
ASX ANNOUNCEMENT
2 DECEMBER 2021

NICKELX TO DRILL HIGHPRIORITY BIRANUP GOLD TARGETS

HIGHLIGHTS

- NickelX has appointed DDH1 to undertake a 1,000m diamond drill program at high priority structural gold drill targets at Black Dragon and Red Dragon, within its 100% owned Biranup project.
- The drilling program is targeted for the March Quarter 2022, pending rig and crew availability, and has been designed to gain structural and textural information on gold mineralisation.
- The targets are located on strike ~30km northeast (NE) of the Tier 1 Tropicana gold operations (10.3M Ounces Au at 1.7 g/t) and where a recent transaction valued that project at ~A\$3B.
- The targets are defined by highly anomalous rock chip and drill hole assay results which lie within a 10km X 3km, NE-SW-striking zone of significant surface gold anomalism.
- Previous significant rock chip samples returned up to 626 g/t Au and previous significant, yet limited, aircore drilling returned 9.00m @ 7.08g/t Au and 3.88 g/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 feature in gravity data in the area.
- The targets complement the company's Fire Dragon Nickel target at Biranup where, the intersection of massive sulphides is encouraging for future potential programs.

NickelX Limited ("NickelX" or "The Company") is pleased to report that it has appointed DDH1 to undertake a targeted 4-hole 1,000m diamond drilling program at the Company's high priority Black Dragon and Red Dragon gold targets within the Company's 100% owned Biranup Project, located in the Albany Fraser Orogen, WA.

The Black Dragon and Red Dragon gold targets are located ~30km NE of the Tier 1 Tropicana gold operations and ~35km SW of the emerging Hercules gold discovery, within a ~10km X 3km, NE-SW-striking zone of significant surface gold anomalism that is spatially coincident with the Black Dragon shear zone, as well as a >250km-structural feature in gravity data that also passes through Tropicana.

NickelX Managing Director Matt Gauci commented:

"Black Dragon and Red Dragon represent compelling structural gold targets with significant historic results including rock chip samples of up to 573 g/t and 626 g/t Au and previous significant, yet limited, aircore drilling returning 9.00m @ 7.08g/t Au across a 10km by 3km gold anomaly."

"NickelX has designed a targeted diamond drilling program primarily seeking to understand structural and textural information on the gold mineralisation such that we can plan future programs to explore what is a grossly underexplored target within the world class Tier 1 Tropicana trend, located in the Albany Fraser Orogen."



Black Dragon Gold Target Overview

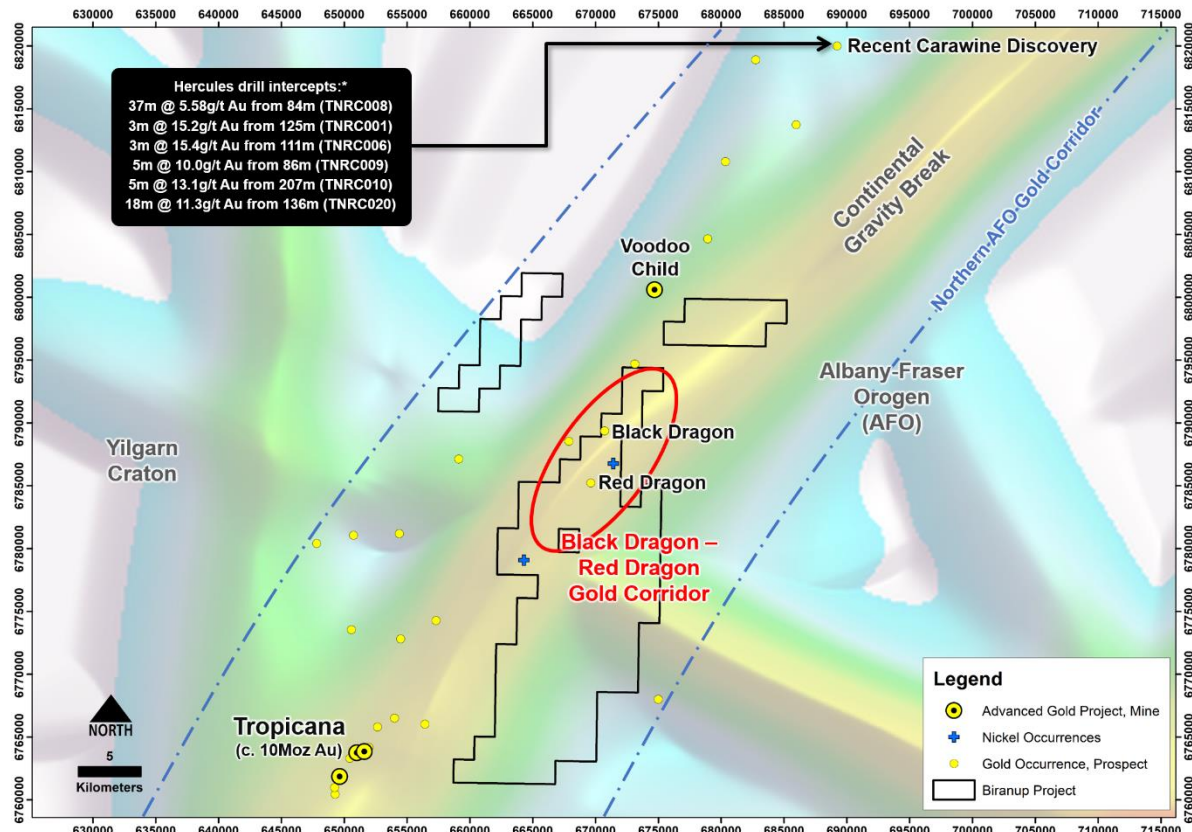


Figure 1. Interpreted Northern Albany Fraser Orogen Gold Corridor including the Tropicana gold operations (10M oz Au), the Black Dragon gold target and emerging Hercules gold discovery (Carawine Resources 2021a,b).

The Black Dragon gold target at the Company's Biranup Project (Figure 1) is located in the northern Albany-Fraser Orogen (AFO), ca. 30 km NE of the Tier 1 Tropicana gold operations and 35km SW of the emerging Hercules gold discovery, all of which lie along the interpreted Northern AFO Gold Corridor. (Figure 1)

The Black Dragon prospect is situated along the Black Dragon shear zone, a laterally extensive (>100km-long), NNE-SSW to NE-SW striking and ESE-dipping thrust separating the 2,720 to 1,700 Ma Tropicana Zone to the S and the 1,815 to 1,625 Ma Biranup Zone to the N. The Tropicana Zone is represented by the ca. 2,640 Ma Tropicana Gneiss and several intrusive units. The Biranup Zone is mainly comprised of the 1,815 to 1,800 Ma Black Dragon Gneiss and an unnamed metagranitic unit.

Black Dragon is marked by an area of sub-cropping basement surrounded and elsewhere covered by colluvium and wind-blow sand. Gold mineralisation at Black Dragon is associated with quartz veining, hematite breccia, iron-rich sheared basement schist and gneiss and sericite-altered granite with disseminated pyrite. Individual veins are 0.3 to 5.0m-wide and can be traced at surface for 10 to 30m along strike. Multiple mineralised veins have been recorded, dominantly striking ENE-WSW and N-S. Their dips are unknown. The limited historical drilling has thus far failed to explain the surface gold-silver-tellurium anomalism or provide information about the orientation, structural controls on, genesis, or source for the mineralisation.

Previous Exploration Activities

The outcropping quartz (\pm hematite, \pm breccia) veins at Black Dragon were first recognised by AngloGold Ashanti Limited (AGA) during the company's 2007-08 field season. Rock chip sampling at Black Dragon by AGA returned significant gold assay values up to 573 g/t Au (Figure 2, Table 1). These results were followed-up with an aircore (AC) drilling campaign, undertaken on a 200m \times 400m grid. The best result from this drilling was 1.00m @ 13.27g/t Au from surface in hole BDA189 (Table 2). Additional AC drilling during the 2008-09 field season defined a coherent, low-level gold anomaly along strike to the NE and up to a distance of 2km from the outcropping quartz veins (WAMEX Reports a79742, a84617). Following the high-grade intercept in hole BDA189, two phases of reverse circulation (RC) drilling were completed during AGA's 2008-09 field season with 22 holes drilled for a total of 3,001m. Of these holes, 12 were completed in the Black Dragon prospect area. Whilst the drilling intercepted a sequence of sericite-altered granite with disseminated pyrite (i.e., a typical gold-related hydrothermal alteration assemblage), quartz (\pm hematite, \pm breccia) veins as exposed at surface were not intersected. Nevertheless, the RC drilling returned several narrow, gold anomalous intercepts with a best result of 1.00m @ 3.96g/t Au from 84.00m in hole BDRC008. In 2014, the tenement containing the Black Dragon prospect was relinquished (WAMEX Report a103657).

Ventnor Resources Limited (now VRX Silica Limited) (ASX:VRX) explored the Black Dragon gold prospect in 2015 and 2017. Initial work by VRX involved geological mapping and rock chip sampling (Figure 2, Table 1). Ten of the 32 rock chip samples collected at Black Dragon returned gold assay values >1.00g/t Au, with a peak assay of 626.00g/t Au, 154.00 g/t Ag and 651.00 ppm Te (sample BD103) returned from this program and indicating the presence of a gold-silver-tellurium mineralised system (Ventnor Resources Limited, 2015a,b). Later in 2015, VRX commenced a drilling program at Black Dragon, including 33 RC holes for 2,492 m. The holes were drilled in multiple orientations as to gain a better understanding of the orientation of the mineralisation. Every drill hole meter was sampled and assayed for gold and silver, using a 25g fire assay for gold and an aqua regia acid digest for silver.

The most significant intersection encountered was in hole BDRC1001, which returned 9.00m @ 7.08g/t Au and 3.88 g/t Ag from surface, including 2.00m @ 24.74g/t Au and 14.15g/t Ag from 1.00m. Additional significant intercepts included 5.00m @ 2.26 g/t Au and 1.88g/t Ag from 6.00m (hole BDRC1015) and 6.00m @ 3.02g/t Au and 0.64g/t Ag from 25.00m (hole BDRC1026). In contrast to the previous drilling by AGA, the VRX drilling returned results that (i) were of higher tenor than indicated by the previous work; (ii) pointed towards a more complex geology comprising not only granitoid but also folded metasedimentary and metavolcanic rocks; and (iii) suggested a possible E-W orientation of the mineralised trend (Ventnor Resources Limited, 2015b). In 2017, VRX embarked on a final 208m, 3 hole RC drilling program at the Black Dragon gold prospect as well as a 20,000 line km auger surface geochemical drilling program covering the Black Dragon-Red Dragon corridor (Ventnor Resources Limited, 2017), which outlined a significant, ca. 10km-long and up to 3km-wide, NE-SW-striking zone of surface gold anomalism (Figure 3) that is spatially coincident with the Black Dragon shear zone as well as a >250km-structural feature in gravity data that also passes through Tropicana. No further work was undertaken since 2017.

Variability in gold grades between some original and repeat assays indicate the presence of coarse gold in the system, and that both historic rock chips and drilling results are significantly under-reported due to the absence of a more reliable assaying method (e.g., screen fire assays which sample both coarse and fine fraction gold from a larger sample size). This lack of effective sampling could have significant implications for the understanding of the orientation and morphology of the gold system.

Given the currently understood significant size potential and very high tenor of the known gold-silver-tellurium system, testing of the Black Dragon and Red Dragon prospects becomes a very high priority for the company and will proceed in tandem with our nickel discovery program.

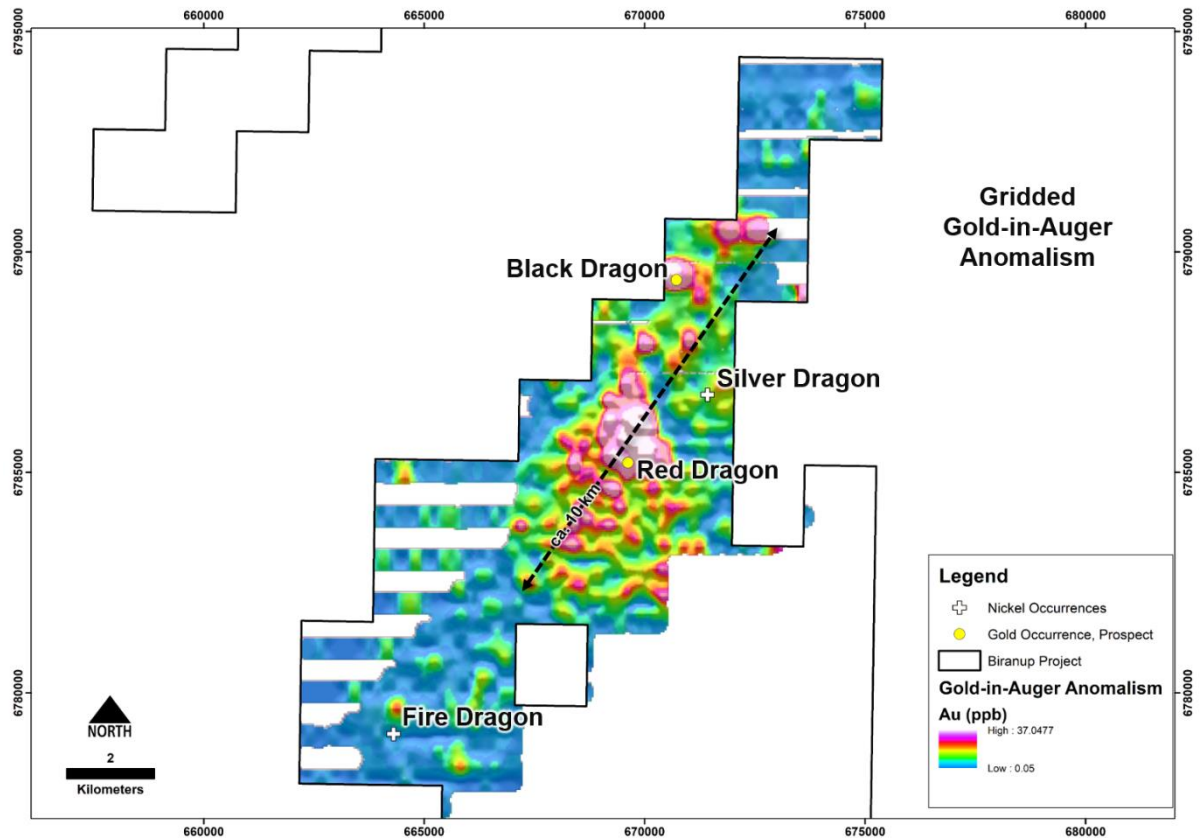


Figure 2. Significant gold-in-auger geochemical anomaly (10km X 3km) along the Black Dragon-Red Dragon corridor and ~ 24km NE and on strike of Tropicana.

For further information and a complete presentation and all rock ship sampling and drill assay results see ASX Announcement (ASX: NKL) "Data Review Identifies High Grade Gold At Black Dragon On Strike From Tropicana" previously announced on 3 June 2021. The Company is not aware of any information or data that materially affects those results.

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.