
ASX ANNOUNCEMENT
6 JULY 2022

NICKEL X MAGNETIC SURVEY TO EXTEND TARGETS AT COSMOS SOUTH

HIGHLIGHTS

- Nickel X has finalised the remainder of the close spaced magnetic survey at the Cosmos South Nickel Project, located within the world class Nickel producing Wiluna Greenstone Belt (WGB), which hosts Cosmos (IGO) 10km to the N and Leinster (BHP) 20km to the S (Figure 1).
- The magnetic survey was undertaken at 25 m E/W traverses at a height of 30m over the southern portion (CS2 Target) of M36/580, following the magnetic survey covering the northern portion (CS1 Target) during the June Quarter (Figure 2).
- Magnetic survey data processing is underway including the integration of data received from previous surveys to better define the magnetic characteristics of the strata and to better map subsurface structure and lithology based on the results.
- The processed magnetic data aims to map local variations in the interpreted buried komatiite volcanic lithologies that may represent channelised environments within the larger komatiite sequence, being critical to the formation of nickel sulphide deposits.
- Permitting to drill test the CS1 Target for an initial ~1,500m diamond drilling program is well underway where the company is targeting very strong EM conductors coincident with Mag anomalies, supported by a WA Government drilling grant (Figures 3, 4 & 5).

Nickel X Limited ("NickelX", "NKL" or "The Company") is pleased to report that a second and follow up magnetic survey across the southern portion of the Cosmos South Nickel Project has been successfully completed to enhance existing prominent magnetic features consistent with buried channelised komatiite volcanic rocks prospective for nickel sulphide mineralisation.

Nickel X contracted Drone Geoscience Pty Ltd to undertake a Drone Magnetic survey over the southern portion of M36/580, and Southern Geoscience Consultants Pty Ltd to process the data with a view to map further the ultramafic rocks and identify drill targets at the CS2 target (Figure 1 & 2). Data processing is underway including integration of data received from the initial survey over the northern portion of M36/580

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

NickelX Managing Director Matt Gauci commented:

"This second and follow up survey over the southern portion of M36/580 at the CS2 Target aims to enhance existing prominent magnetic features consistent with buried channelised komatiite volcanic rocks prospective for nickel sulphide mineralisation. Processing of the data is underway with results expected in the coming weeks to define drill targets at CS2. Meanwhile we are well advanced in permitting to drill test the CS1 Target in the northern portion of M36/580, where coincident EM conductors and magnetic anomalies present a highly prospective target. The planned drill program is supported by a WA Government EIS Grant"

Cosmos South Nickel Project Summary

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

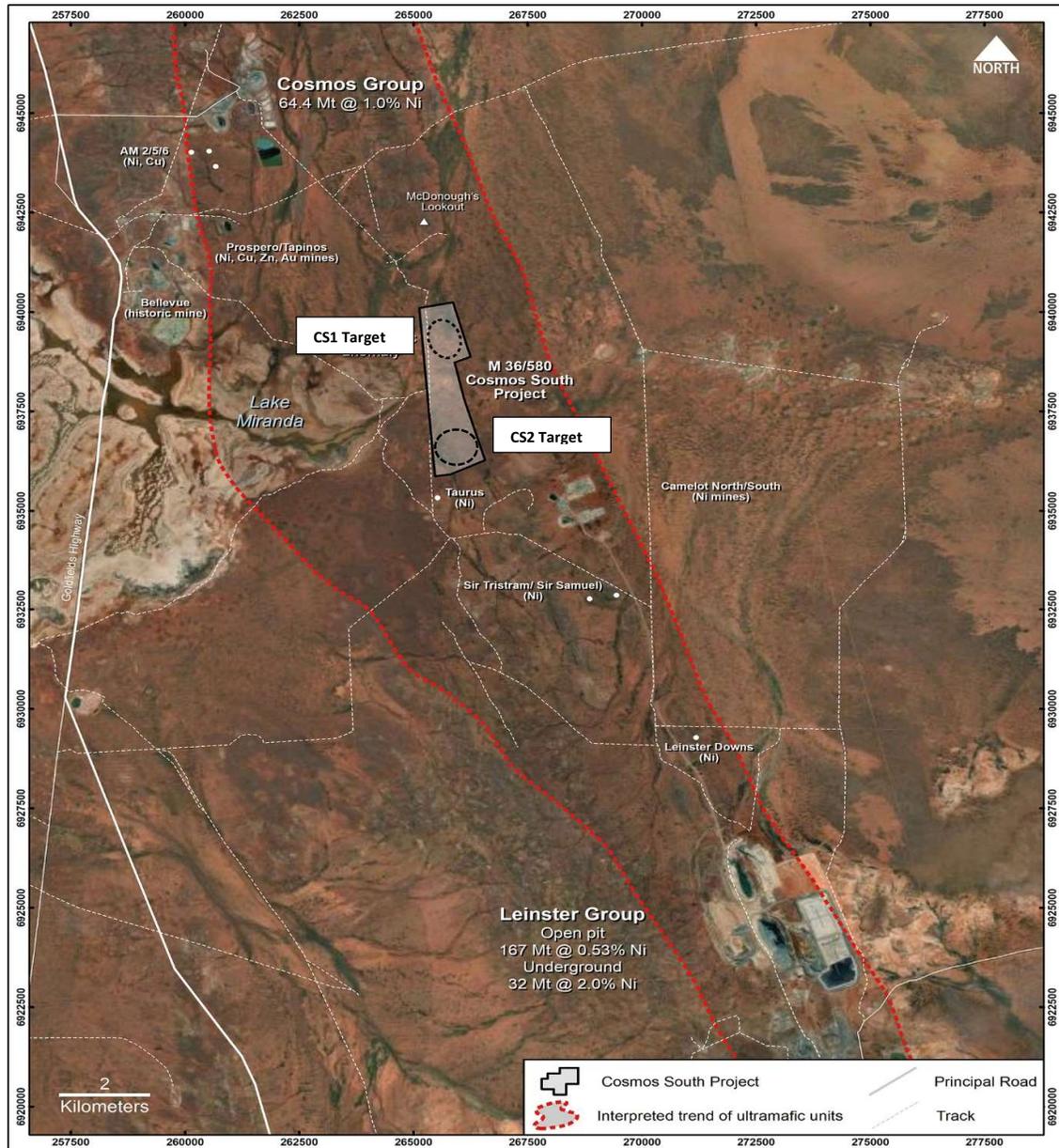


Figure 1. Cosmos South project location within the Wiluna Greenstone Belt (WGB)

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 Magnetic Surveys at the CS1 and CS2 Targets, Cosmos South Nickel Project

Existing airborne magnetic survey data at Cosmos South was not considered optimal for use in drill targeting at CS2. The recent Drone Magnetism survey was completed on 25 m spaced east-west traverses at a height of approximately 30m above ground, offering significantly better data resolution and importantly integration with the recent survey undertaken over the CS1 Target (Figure 2).

The survey objective of the Drone Magnetism was to better define the magnetic characteristics of the strata 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 komatiite volcanic lithologies that may represent channelised environments within the larger komatiite sequence. Such channelised volcanic flows are critical to formation of nickel sulphide deposits.

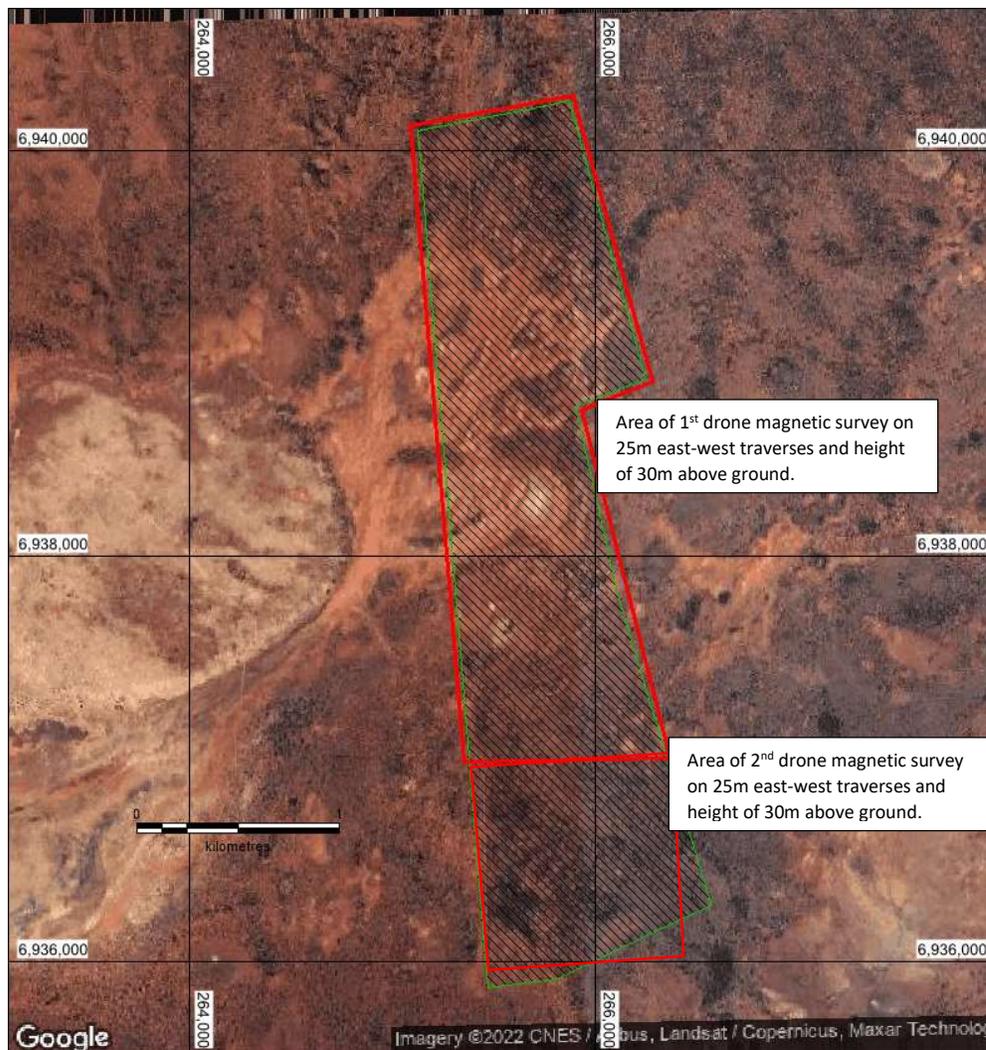


Figure 2: Completed Drone Magnetic Survey traverses at Cosmos South Nickel Project

Magnetic Survey Over the Southern Portion of M36/580 and the CS2 Target.

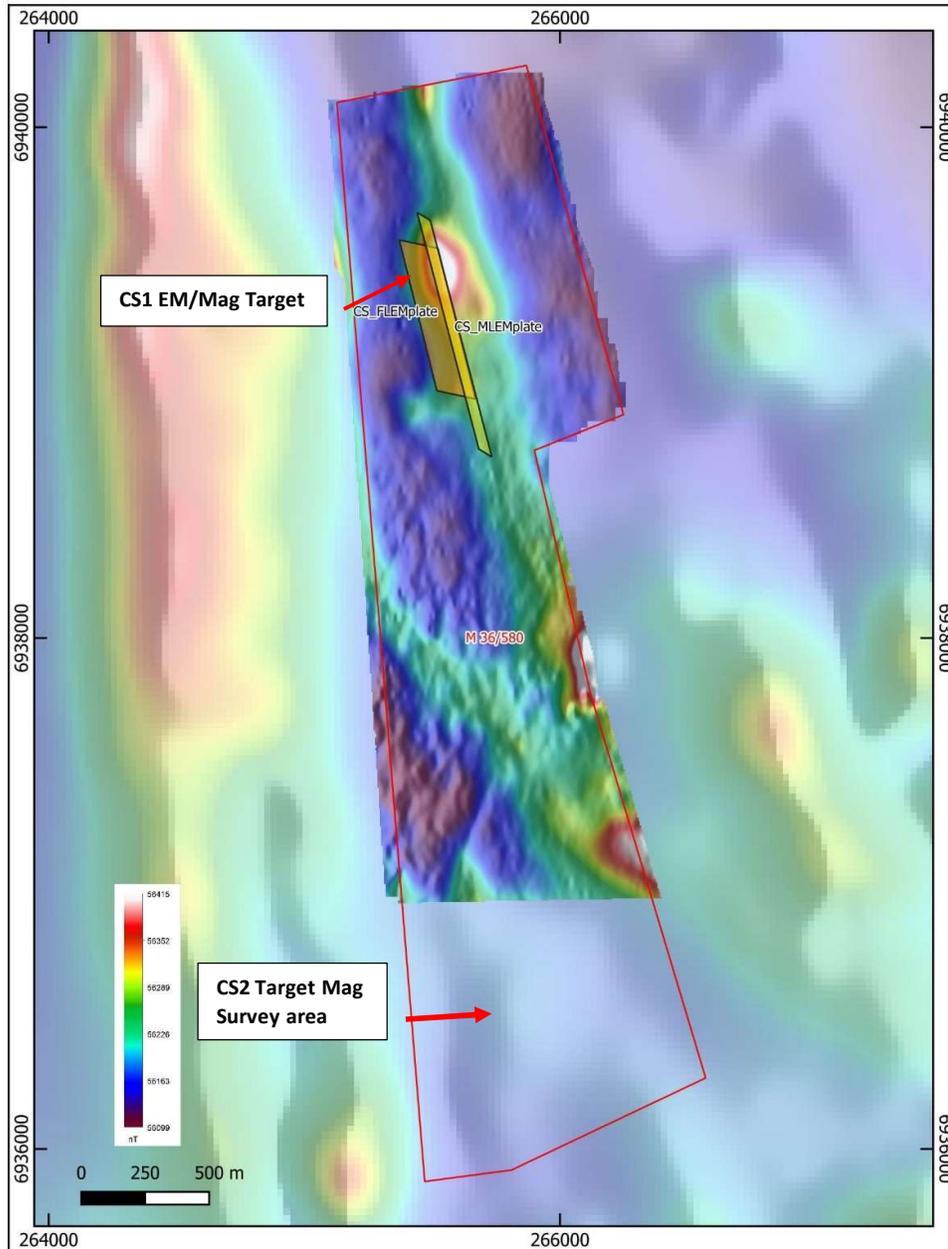


Figure 3: RTP magnetic anomaly map with EM plates modelled from the MLEM and FLEM surveys

NEXT STEPS

Data has been received over the CS2 Target and processing is underway including the integration of data received from CS1 Target survey, to better define the magnetic characteristics of the strata and to better map subsurface structure and lithology based on the results. Results and drill hole planning for CS2 is anticipated to be complete within the coming weeks.

Additionally, the company is currently in the process of obtaining the required access agreements, permits and contractor engagement to drill test the CS1 target identified. 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).

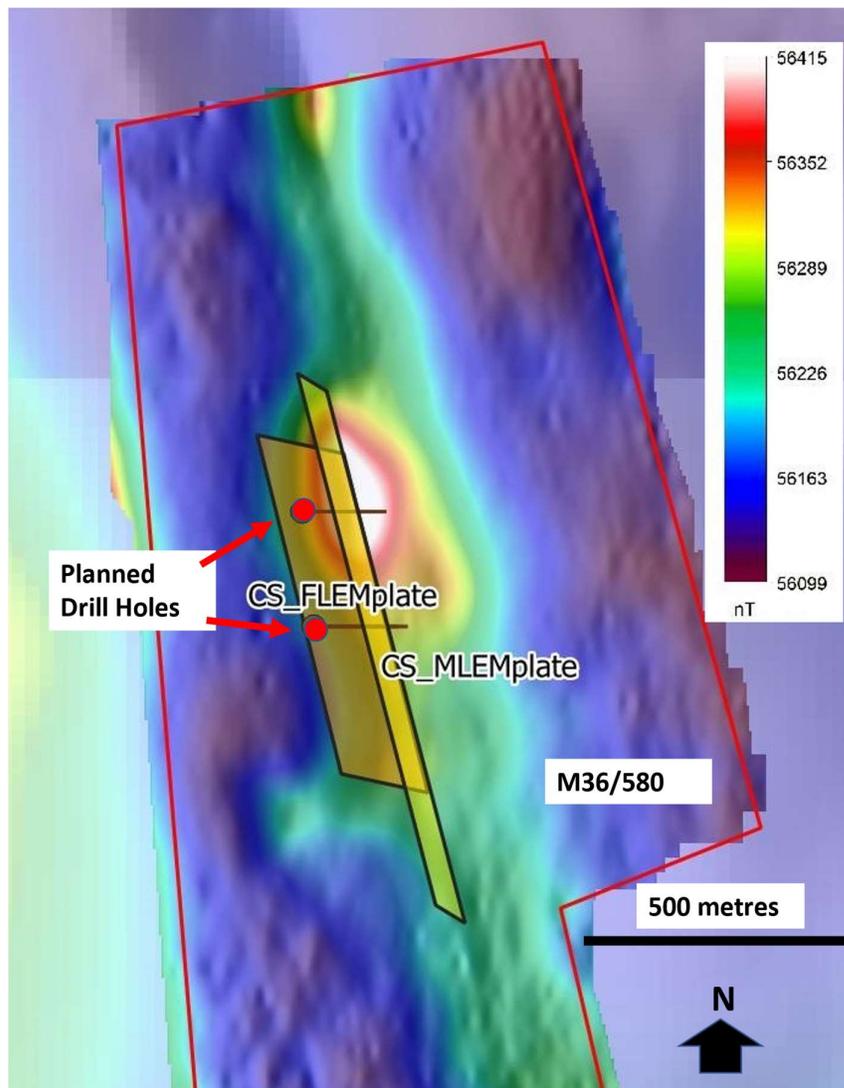


Figure 4: Indicative Drill plan at the CS1 Cosmos South Nickel Project. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

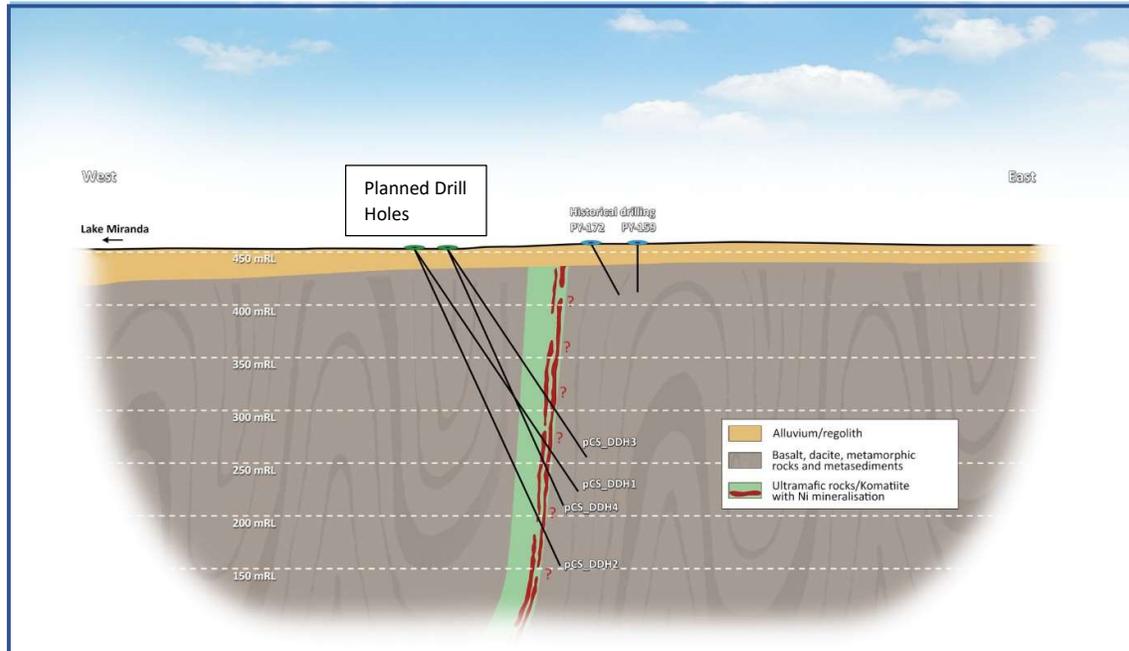


Figure 5: Interpretive cross section showing historical and planned drilling at the Cosmos South prospect. Four planned drill holes (2 per drill pad) will test both modelled conductive plates, interpreted as potential Ni-bearing strata at a range of depths.

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 exploration company primarily exploring for high-grade Nickel and Nickel-Copper in Western Australia, with a focus on the high priority Cosmos South Nickel Project, located within the world class Wiluna Greenstone Belt, and the Biranup Project located within the world class Albany Fraser Belt. The Company is also developing an inhouse Nickel prospectivity database, generating projects in the South East and South West Yilgarn district 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.