

**ASX Announcement**  
**31 OCTOBER 2022**

## **SEPTEMBER QUARTER ACTIVITIES REPORT**

### **EXPLORATION**

#### **COSMOS SOUTH NICKEL PROJECT – WILUNA GREENSTONE BELT, WA**

- During the quarter NickelX **received Heritage Approvals and Program of Works** approval to commence its maiden diamond drilling campaign 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.
- Post the quarter **drilling activities commenced including a 1,500m diamond drilling** program which comprises 4-6 holes targeting Fixed Loop Electromagnetic (FLEM) and Moving Loop Electromagnetic (MLEM) (EM) conductors, at the CS1 Target.
- The CS1 Target bedrock conductor is interpreted to be a shallow (depth to top 80m) estimated to comprise a **strike length of 565m and depth extent of 850m** with a time constant of 700ms and modelled conductance of 11,300 Siemens.
- The EM conductors are **coincident with strong magnetic anomalies** identified by the company from a recent close spaced high-resolution survey, on strike and within the same ultramafic units of both world class deposits at Cosmos (IGO) and Leinster (BHP).
- Results from the program will be released as they become available.

#### **DALWALLINU NICKEL-COPPER-PGE PROJECT – WEST YILGARN, WA**

- NickelX signed a Heads of Agreement (HOA) to acquire the **Dalwallinu Nickel-Copper-PGE Project** located in the emerging Western Yilgarn, WA, where the Company is seeking Julimar style Nickel-Copper-PGE mineralisation.
- The Dalwallinu Nickel Project (E70/5398) covers **86km<sup>2</sup> of the entire Barra Barra Greenstone Belt**, on accessible private farmland, containing sealed road frontage and where native title is extinguished.
- Historical geochemical work programs have identified **highly anomalous Nickel-Copper-PGE mineralisation at surface**, covering very strong magnetic intrusive mafic / ultramafic units along an interpreted 6km strike.
- Previous exploration has only been focussed on gold and iron ore and dedicated, **systematic Nickel-Copper-PGM exploration has not to date been undertaken**.
- The Company completed a detailed review of historical geochemical and geophysical work and **planning the next stage of work programs seeking Julimar style of Nickel-Copper-PGE mineralisation** in what is considered an underexplored district.

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**CORPORATE**

- The Company accepted binding commitments for a two-tranche placement of 15,000,000 new shares at an issue price of \$0.15 per share to raise a total of \$2,250,000 (before costs), subsequent to end of quarter.
- Placement participants received 1 option for every 2 shares subscribed for under the Placement at an issue price of \$0.005 per option, with an exercise price of \$0.20 and expiry date 2 years from the date of issue, subject to shareholder approval.
- Existing shareholders were also entitled to subscribe for 1 Loyalty Option for every 2 shares held at the record date at an issue price of \$0.005 per Loyalty Option, exercisable at \$0.20 on or before 2 years from the date of issue (being the same terms as options to be issued under the Placement).
- The Company was awarded a co-funded drilling grant of up to A\$180,000 under the WA government Exploration Incentive Scheme (EIS) for the Biranup Gold Project.
- NickelX appointed Mr Richard Monti to the board as a Non-Executive Director, commencing on the 24<sup>th</sup> of November 2022. Mr Monti has over 60 director-years' experience on 15 ASX- and TSX-listed mining and exploration companies from micro-caps through to mid-size miners and has built and managed teams of up to 70 personnel. He worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. During a 7-year term at Anaconda Nickel, he held general manager positions in technical, commercial and marketing fields.
- Solid cash position of \$4.01 million (approximate, post completion of the Capital Raising).

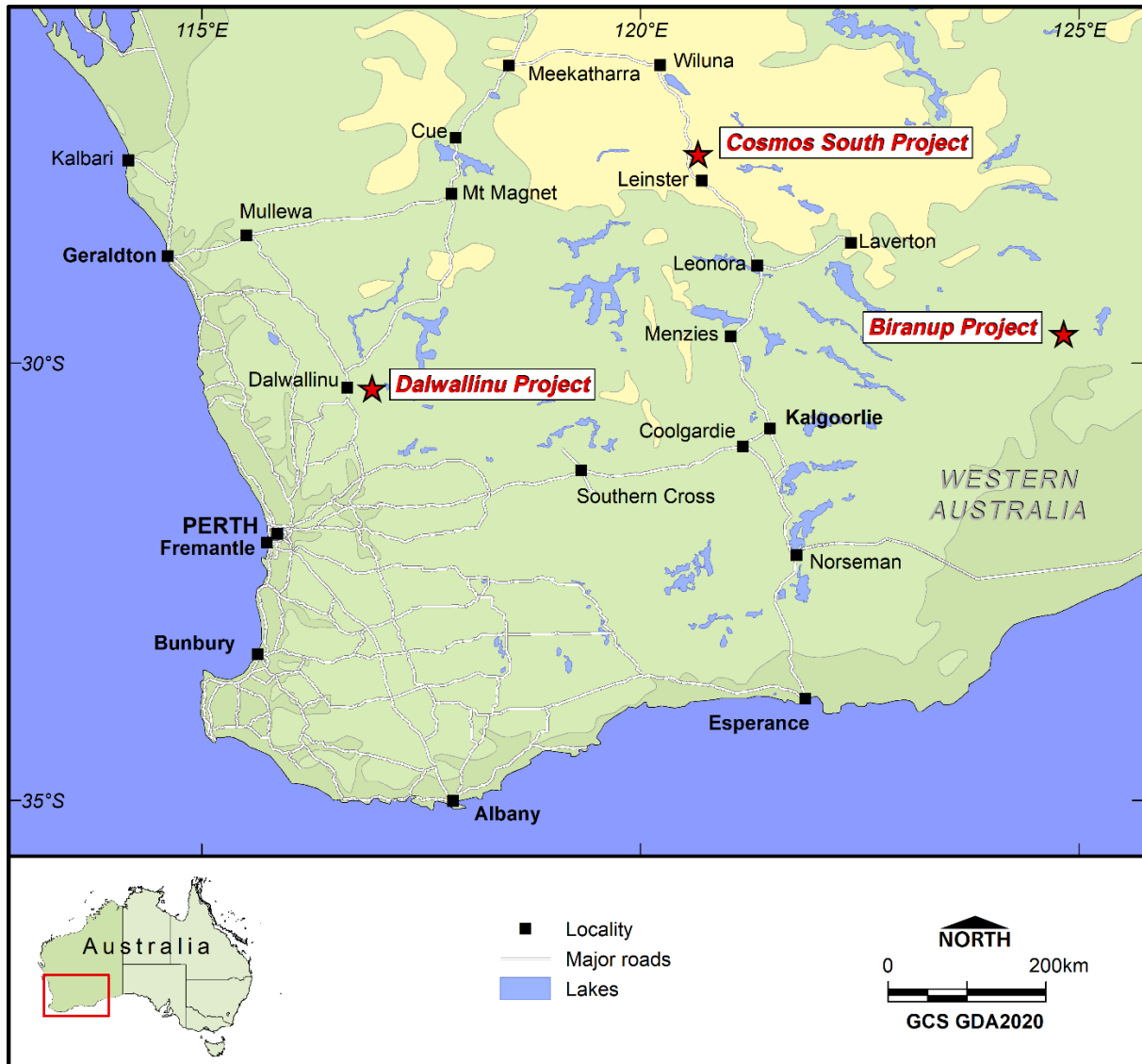


Figure 1. Nickel X Project Locations

### Location of the Cosmos South Nickel Project (M36/580)

NickelX Limited's mining lease 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 (BHP) to the south of the Company's Cosmos South Nickel Project and the significant Nickel deposits of the Cosmos Group (IGO) to the north-northeast of M36/580 (Figure 1).

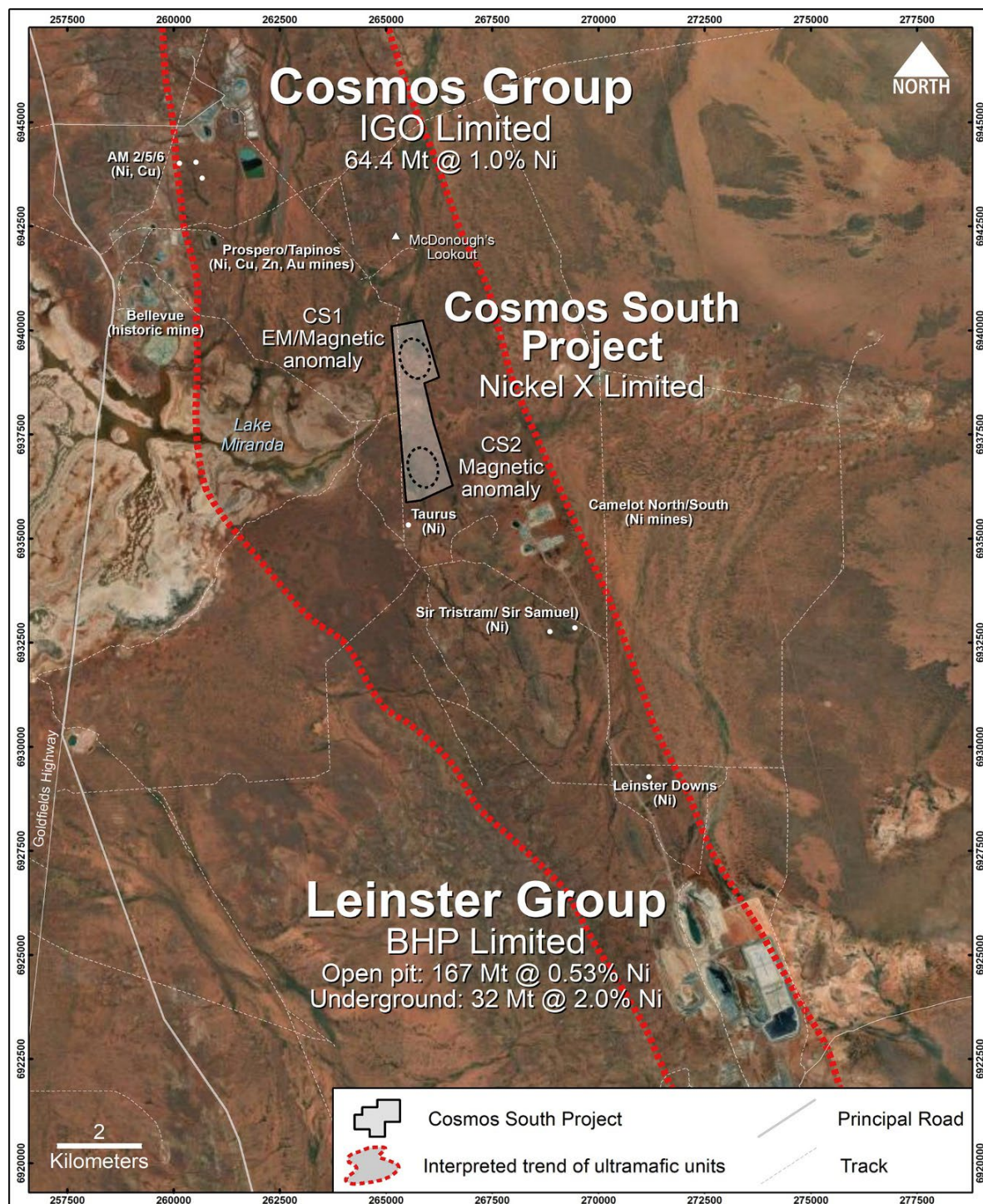
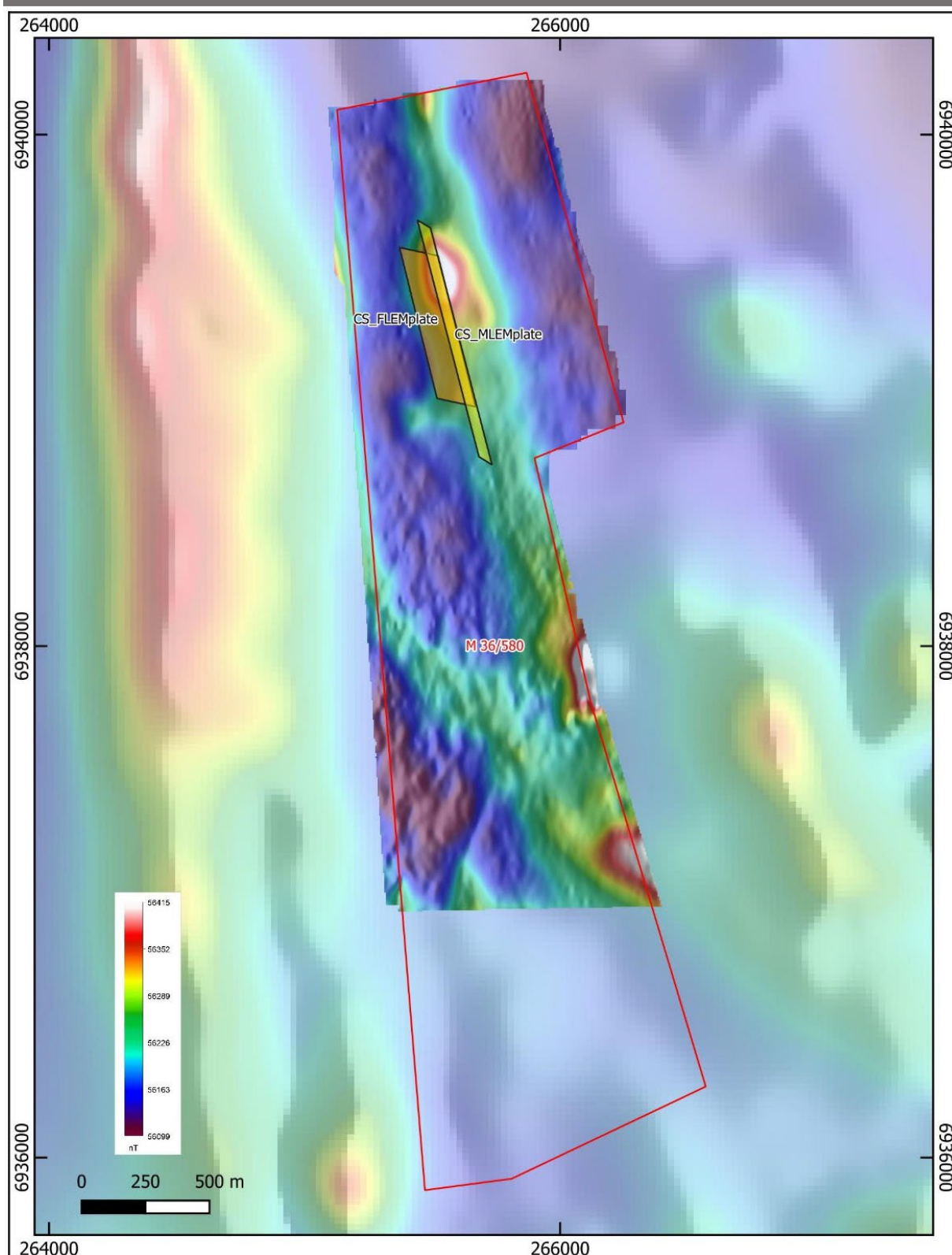


Figure 2. Cosmos South project location within the Wiluna Greenstone Belt (WSG)





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

## FIELD WORK AND LAND ACCESS AGREEMENTS

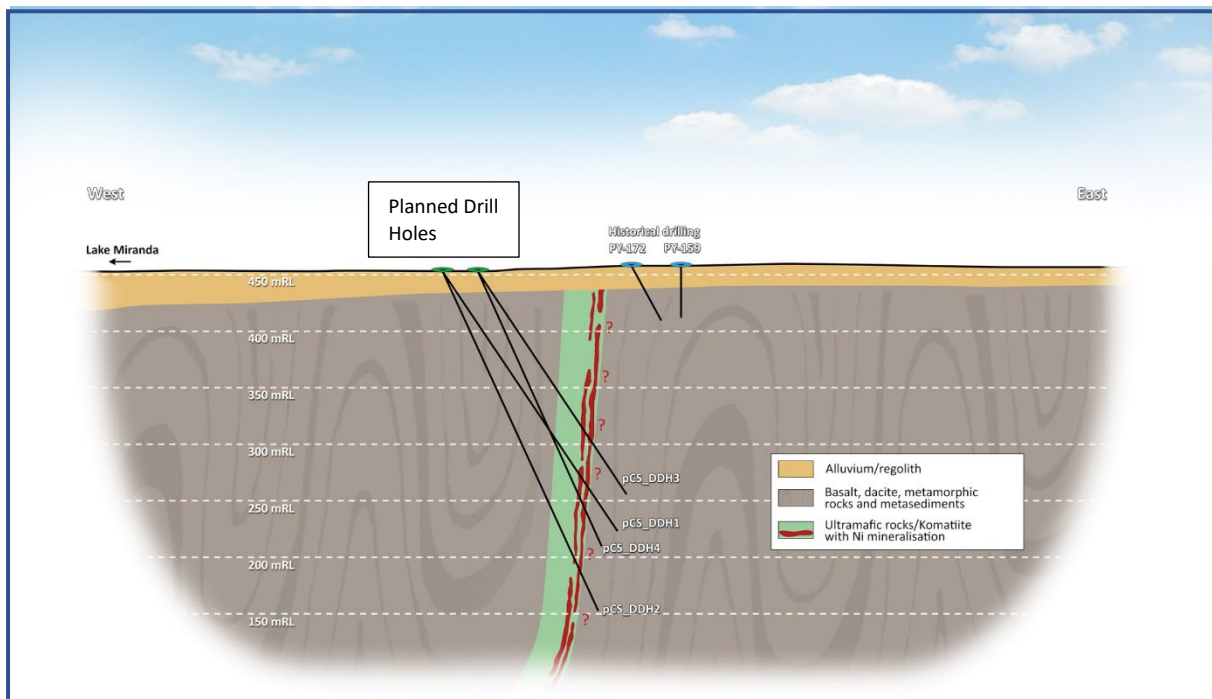
A reconnaissance field visit was also undertaken by the exploration team to evaluate road access, track condition, drill pad locations as well as engaging with neighbouring exploration and mining companies while a Land Access and Mineral Exploration Agreement was also signed with Tjiwarl Aboriginal Corporation.

## DRILLING ACTIVITIES AT COSMOS SOUTH

Post the quarter the Company commenced its maiden 1,500m diamond drilling program at the Cosmos South Nickel Project. 1,500m diamond drilling program which comprises 4-6 holes targeting Fixed Loop Electromagnetic (FLEM) and Moving Loop Electromagnetic (MLEM) (EM) conductors, at the CS1 Target.

The CS1 Target bedrock conductor is interpreted to be a shallow (depth to top 80m) estimated to comprise a strike length of 565m and depth extent of 850m with a time constant of 700ms and modelled conductance of 11,300 Siemens.

The EM conductors are coincident with strong magnetic anomalies identified by the company from a recent close spaced high-resolution survey, on strike and within the same ultramafic units of both world class deposits at Cosmos (IGO) and Leinster (BHP).



**Figure 4: Interpretive cross section showing historical and planned drilling at the Cosmos South prospect. Four planned drill holes will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.**

### Dalwallinu Nickel Project Summary

The Dalwallinu Nickel Project (E70/5398) covers 86km<sup>2</sup> of the underexplored Barra Barra Greenstone belt in the emerging West Yilgarn, which is host to a number of recent Nickel-Copper-PGE discoveries including the world class Julimar Nickel-Copper-PGE discovery.

Recent geochemical and geophysical work programs, evaluated by the Company have identified approximately 12 priority Nickel-Copper-PGE targets over a strike length of 6km, with more detailed geochemical, geophysical and drilling work planned.

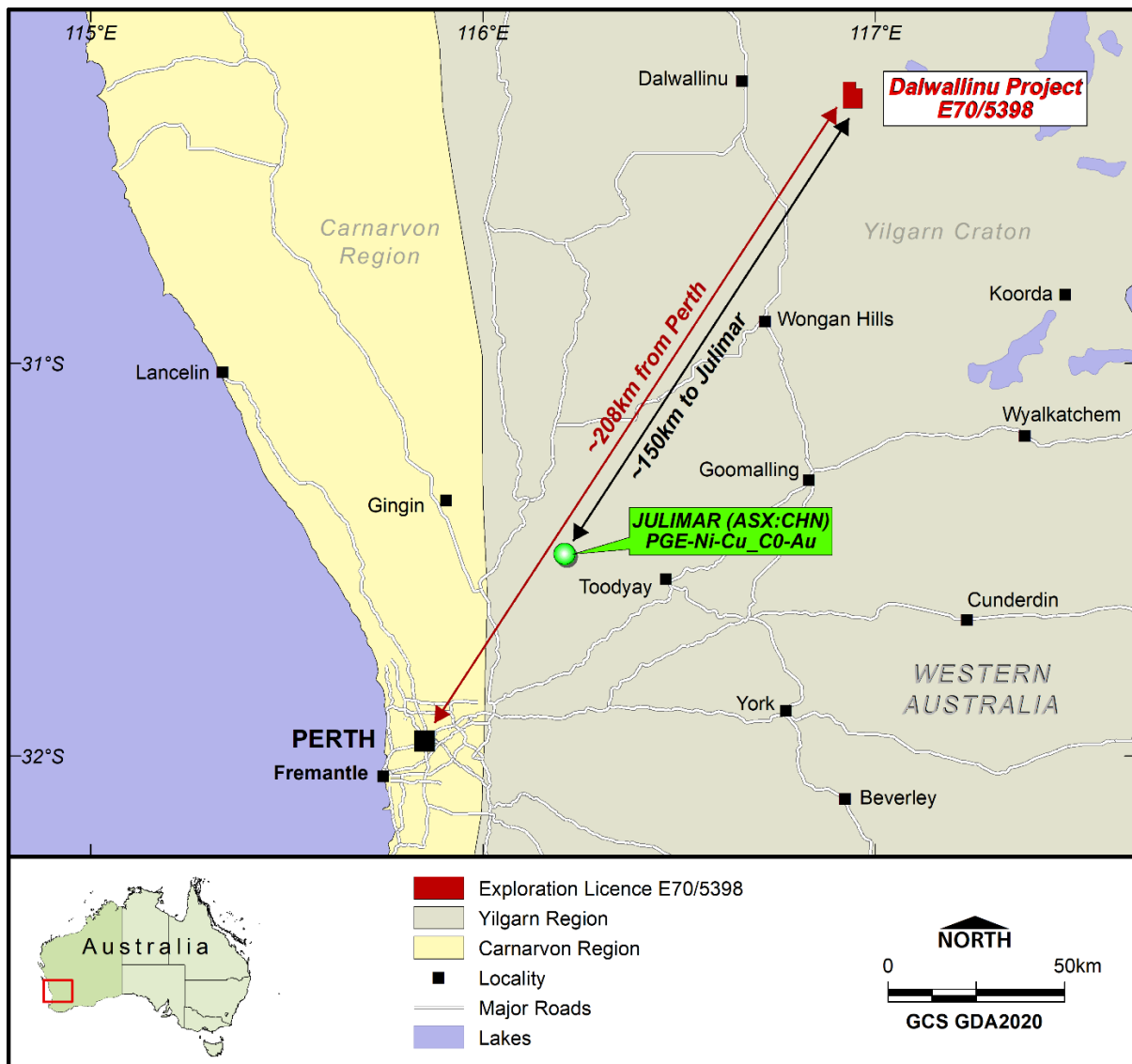
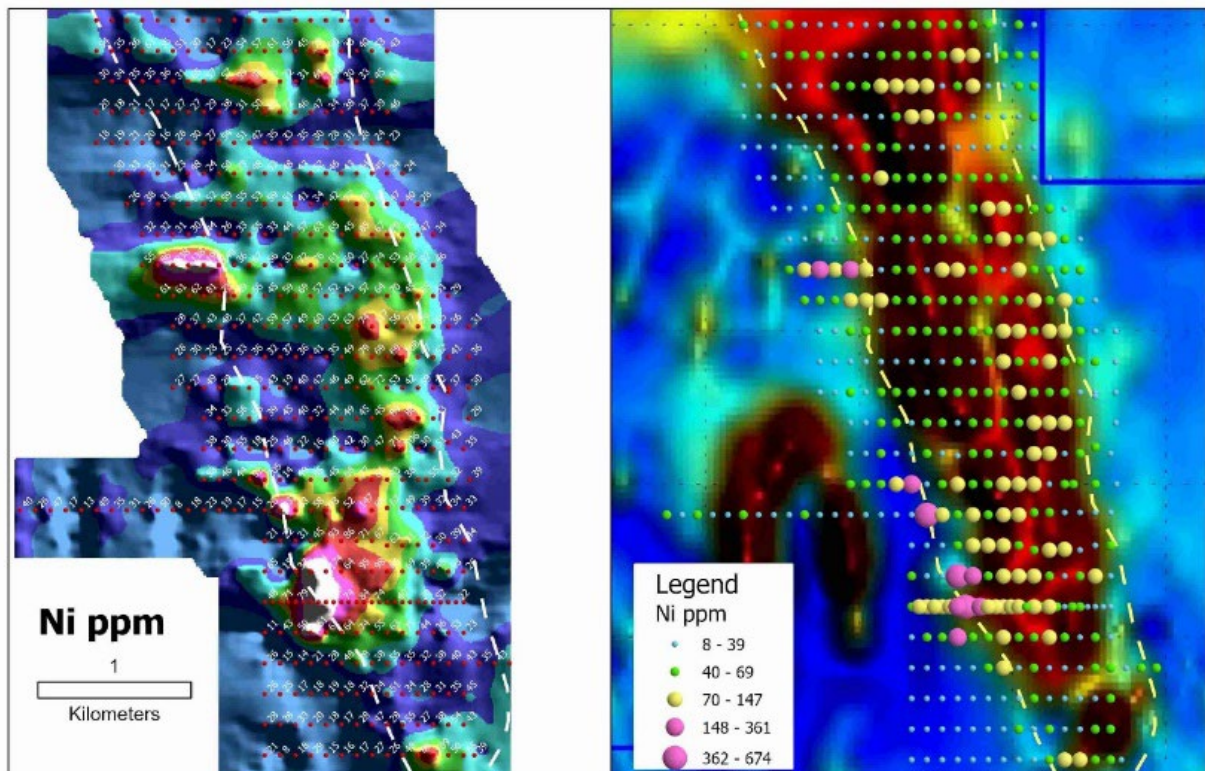


Figure 5. Dalwallinu Nickel Project Location





**Figure 6: View across the Dalwallinu Nickel Project**



**Figure 7: Dalwallinu Nickel Project First Pass Nickel Soil Sampling**



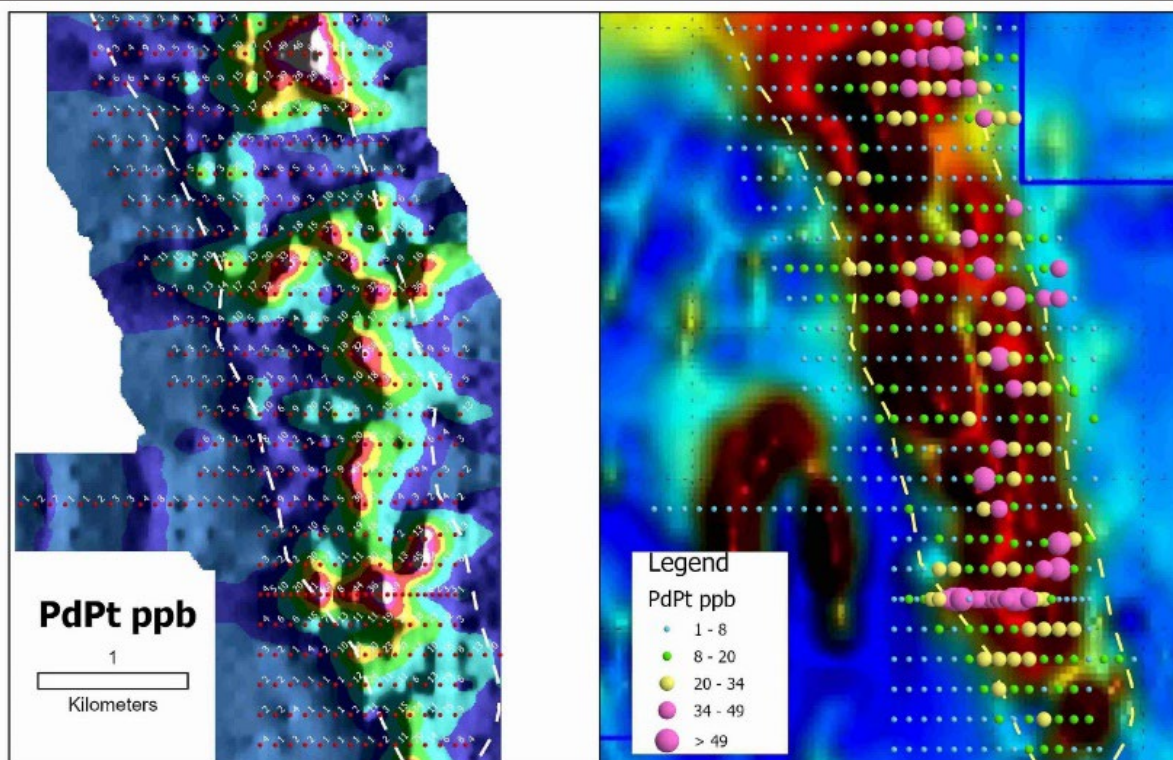


Figure 8: Dalwallinu Nickel Project First Pass PGE Soil Sampling

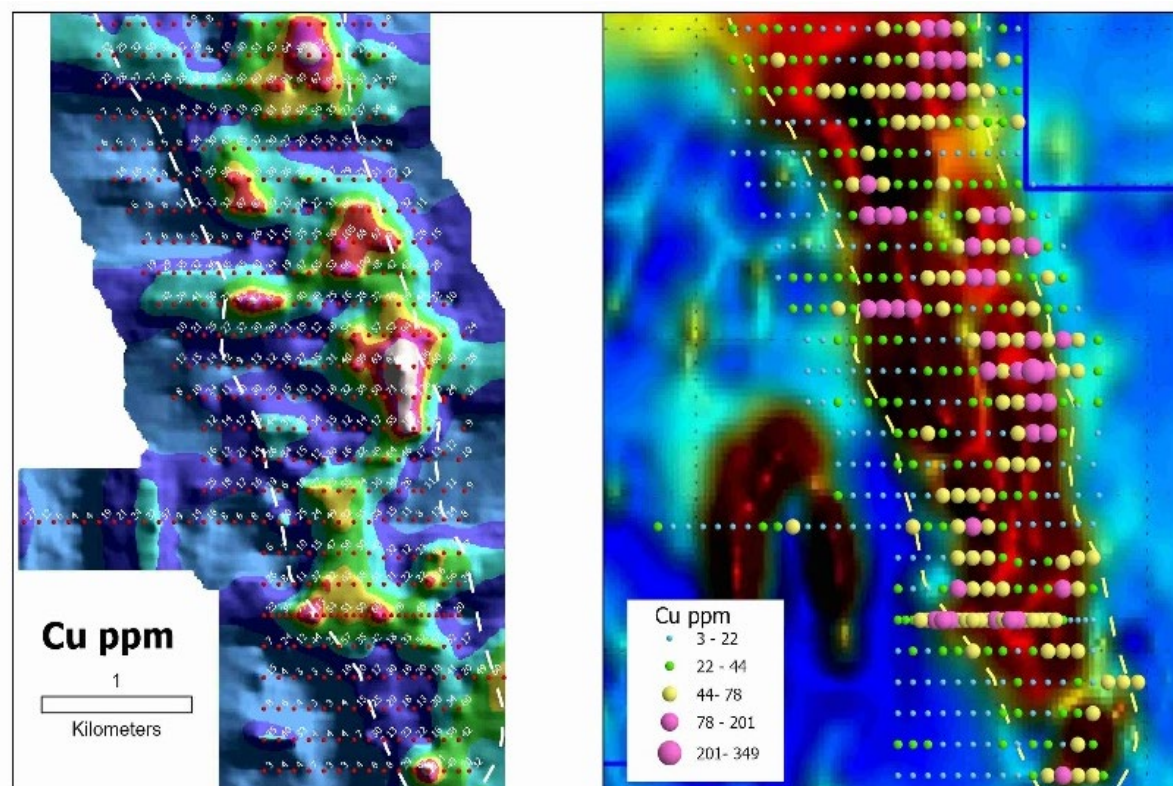


Figure 9: Dalwallinu Nickel Project First Pass Copper Soil Sampling

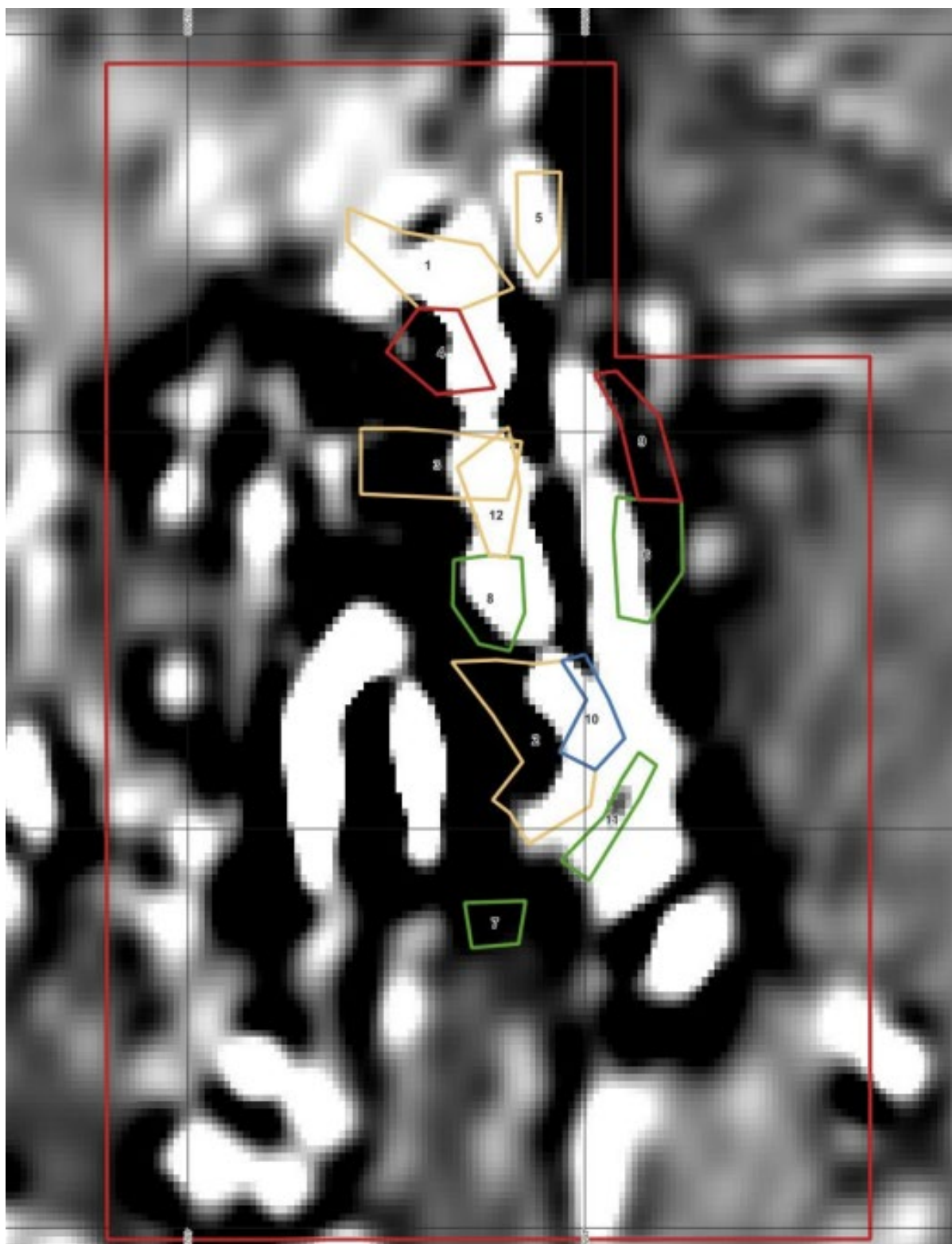


Figure 11: Dalwallinu Nickel Project first pass magnetic review



## CORPORATE

The Company accepted binding commitments for a placement of 15,000,000 new shares at an issue price of \$0.15 per share to raise a total of \$2,250,000 (before costs).

Placement participants received 1 option for every 2 shares subscribed for under the Placement at an issue price of \$0.005 per option, with an exercise price of \$0.20 and expiry date 2 years from the date of issue, subject to shareholder approval to be sought at the AGM.

Existing shareholders were also entitled to subscribe for 1 Loyalty Option for every 2 shares held at the record date at an issue price of \$0.005 per Loyalty Option, exercisable at \$0.20 on or before 2 years from the date of issue (being the same terms as options to be issued under the Placement)

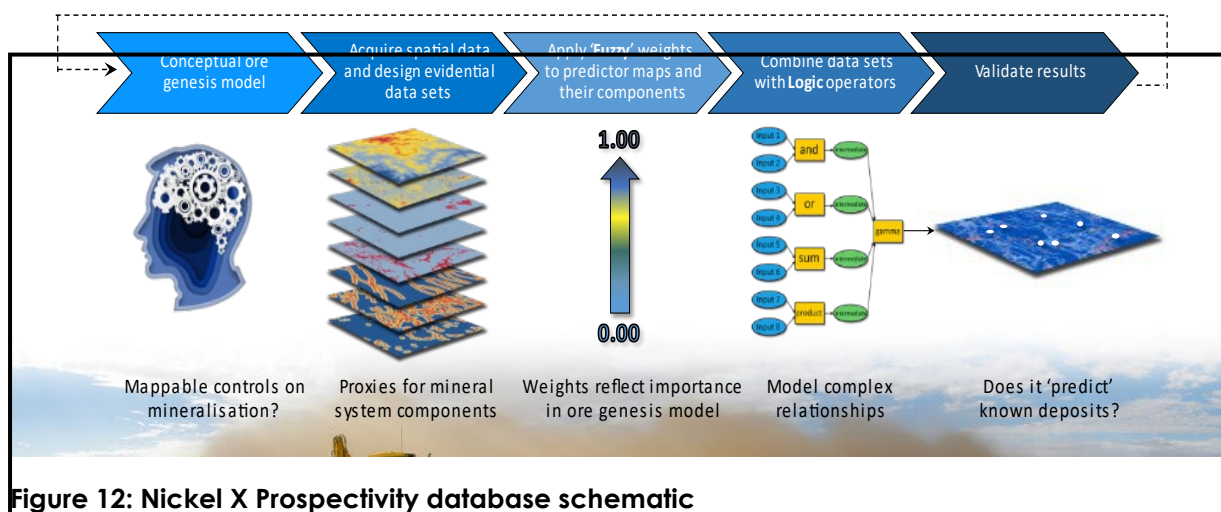
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NickelX appointed Mr Richard Monti to the board as a Non-Executive Director, commencing on the 24<sup>th</sup> of November 2022. Mr Monti has over 60 director-years' experience on 15 ASX- and TSX-listed mining and exploration companies from micro-caps through to mid-size miners, and has built and managed teams of up to 70 personnel. He worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. During a 7-year term at Anaconda Nickel, he held general manager positions in technical, commercial and marketing fields.

Solid cash position of \$4.01 million (approximate, post completion of the Capital Raising).

## Project Generation and Nickel Prospectivity Database

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





## 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 2023	Variance Under/(Over)
Exploration at Biranup Project	\$4,055,000	\$2,075,607	\$1,979,393
Exploration at Ponton Project	\$605,000	\$116,989	\$488,011
Administration costs & working capital	\$2,133,321	\$1,758,691	\$374,630
Expense of the Offer	\$678,603	\$ 755,812	(\$77,209)
<b>TOTAL</b>	<b>\$7,471,924</b>	<b>\$4,707,099</b>	<b>\$2,764,825</b>

\*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 20 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 September 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
<b>Biranup Project</b>		
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%
<b>Ponton Project</b>		

E28/2779	Black Dragon Energy (Aus) Pty Ltd	100%
<b>Cosmos Project</b>		
M36/580 <sup>(1)</sup>	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.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NickelX Limited

ABN

52 631 513 696

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(106)	(106)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(21)	(21)
	(e) administration and corporate costs	(215)	(215)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	3	3
1.6	Income taxes paid		
1.7	Government grants and tax incentives	153	153
1.8	Other (GST)	(3)	(3)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(189)</b>	<b>(189)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,852	2,852
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(189)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,663</b>	<b>2,663</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,663	2,852
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,663</b>	<b>2,852</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	26

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	N/A	N/A
7.2	Credit standby arrangements	N/A	N/A
7.3	Other (please specify)	N/A	N/A
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(189)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(189)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,663
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,663
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	14.09
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 October 2022

Date: .....

Board of Directors

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.