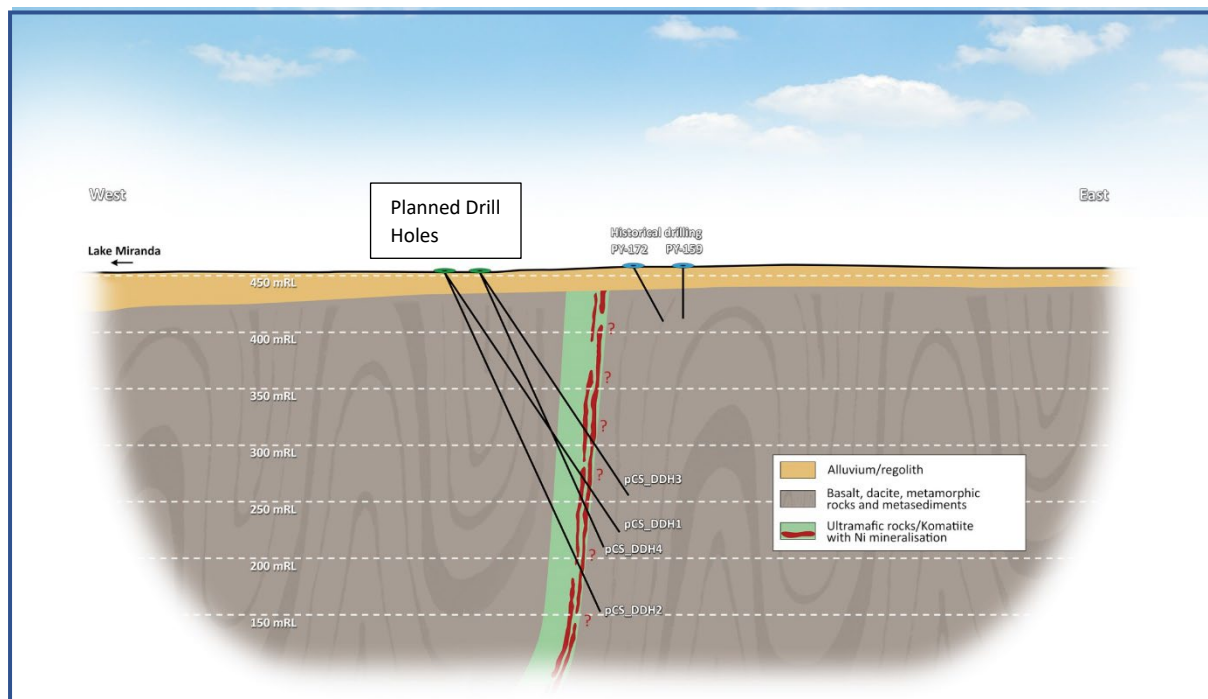


Figure 5: Interpretive cross section showing historical and planned drilling at the Cosmos South prospect. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

CORPORATE

Project Generation and Acquisition

NickelX is completing the build of the Company's Nickel prospectivity database focussing on the SW and SE Yilgarn districts, WA. The Company's Nickel prospectivity database is supporting the Company's project generation activities and negotiations with multiple 3rd parties for additional projects and strategic investors are underway.

Project Divestment – Albany-Fraser Orogen

Previous drilling has identified a number of key gold targets at the Company's Biranup Project. The targets are located on strike ~30km northeast (NE) of the Tier 1 Tropicana gold operations (10.3M Ounces Au at 1.7g/t) and where a recent transaction valued Tropicana project at ~A\$3B.

The gold targets at NickelX's Biranup Project are defined by highly anomalous rock chip and drill hole assay results which lie within a 10km × 3km, NE-SW-striking zone of significant surface gold anomalism.

Previous significant rock chip samples returned up to 626.00g/t Au and previous significant, yet limited, aircore drilling returned up to 9.00m @ 7.08g/t Au and 3.88g/t Ag from surface, including 2.00m @ 24.74g/t Au and 14.15g/t Ag from 1.00m.

Importantly, the surface gold anomalism is spatially coincident with the Black Dragon shear zone as well as a >250km-structural break evident in the regional gravity data.

The NickelX board is currently reviewing strategic opportunities with respect to the Biranup Project and is in discussion with multiple parties.

Share Release from Escrow

On the 13th April 2022, NickelX announced the release from escrow of 6,750,000 fully paid ordinary shares in the Company. These shares are currently held by vendors of the Company's IPO project, the Biranup Project.

Compliance

For the purpose of Listing Rule 5.3.1, details of the Company's group exploration activities for the quarter, including any material developments or material changes in those activities, and a summary of the expenditure incurred on those activities is detailed above and below.

For the purpose of Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the quarter by the Company or its subsidiaries.

Pursuant to Listing Rule 5.3.4, the Company provides the following comparison of its actual group expenditure on the individual items in the "use of funds" statement in its IPO prospectus since the date of its admission to ASX's official list against the estimated expenditure on those items in the "use of funds" statement in the prospectus and an explanation of any material variances.

Use of Funds	Estimate for the first two years after ASX admission (as per Prospectus dated 16 March 2021)	Actual Use Up to 30 June 2022	Variance Under/(Over)
Exploration at Biranup Project	\$4,055,000	\$2,188,518	\$1,866,482
Exploration at Ponton Project	\$605,000	\$116,989	\$488,011
Administration costs & working capital	\$2,133,321	\$1,520,153	\$613,168
Expense of the Offer	\$678,603	\$755,812	(\$77,209)
TOTAL	\$7,471,924	\$4,581,472	\$2,890,452

*The material variances above are as a result of the Company listing on the 6th May 2021 and, at the end of that quarter, being 12 months into the 24-month budget.

Tenement Summary

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2022. The Company and its subsidiaries did not enter into any farm-in or farm-out agreements during the quarter.

Tenement ID	Holder	Percentage held
Biranup Project		
E38/3191	Ventnor Gold Pty Ltd	100%
E38/3294	Ventnor Gold Pty Ltd	100%
E39/1828	Ventnor Gold Pty Ltd	100%
E39/2000	Ventnor Gold Pty Ltd	100%
E39/2001	Ventnor Gold Pty Ltd	100%
E39/2003	Ventnor Gold Pty Ltd	100%
Ponton Project		
E28/2779	Black Dragon Energy (Aus) Pty Ltd	100%
Cosmos Project		
M36/580 ⁽¹⁾	MG Resources Pty Ltd	0%

(1) NKL will have the option to acquire 100% interest in the Tenement by spending \$500,000 over an earn-in period of 24 months along with milestone payments. Refer ASX announcement dated 25 November 2021 for acquisition details.

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ABOUT NICKELX LIMITED

NickelX Limited is an Australian, ASX listed, Nickel exploration company exploring for Nickel sulphide deposits in the SE and SW Yilgarn supported by the company's Nickel prospectivity database. The company's primary focus is the highly prospective Cosmos South Nickel project, where 2 high priority targets have been identified via geochemical, geophysical and geological evaluation, and where permitting and drilling contractors are being organised. Cosmos South is located 10km South of the world class Cosmos Nickel operation (IGO/WSA) and 20km North of the Leinster Nickel operation (BHP) within the Wiluna Greenstone Belt, WA.

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 NickelX 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.