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**ASX ANNOUNCEMENT**

**25 JANUARY 2023**

**31 DECEMBER 2022 QUARTERLY ACTIVITIES REPORT**

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**EXPLORATION**

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

- During the Quarter the Company completed the acquisition of the Dalwallinu Nickel-Copper-PGE Project (E70/5398) located in the emerging West Yilgarn district, where the Company is **seeking Julimar Style Nickel-Copper-PGE mineralisation**.
- Dalwallinu covers **86km<sup>2</sup> of the entire Barra Barra Greenstone Belt**, 150km NE of Julimar, is on accessible private farmland, containing sealed road frontage and where native title has been extinguished.
- A review of the historical geochemical datasets identified 12 Priority Targets over a **strike length of 6km** with the **D1 Target** identified as high priority and where previous surface samples returned highly anomalous assays including **362-674 ppm Ni, 201-349 ppm Cu** and numerous **+49 ppb Pd/Pt**.
- A first pass field work and reconnaissance rock chip sampling program was completed to **support the prospectivity of the D1-D12 Targets** which is interpreted to be coincident with mafic and ultramafic units of the Barra Barra Greenstone Belt, with assay results and evaluation pending.
- A detailed **close spaced (50m line spacing) drone Magnetic Survey** was also completed over the project area to support the prospectivity of the D1-D12 Targets, with initial high-resolution data received and final processed data results pending.
- Planning of infill soil geochemistry and ground electromagnetic geophysical surveys leading to a maiden drill program to test the D1-D12 targets commenced with discussions with private landowners underway such that the next stage of work programs **seeking Julimar style of Nickel-Copper-PGE mineralisation** can commence.

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

- During the Quarter the Company completed Diamond drilling at Cosmos South where hole NKLCSD001 encountered multiple horizons of stringer, vein, semi-massive and massive breccia sulphide between downhole depths from 314 to 487m.
- Sulphides comprise pyrrhotite-marcasite/pyrite and lesser chalcopyrite as breccia matrix containing abundant quartz and lithic fragments hosted within intermediate to mafic volcanogenic sediments.
- Assay of all the sulphide intervals intersected did not return significant results for Nickel or Copper and the Company is evaluating future options for the Project.
- The ~\$300,000 Diamond drilling program was supported by a \$180,000 WA Government EIS grant, hence reducing the cost and risk of diamond drilling a very strong EM Conductor located in a world class nickel belt, previously undrilled.



### DALWALLINU NICKEL COPPER PGE PROJECT

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.

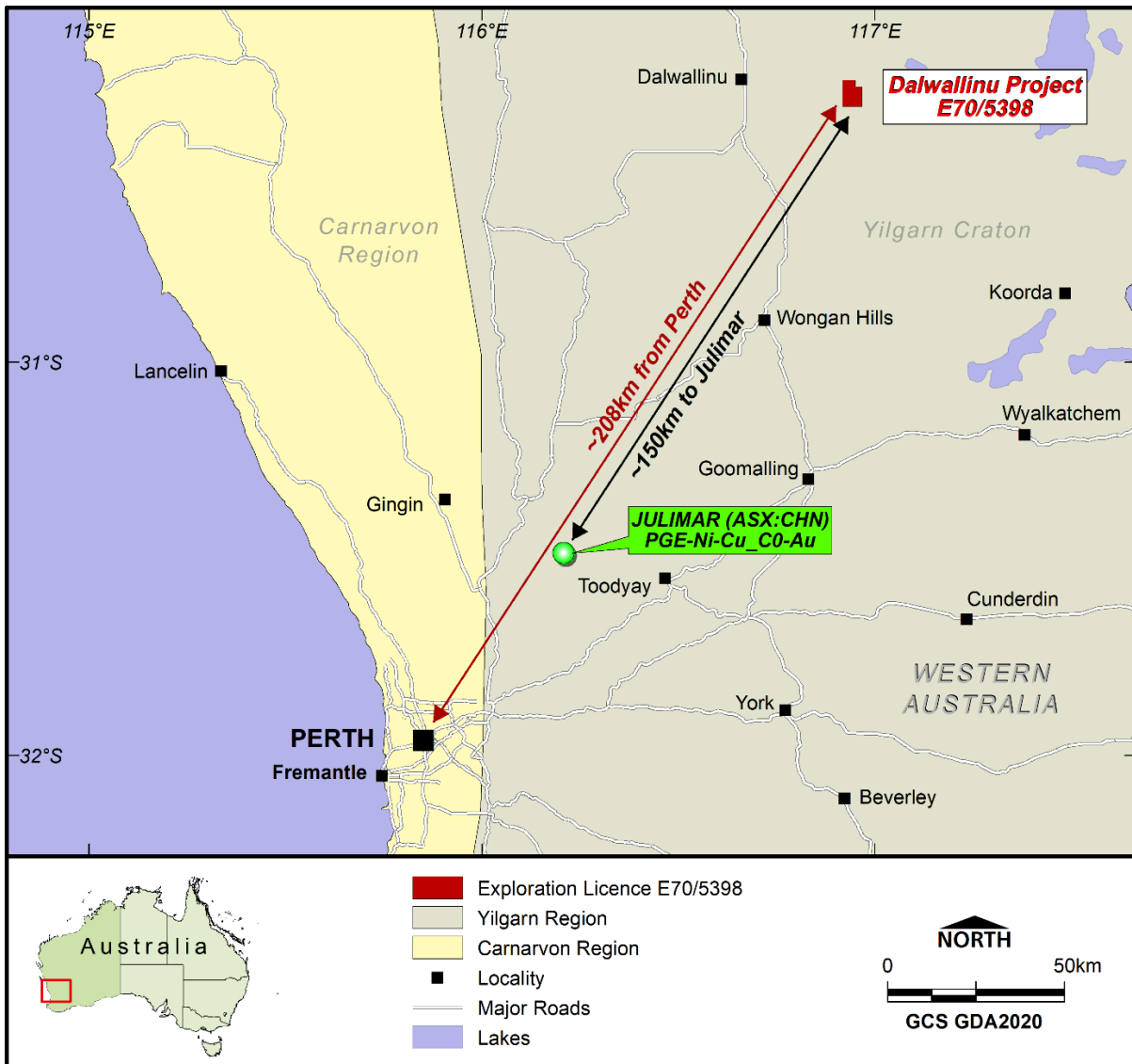
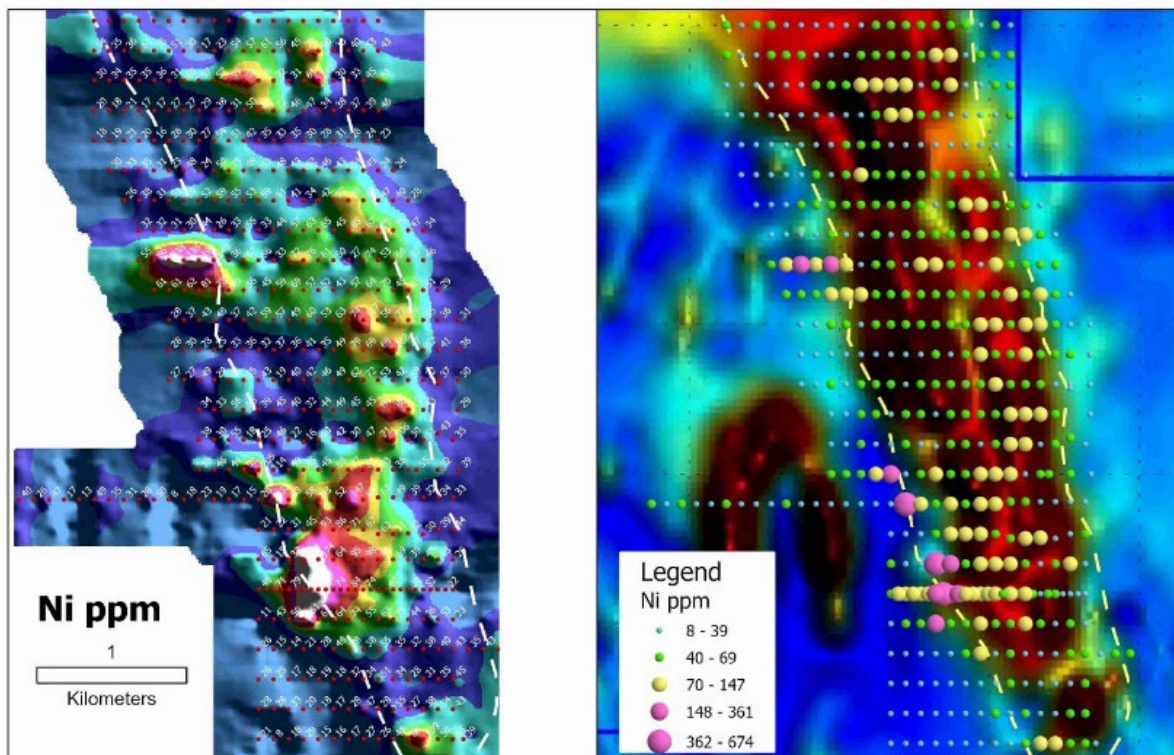


Figure 1. Dalwallinu Nickel Project Location



**Figure 2: View across the Dalwallinu Nickel Project**



**Figure 3: Dalwallinu Nickel Project First Pass Nickel Soil Sampling**



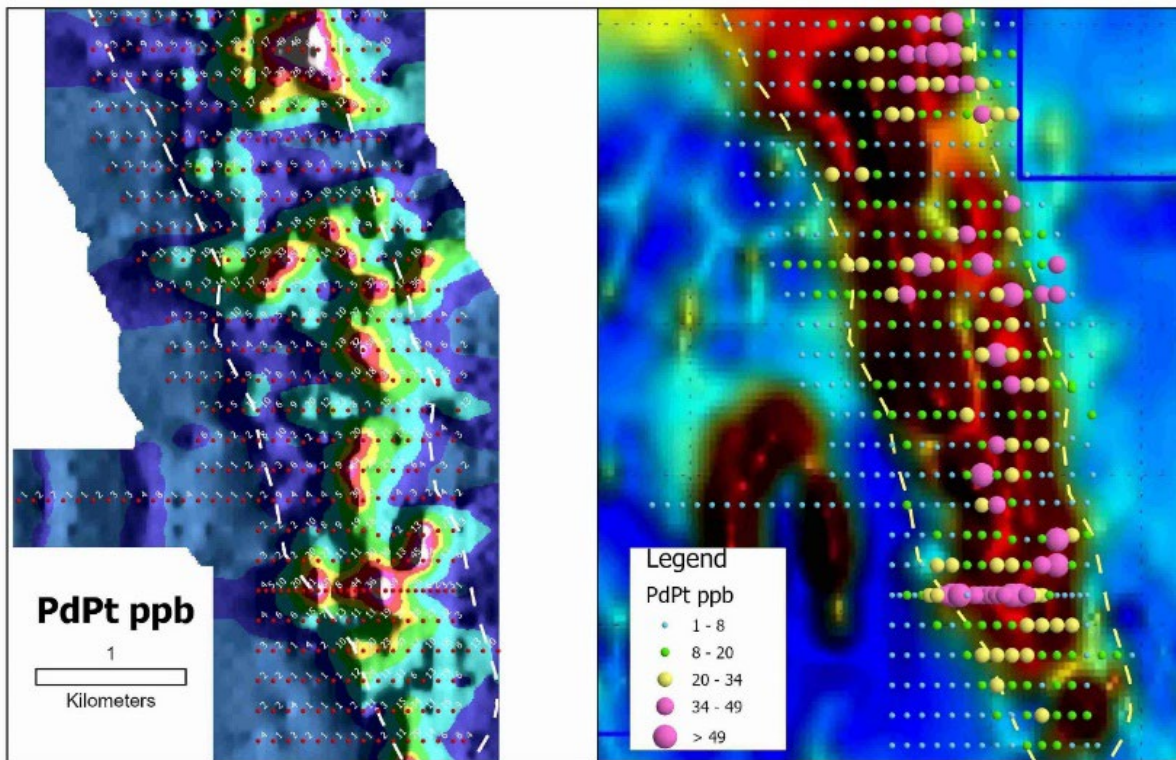


Figure 4: Dalwallinu Nickel Project First Pass PGE Soil Sampling

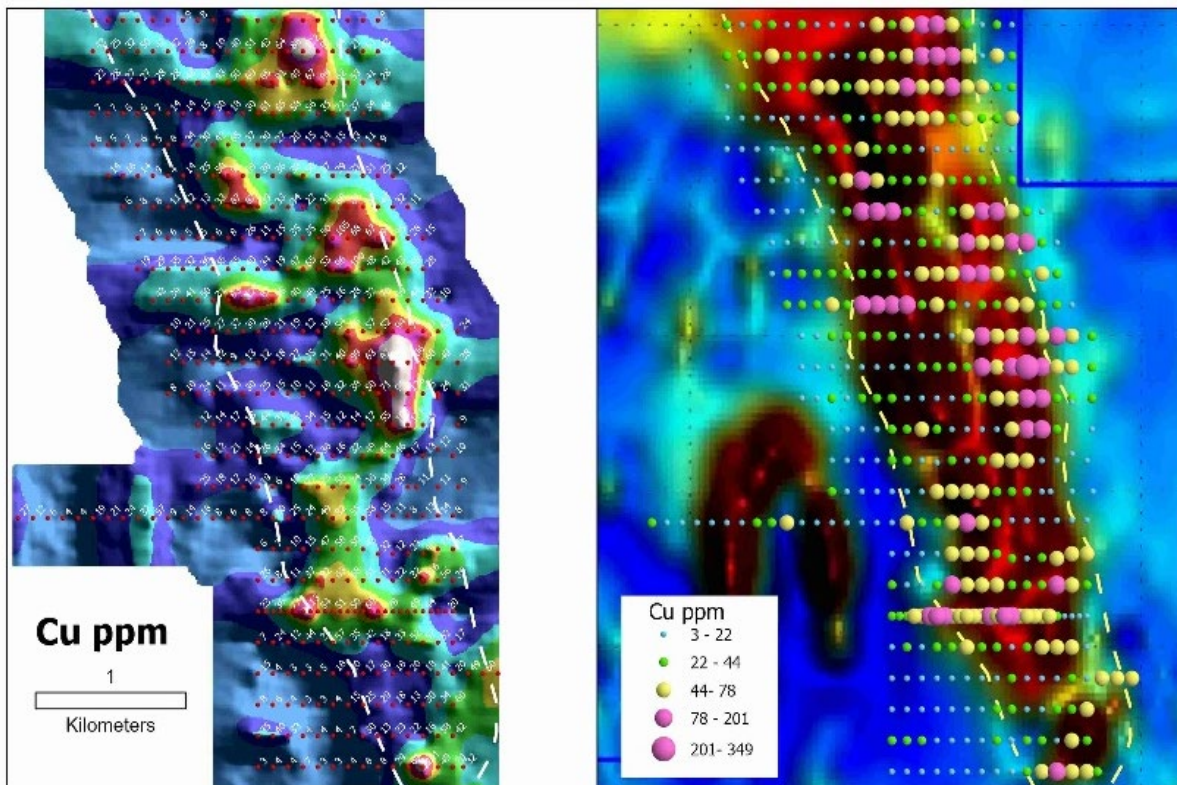


Figure 5: Dalwallinu Nickel Project First Pass Copper Soil Sampling

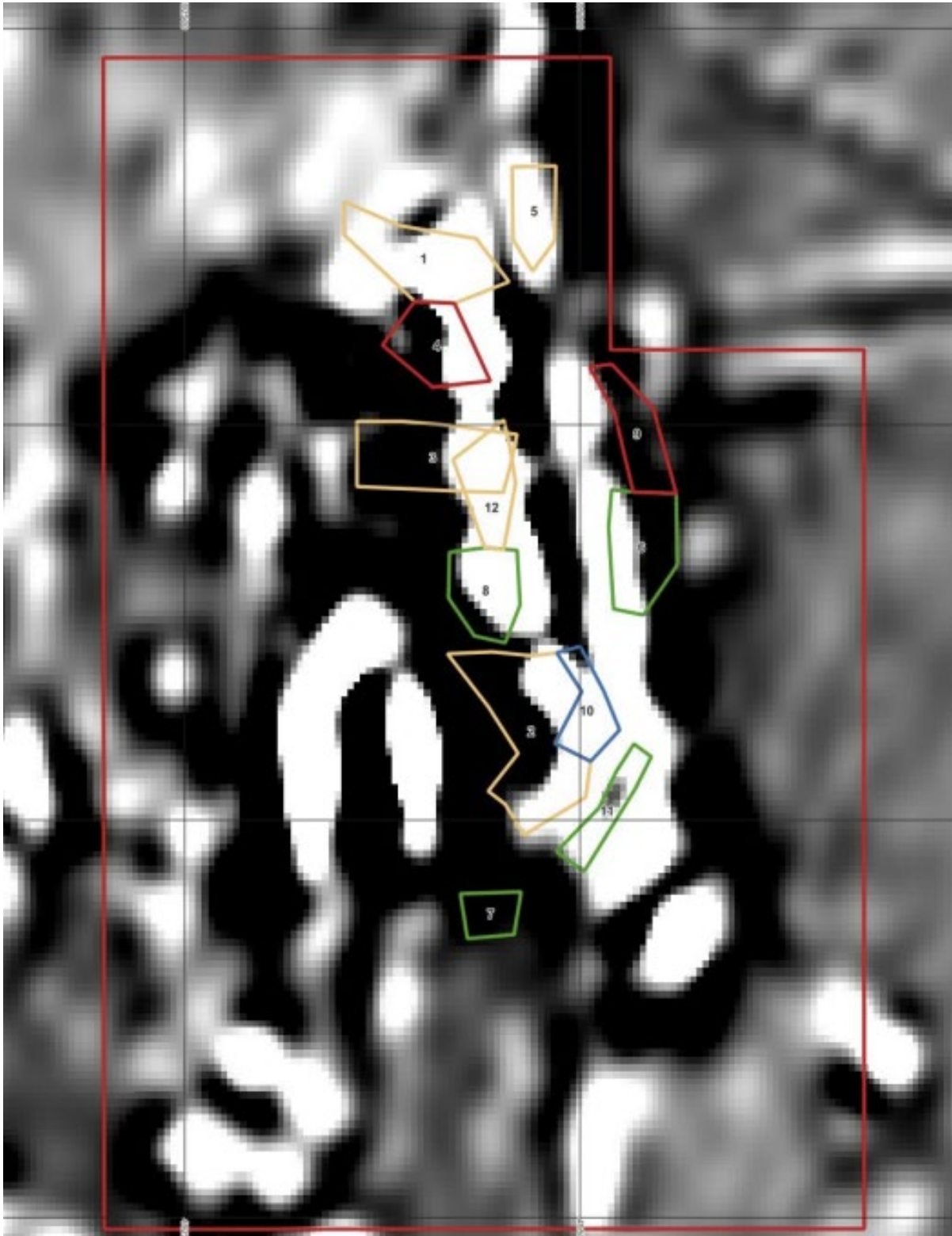


Figure 6: Dalwallinu Nickel Project first pass magnetic review

## **COSMOS SOUTH NICKEL PROJECT**

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.

Diamond drill hole NKLCSD001 encountered multiple horizons of stringer, vein, semi-massive and massive breccia sulphide up to 5m core width between downhole depths from 314 to 487m (see ASX announcement 14<sup>th</sup> Nov 2022). The hole was completed at 492.5m in mafic volcanic sediments. The sulphides encountered comprise pyrrhotite-marcasite/pyrite and lesser chalcopyrite as breccia matrix surrounding lithic fragments contained within quartz veins and broad zones of massive sulphide and quartz-breccia hosted within intermediate to mafic volcanogenic sediments.

Assay results for samples taken for all the sulphide intervals did not return any significant results for base metals or gold. The sulphide intervals most likely represent a tectonic remobilisation of barren sedimentary sulphide contained within the surrounding sedimentary sequence. The massive sulphide intersected is likely the source of the highly conductive electromagnetic response targeted and may account for the magnetic anomaly due to the massive pyrrhotite content. The Company is evaluating future options for the project.

The \$300,000 Diamond drilling program was supported by a \$180,000 WA Government EIS grant, hence reducing the cost and risk of diamond drilling a very strong EM Conductor located in a world class nickel belt, previously undrilled.



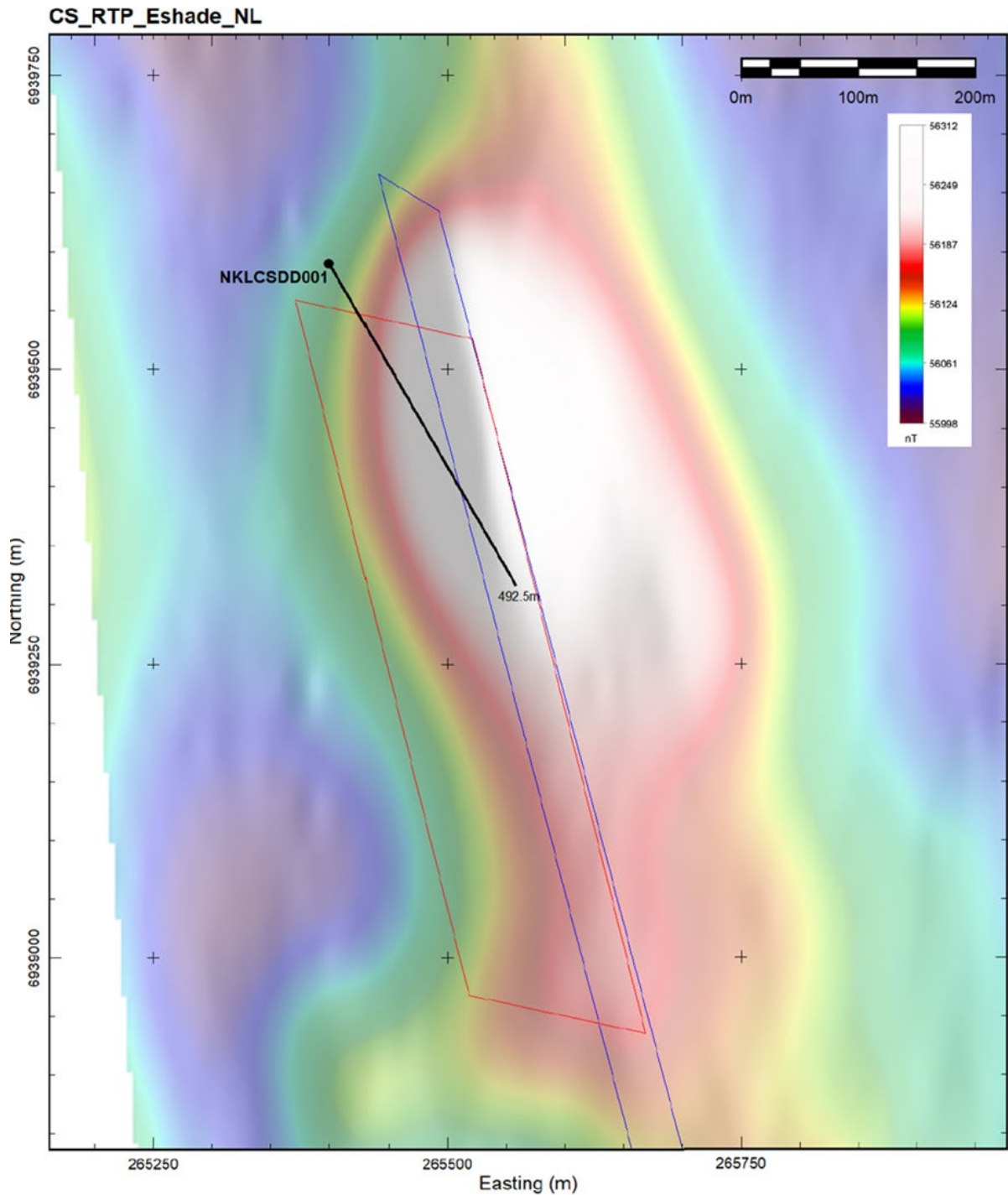


Figure 7: Hole NKLCSDD001 targeting magnetic anomaly(RTP map) and EM plates modelled from the MLEM and FLEM surveys.

## CORPORATE

In respect of the Annual General Meeting (AGM) held on the 24th November 2022 all resolutions put to the meeting were successfully carried via a poll.

The Company completed a successful Capital Raising of 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), during the 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 (which was subsequently received 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).

The Company appointed Mr Richard Monti to the board as a Non-Executive Director, commencing on the 24th of November 2022. Mr Monti has over 60 director-years' combined 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 several 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.

Concurrently the Company accepted the resignation of Dr Kris Butera. The Company thanks Dr Butera for his contribution to NickelX as a founding Director and with exploration targeting, strategy and implementation, and wishes him well in his future endeavours.

NickelX continues to generate new project opportunities in WA for Nickel sulphide mineralisation and is in discussion with a number of parties over projects both early stage and advanced to build on the Company's portfolio.

At the end of the Quarter the Company reported a solid cash position of \$4.18M.

In accordance with ASX Listing Rule 5.3.2, the Company advise that no Mining Development or Production activities were conducted during the quarter.

### Related Party Transactions

In accordance with ASX Listing Rules 4.7C.3 payments to related parties of the entity and their associates outlined in the Company's Appendix 5B for the quarter relate to Directors fees of \$80,000, and professional and consulting fees paid to Grange Consulting for company secretarial and financial management services totalled \$21,000.

### 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	\$2,179,208	\$1,875,792
Exploration at Ponton Project	\$605,000	\$137,028	\$467,972
Administration costs & working capital	\$2,133,321	\$2,095,286	\$38,035
Expense of the Offer	\$678,603	\$ 755,812	(\$77,209)
<b>TOTAL</b>	<b>\$7,471,924</b>	<b>\$5,167,334</b>	<b>\$2,304,590</b>

\*The material variances above are as a result of the Company listing on the 6th May 2021 and completion of a \$2.05m capital raising as announced on 11 October 2022. This capital raising will result in the actual use to date figures having variances and additional expenditure above the budget included in the Company's IPO prospectus.

### Tenement Summary

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 31 December 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%
<b>Dalwallinu Project</b>		
E70/5398	Blue Ribbon Pty Ltd and Keops Pty Ltd	80%

(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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This announcement has been authorised by the Board of NickelX Limited.

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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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(183)	(289)
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(55)
(e) administration and corporate costs	(266)	(482)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	153
1.8 Other (GST)	(37)	(39)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(510)</b>	<b>(699)</b>

<b>2. 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	(100)	(100)
(e) investments	-	-
(f) other non-current assets	-	-



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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>(100)</b>	<b>(100)</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	2,127	2,127
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>2,127</b>	<b>2,127</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	2,663	2,852
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(510)	(699)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,127	2,127

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 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>4,180</b>	<b>4,180</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	4,180	2,663
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>4,180</b>	<b>2,663</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	21

*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. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
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
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 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. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(510)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(100)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(610)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,180
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,180
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.85
<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	



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

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.

25 Jan 2023

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.