

ASX Announcement
29 July 2021

QUARTERLY ACTIVITIES REPORT

EXPLORATION

- A maiden (phase 1), 1,212m diamond drilling program has been contracted (and set to commence Saturday 31/07/21) to test well defined conductors at the Fire Dragon nickel target and other nickel targets within the Biranup Project (Biranup).
- A follow-up (phase 2), 5,000m drilling program has been contracted to expand on the initial phase 1 program at Fire Dragon, as well as other high priority targets at Silver Dragon (Nickel-Copper) and Black Dragon (Gold).
- Re-processing of Airborne Electromagnetic (AEM) SPECTREM survey data identified new robust conductivity anomaly targets at Biranup.
- Follow-up Moving Loop Electromagnetic (MLEM) surveys completed adjacent to the existing Fire Dragon target comprised 17 lines across four first-order targets.
- Preliminary review of the MLEM survey data identified a robust, late-time conductive response at FD1, with additional conductive responses observed at FD2 and FD4.
- Further modelling and analysis of the MLEM survey data over the FD1 target is consistent with a strong, moderately dipping basement conductor with a strike length of 800m.
- The clustering of EM conductors in the Fire Dragon area is encouraging given that magmatic nickel-copper sulphide deposits typically occur in clusters.

CORPORATE

- Successful completion of an oversubscribed \$7M Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX) to fully fund exploration programs.
- Exploration Incentive Scheme (EIS) co-funded drilling grant of \$150,000 awarded by the WA Government in support of a \$310,000 diamond drilling program at Fire Dragon.
- Commencement of the build of a Nickel prospectivity database with a focus on the Southwest and Southeast Yilgarn, supporting project generation activities.
- Appointment of CPS Capital Pty Ltd as Corporate Advisor to the Company who have significant experience in the mining sector with a proven track record.

COMMENTING ON THE QUARTER NICKELX MANAGING DIRECTOR MATT GAUCI SAID:

"NickelX has banked \$7M on our IPO to fully fund our exploration programs and, importantly, have hit the ground immediately after IPO. Our systematic work programs at the Biranup Project are progressing at an excellent pace with a focus on safe practices, including the recently mobilised diamond drilling program partly funded by the WA Government, seeking massive sulphides over well-defined and strong conductors at Fire Dragon."

Biranup Nickel Project Overview

Biranup is comprised of six granted exploration licenses (EL's) covering a total area of ~400km² and is located in the northeastern Albany Fraser Orogen (AFO). Previous work at Biranup has identified 20+ EM conductors that are considered highly prospective for magmatic nickel-copper mineralisation. The Fire Dragon Nickel-Copper target has been the subject of a SPECTREM AEM survey, ground MLEM surveys yet very limited drilling, which intersected narrow zones of semi-massive to massive sulphides (including pentlandite and chalcopyrite).

Nickel X has completed MLEM surveys over 4 high priority targets at Biranup which have defined robust conductivity anomalies at FD1, FD2 and FD4. The FD1 Target highlighted a strong basement conductor with a strike length of 800m. DDH1 are mobilising to complete a phase 1 1,212m diamond drilling program and a phase 2 5,000m diamond and RC drilling program at Fire Dragon (Nickel-Copper), Silver Dragon (Nickel-Copper) and Black Dragon (Gold).

The AFO is still considered an emerging mineral belt as nickel-copper discoveries (e.g., the Silver Knight deposit (Creasy Group), Mawson's deposit (Legend Mining Limited) and the Orion target (IGO Limited)) continue to be made after only 10 years since the discovery of the Nova-Bollinger deposit. Total mineral endowment of the AFO is approximately 0.3Mt contained nickel-copper, whereas more mature belts, such as the Thompson Belt in Canada, have been explored for more than 40 years with total mineral endowment of 2.7Mt contained nickel.

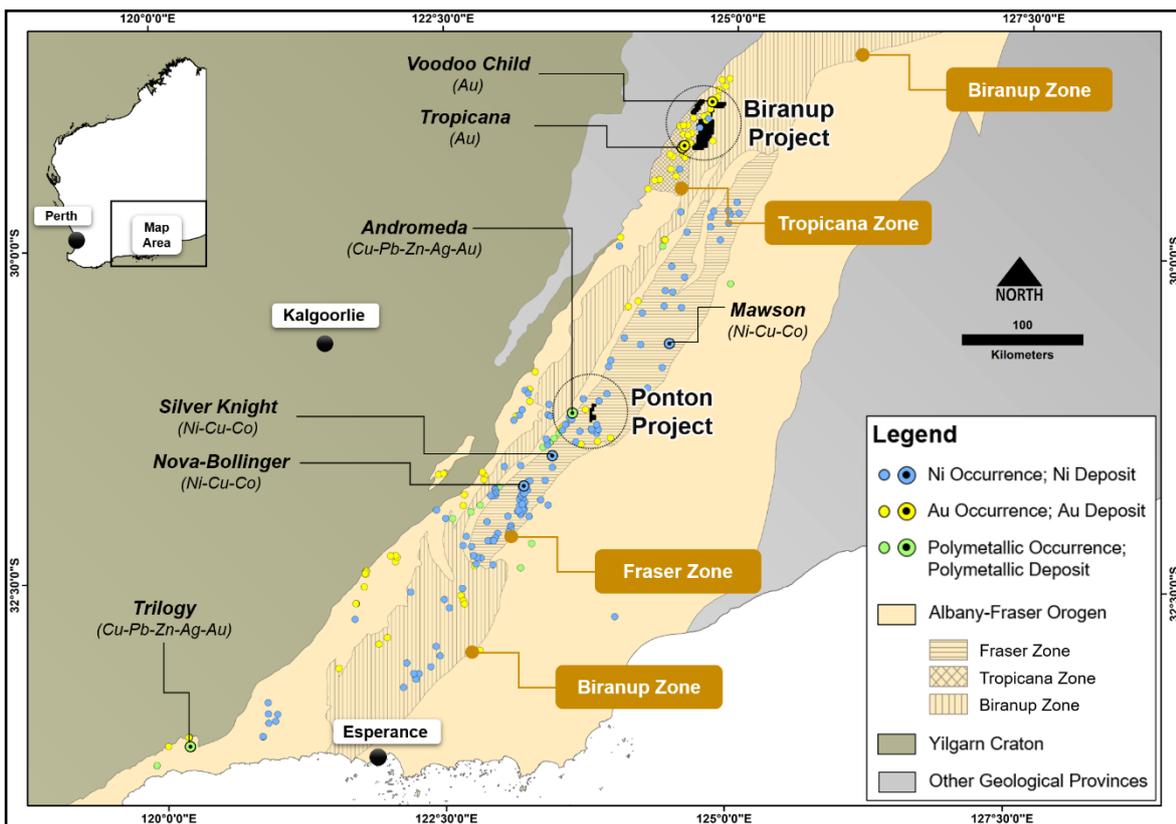


Figure 1. NickelX Biranup and Ponton Projects in the Albany Fraser Orogen

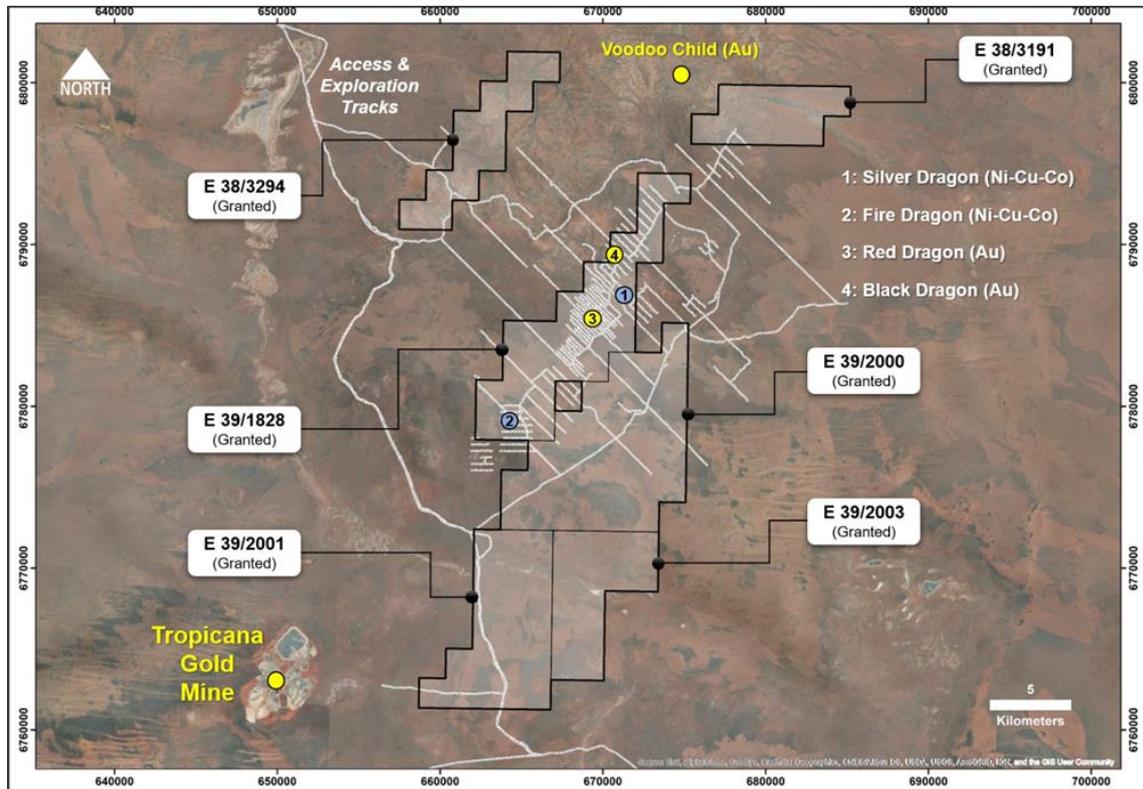


Figure 2. High priority nickel and gold target locations at Biranup

Fire Dragon Nickel Target

At Fire Dragon, the Company's strategy is not only to locate thicker and potentially economic extensions of the nickel-copper bearing sulphides intersected in historical drilling (see VRX ASX announcement dated 17th January 2017) but also to better understand the style of this mineralisation (i.e., whether magmatic or hydrothermal, or a tectonothermal modification of either). This will have important implications for Nickel exploration at Biranup and throughout the AFO.

A successful drilling program at Fire Dragon and FD1 (e.g., intersection of potentially economic mineralisation or wide zones of alteration and anomalous metal concentrations that may serve as vectors to a buried mineral deposit) would dramatically expand the zone currently considered prospective for magmatic nickel deposits.

The DDH1 drilling contract includes 2 phases of drilling for a total of 6,212m of Diamond and Diamond with RC pre-collars. The first phase 1 is designed to test for Nickel-Copper sulphides at Fire Dragon and FD1 based on current data. A wider phase 2 program of Diamond and Diamond with RC pre-collars is planned to test for Nickel-Copper sulphides at Fire Dragon, FD1, FD2, FD4 and Silver Dragon and to test the Black Dragon gold system. PHASE 2 will be based on completion of modelling from the recent EM surveys and results from phase 1. This program is also partly paid for by the \$150,000 EIS grant.

Refurbishing and clearing of tracks (where warranted) and establishment of drill pads and sumps is complete in preparation for the drilling work, which is due to commence on the August 2nd. As the WA Government approved Programme of Work (POW) sites fall within areas already cleared for heritage by previous explorers, NKL has received advice that no further heritage clearance work is required at this stage of exploration.

The PHASE 1 4 hole 1,212m diamond drilling program will test for massive sulphides at Fire Dragon and the now enhanced FD1 conductors (see Figure 2, 4 and 5). The phase 1 program is supported by the EIS funded drilling grant received from the WA Government.



Figure 3. Nickel X MLEM Survey Team at FD1-FD4

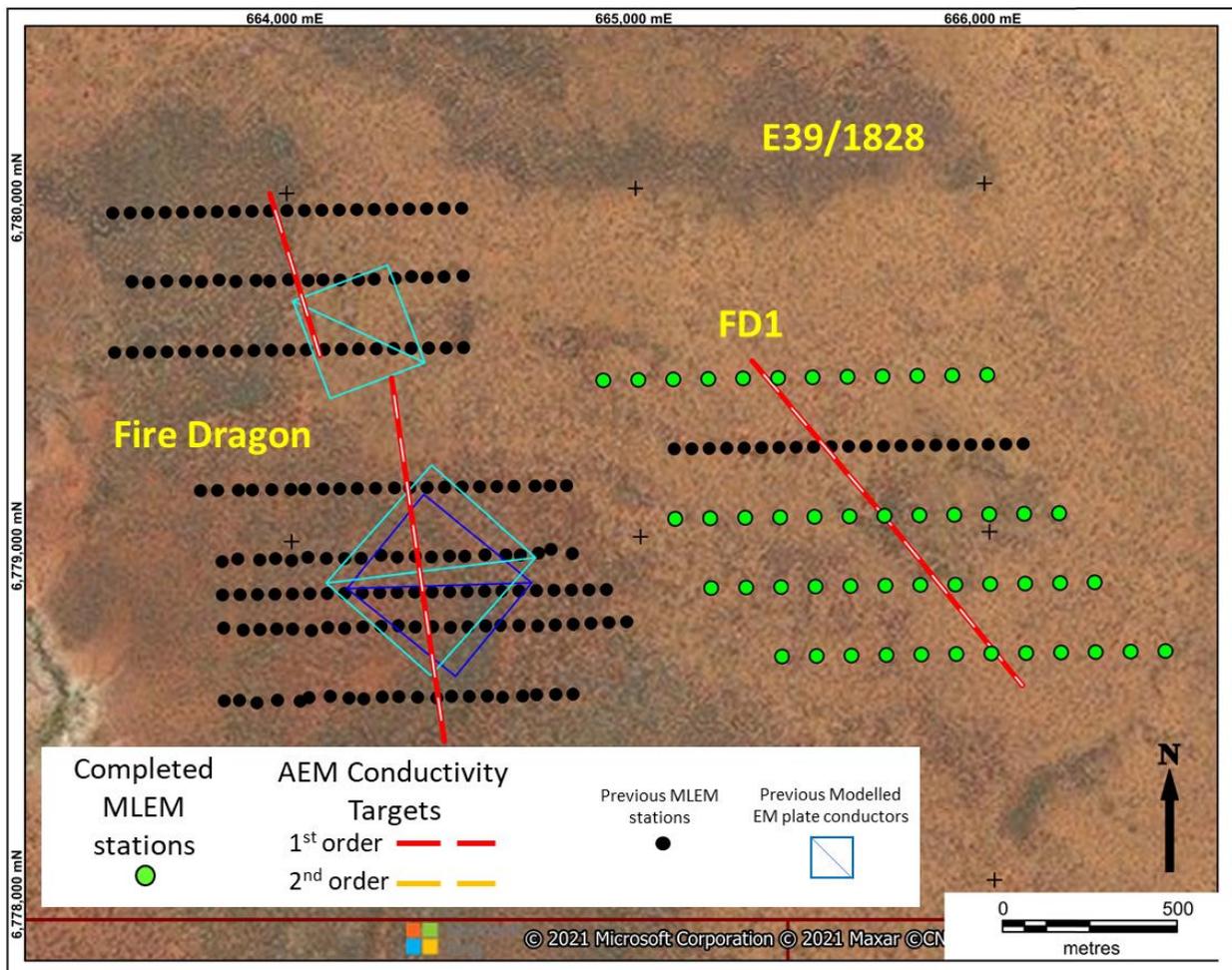


Figure 4. MLEM Survey lines at Fire Dragon and FD1

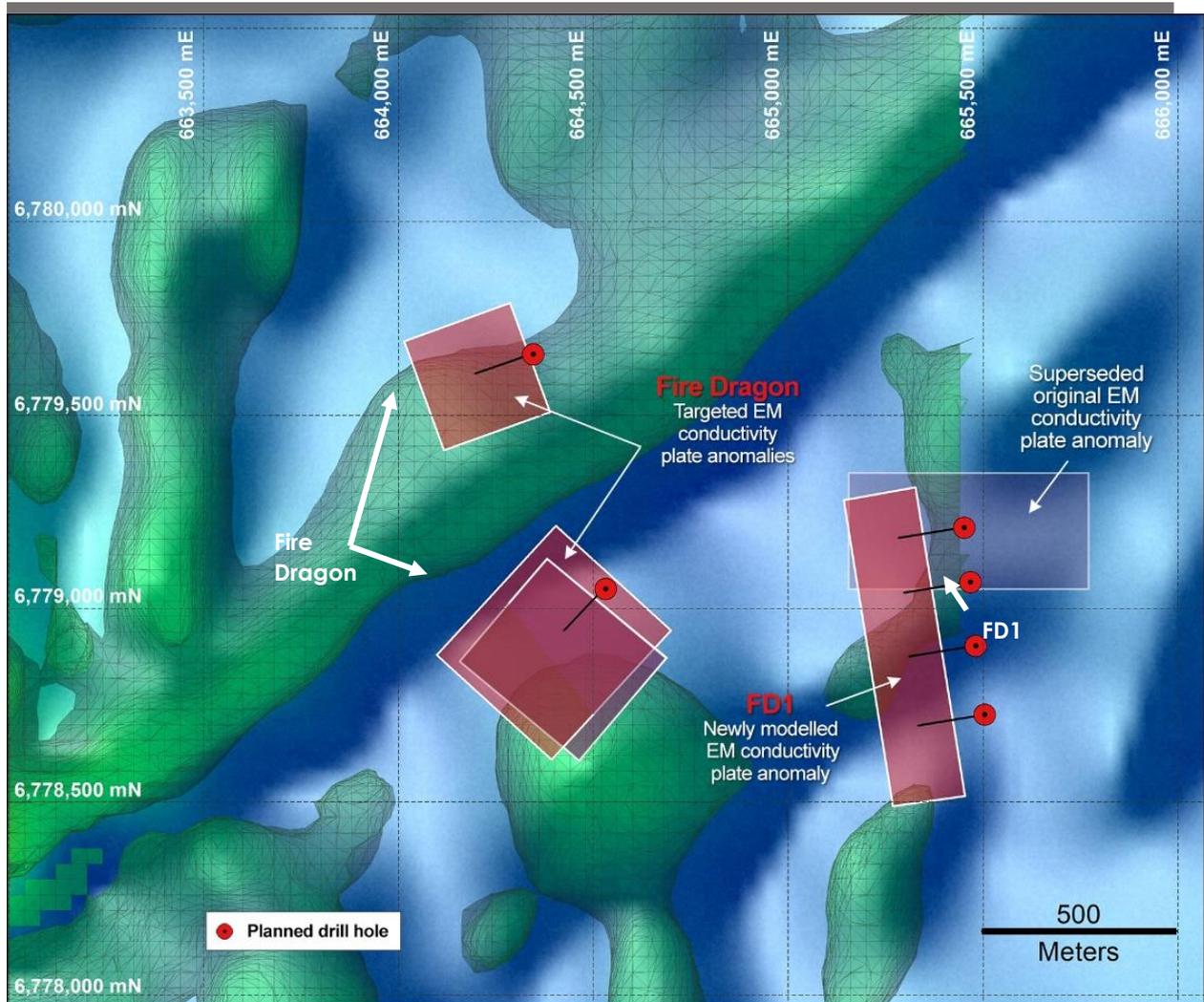


Figure 5. Fire Dragon and FD1 Phase 1 drill hole locations over conductors

Corporate

NickelX was admitted to the Official List of the ASX on 6 May 2021. The well-supported Initial Public Offering (IPO) raised \$7M. The Company is now well funded to evaluate its exciting exploration projects and looks forward to a successful second half of 2021.

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 year after ASX admission (as per Prospectus dated 16 March 2021)	Actual Use Up to 30 June 2021 YTD	Variance Under/(Over)
Exploration at Biranup Project	\$4,055,000	\$348,842	\$3,706,158
Exploration at Ponton Project	\$605,000	\$24,000	\$581,000
Administration costs & working capital	\$2,133,321	\$373,477	\$1,759,844
Expense of the Offer	\$678,603	\$755,812	(\$77,209)
TOTAL	\$7,471,924	\$1,502,132	\$5,969,792

*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 less than 3 months into the 12-month budget.

Tenement Summary

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended 30 June 2021. 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%

This announcement is authorised for release by the Board of Directors.

ENDS

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ABOUT NICKELX LIMITED

NickelX Limited is an Australian, ASX listed, Nickel and Copper exploration company primarily exploring for high-grade Nova-type magmatic Nickel-Copper deposits, as well as large scale Tropicana-type structural Gold deposits in the world class Albany Fraser Belt (AFO), located in Western Australia.

The Company owns 100% interest in its 6 granted Exploration Licenses (EL's) at the Biranup Project in the Albany Fraser Orogen, including numerous high priority targets at Fire Dragon, Silver Dragon, Black Dragon and Red Dragon, as well as additional priority targets which comprise the projects.

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.