
ASX ANNOUNCEMENT**25 NOVEMBER 2021**

NICKELX TO ACQUIRE COSMOS SOUTH IN THE LEINSTER NICKEL BELT

HIGHLIGHTS

- NickelX has signed a Binding Terms Sheet to acquire the Cosmos South Nickel project, located ~10km south of Cosmos (Western Areas) and ~20km north of Leinster (Nickel West - BHP), within the prolific Wiluna Greenstone Belt (WGB), WA.
- Ultramafic rocks which host Nickel mineralisation to the north and south, interpreted to strike through the Cosmos South Nickel project, which has been identified from preliminary review of existing Magnetics data.
- A high priority electromagnetic conductivity anomaly target at CS1 has been identified, via geological interpretation and geophysical data review including Moving Loop Electromagnetic (MLEM) and Fixed Loop Electromagnetic (FLEM) surveys.
- The CS1 target in MLEM data is interpreted to be shallow (depth to top ~60m), multiple large conductors, with a time constant estimated to be 500ms and modelled conductance of 12,000 Siemens.
- The CS1 target in FLEM data is interpreted to be a shallow (depth to top ~80m) large bedrock conductor with a strike length of 565m and depth extent of 850m, a time constant of 700ms and modelled conductance of 11,300 Siemens.
- The project has not been the subject of any systematic exploration drilling, due to the targets being obscured beneath cover associated with Lake Miranda, yet significant exploration and discoveries have been undertaken directly north and south of the project area, where the bedrock outcrops.
- The Cosmos South Nickel project represents one of the very few independently owned project areas within the WGB, where BHP and Western Areas dominate landholdings.

NickelX Limited ("NickelX", "NKL" or "The Company") is pleased to report that it has signed a Binding Terms Sheet (**Terms Sheet**) with MG Resources Pty Ltd (**MG Resources**) to acquire the Cosmos South Nickel Project which is located 10km south of the world-class high-grade Cosmos Nickel operations (Western Areas) and 20km North of the world class large scale Leinster Nickel operations (BHP), within the prolific Wiluna Greenstone Belt (WGB), WA.

Pursuant to the Terms Sheet, MG Resources has agreed to grant NickelX the exclusive option to purchase the Cosmos South Nickel Project (**Option**). Subject to shareholder approval, the Option is exercisable by the Company at any time from the date of the Terms Sheet until 6 months from the date of the Terms Sheet.

Subject to the exercise of the Option, NickelX will earn a 100% interest in the project by undertaking exploration expenditure of not less than \$500,000 over a 24-month period and making milestone payments of \$150,000 in NKL shares 12 months from the date of the Terms Sheet and \$150,000 in NKL shares 24 months from the date of the Terms Sheet. The shares will be calculated based on a 5-day volume weighted average price of NKL's shares immediately prior to the relevant milestone date.

NKL will seek shareholder approval for the exercise of the Option under ASX Listing Rule 11.1.2. Further information will be set out in a notice of meeting which will be lodged onto the Company's ASX platform in due course.

NickelX Managing Director Matt Gauci commented:

"The NickelX team has quickly progressed the Fire Dragon Nickel target in the Albany Fraser Orogen (AFO) through a systematic exploration program and, as previously stated, have generated a pipeline of additional Nickel opportunities, based on our Nickel database.

The Cosmos South Nickel project ranked highly on our target list and following our due diligence the team believes the project represents a very compelling nickel target demonstrated by geological interpretation, strong magnetics indicating ultramafic rocks and very strong and large bedrock conductors.

The acquisition of the Cosmos South Nickel project will position Nickel X as one of the very few companies with project areas within the prolific Wiluna Greenstone Belt outside of Western Areas and BHP Nickel West."

Cosmos South Nickel Project Summary

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

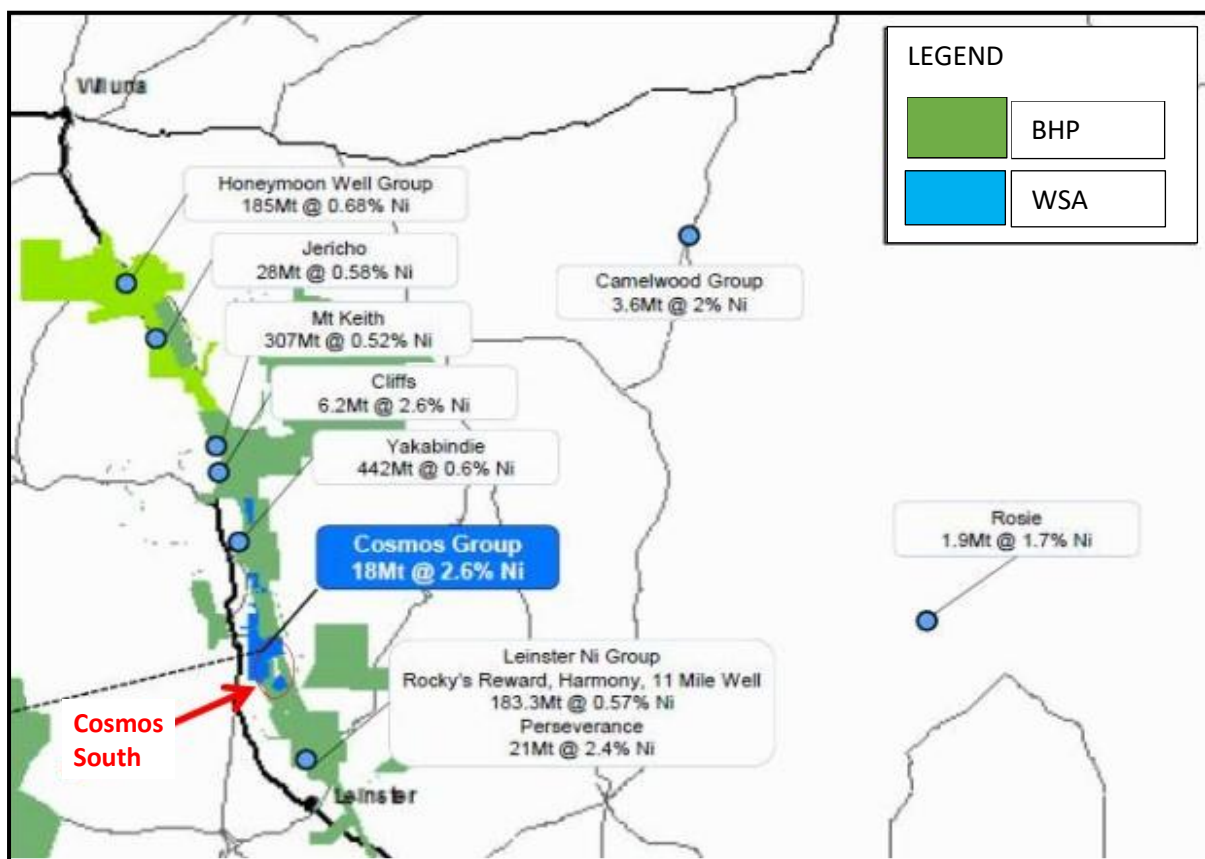


Figure 1. Cosmos South project location within the Wiluna Greenstone Belt

The majority of M36/580 is covered by alluvium draining into Lake Miranda as are the Cosmos Project deposits of Prospero, Tapinos and Anomaly 3 which are buried under deep transported material within the Lake Miranda drainage system. The southern portion of the tenure gently rises southwards and is covered by residual laterite material which is developed over/shed off from the subcropping-outcropping Archaean rocks in the tenure to the south. These rocks to the south of the tenement host the Taurus, Sir Samuel and Sir Tristram nickel mineralisation which are highly anomalous in nickel geochemistry that continues up into the southern area of M36/580. Greenstones outcrop prominently to the north of the transported cover forming the McDonough's Lookout which is also prospective for nickel mineralisation.

Despite being surrounded by major nickel miners, (Figure 1), M36/580 has undergone very limited exploration and no recorded exploration reports are available. The areas of outcropping-subcropping bedrock to the south and north of the tenements have undergone considerable exploration resulting in the discovery of nickel mineralisation to the immediate south at the Taurus, Sir Samuel and Sir Tristram prospects (Figure 2). M36/580 is almost entirely covered by transported alluvial deposits and no systematic drilling has been undertaken on the tenure.

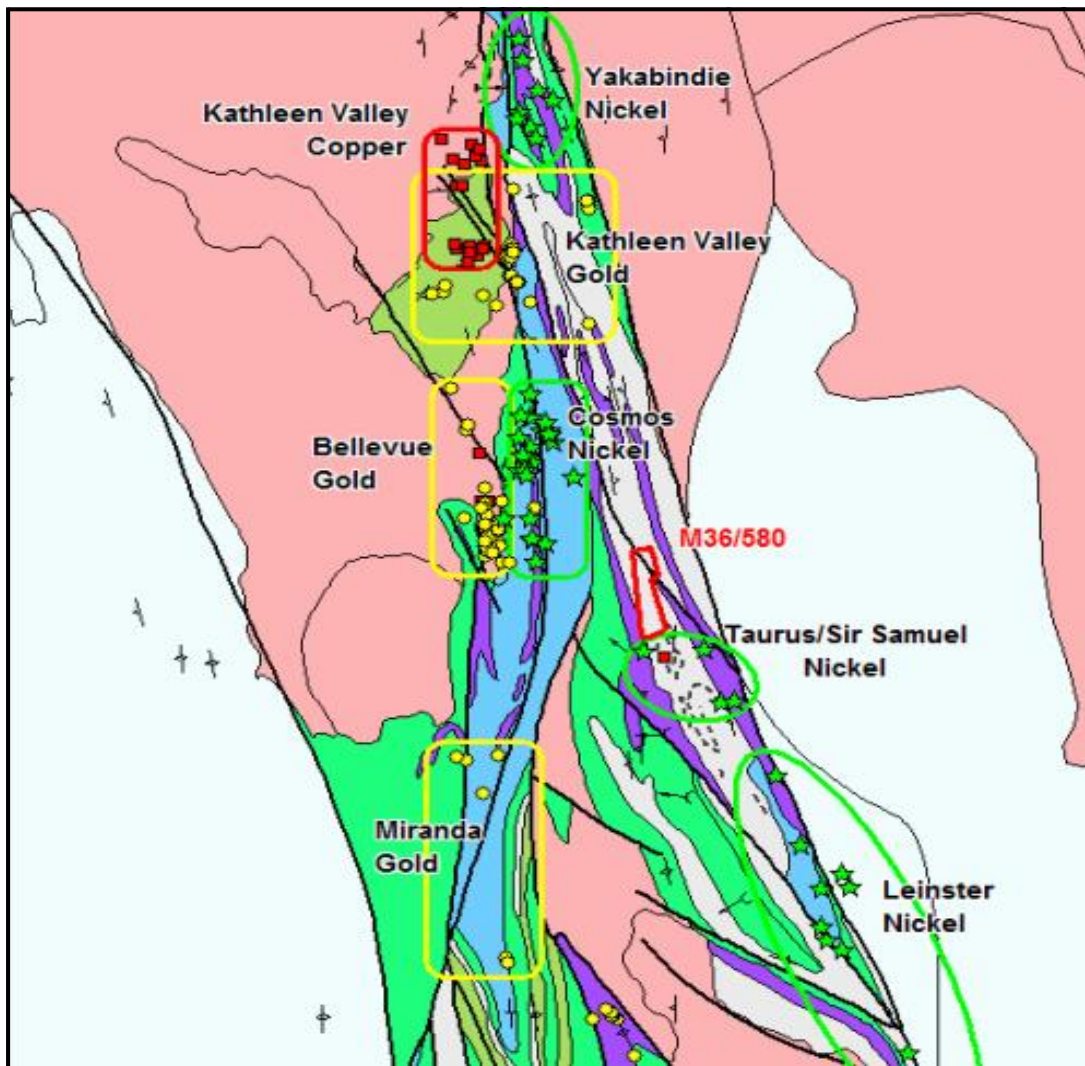


Figure 2. Cosmos South project location over regional geology of the Wiluna Greenstone Belt

Despite poor coverage over this area, First Vertical Derivative (1VD) aeromagnetic image (Figure 3) indicates the ultramafic rocks that host the Taurus and Sir Samuel nickel mineralisation extend into the southern portion of M36/580. The magnetic ultramafic rocks also appear to strike through the northern portion of the tenement.

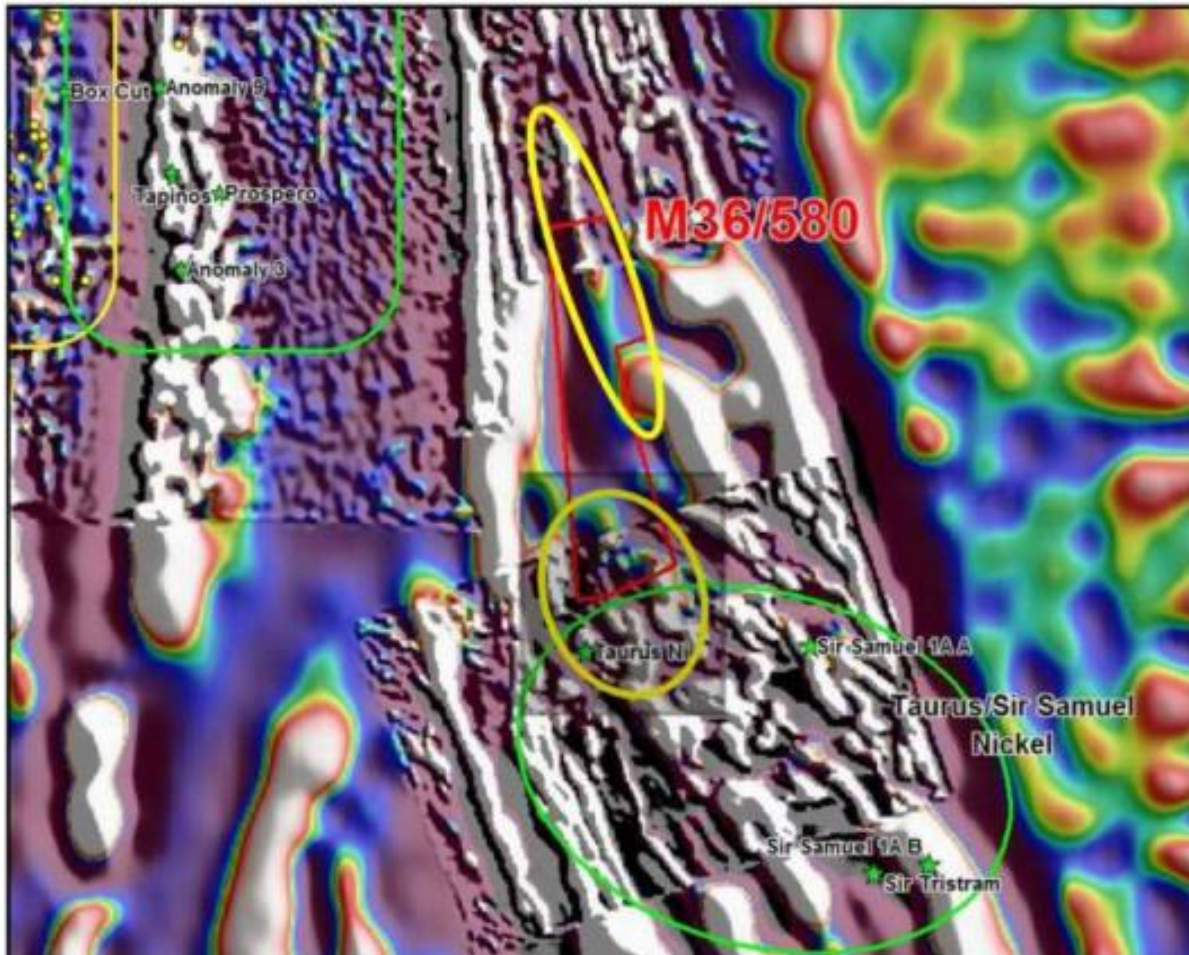


Figure 3. Cosmos South project location over regional 1VD magnetic data.

A MLEM survey was completed between 3 April 2017 and 5 April 2017 at the M36/580 prospect by Vortex Geophysics. The objective of this MLEM survey was primarily to map out massive sulphide targets. A total of 68 stations encompassing a total of 6 line kilometres have been completed at the M36/580 Prospect. The data quality is excellent throughout the survey. A significant anomalous response (CS1 - Figure 4) was identified at mid- to late delay times.

CS1 is interpreted to be multiple large conductors with modelled conductance of 6000 Siemens to 12000 Siemens. The time constant is estimated to be around 500ms consistent with massive sulphides conductors. Another anomalous response to the south is interpreted to be SPM effect which is caused by fine grain ferromagnetic minerals close to the surface.

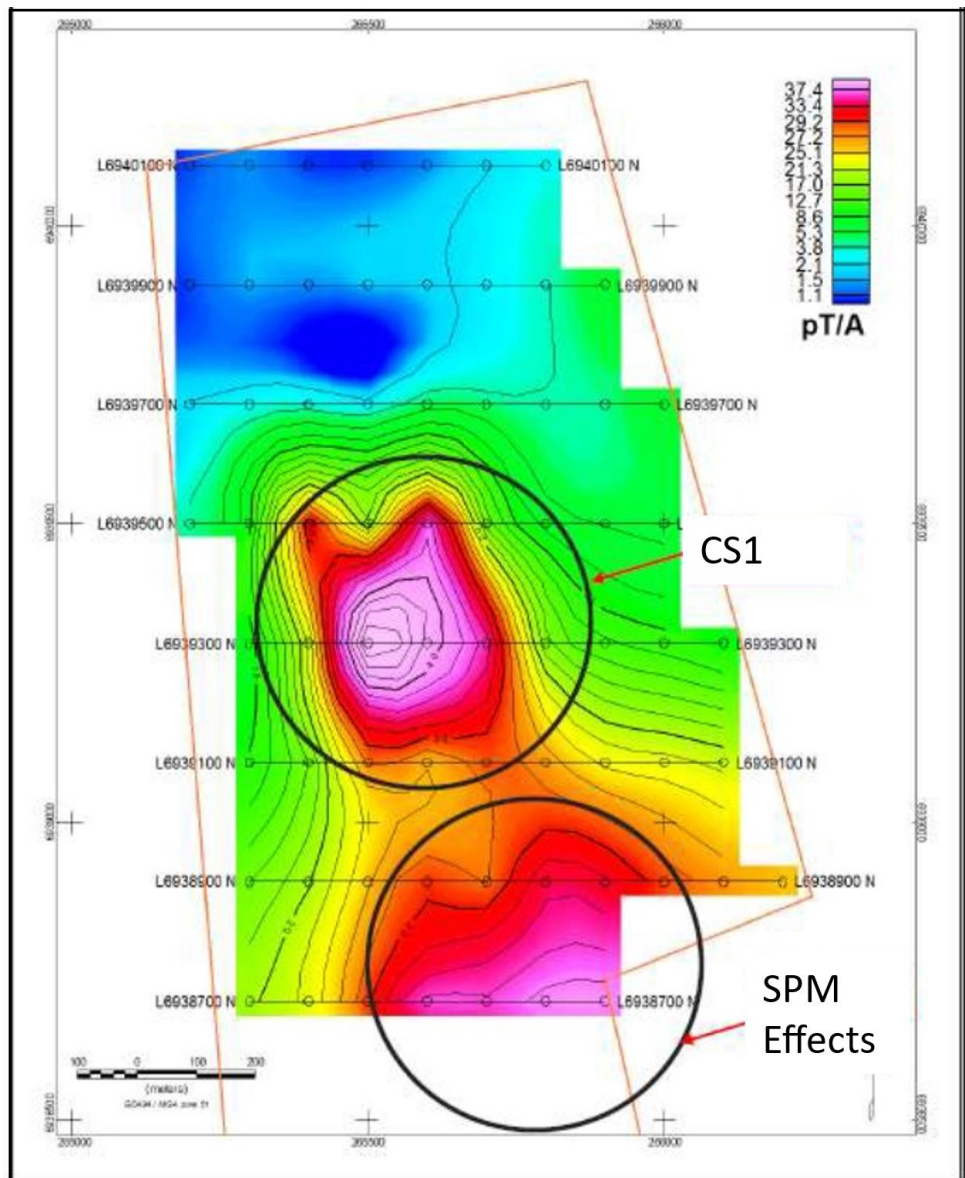


Figure 4. Cosmos South project plan view of MLEM stations and late time Ch30 (52.9ms) histogram equalisation gridded EM data

The MLEM survey was followed up by a Fixed Loop EM survey (FLEM – Figure 5). The CS1 MLEM conductivity anomaly was confirmed by the FLEM survey. The FLEM survey shows a large bedrock conductor with a strike length of 565m and depth extent of 850m (Figure 6). The modelled conductance of FLEM plate is interpreted to be 11300 Siemens consistent with MLEM survey. The depth to the top conductor is interpreted to be around 80m below surface which is deeper than the MLEM survey which was interpreted to be around 50m below the surface. The dip of this conductive source is interpreted to be steeply (73 degree) dipping to the west. The estimated time constant of 700ms and modelled conductance of 11300 Siemens are consistent with massive sulphides source.

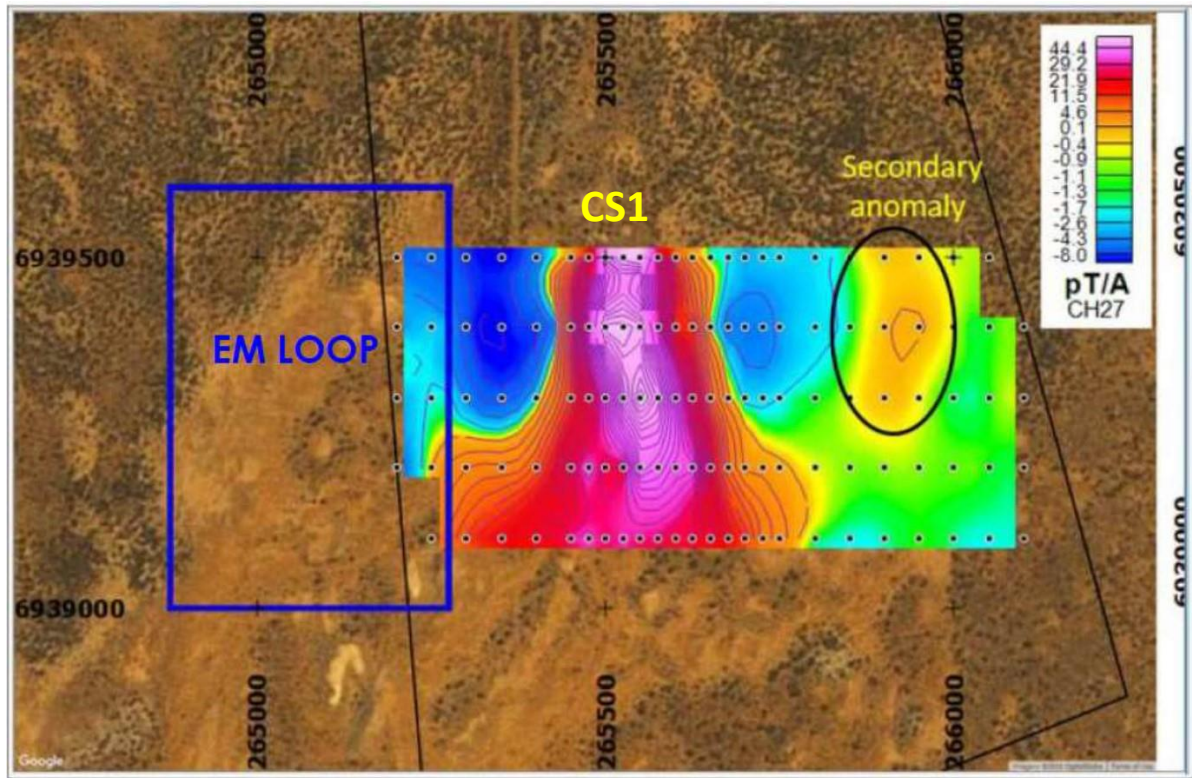


Figure 5. Cosmos South project plan view of FLEM stations and loop position on Horizontal Derivative of CH27 (27.6ms) Image (Histogram Colour Stretch) over Google Image.

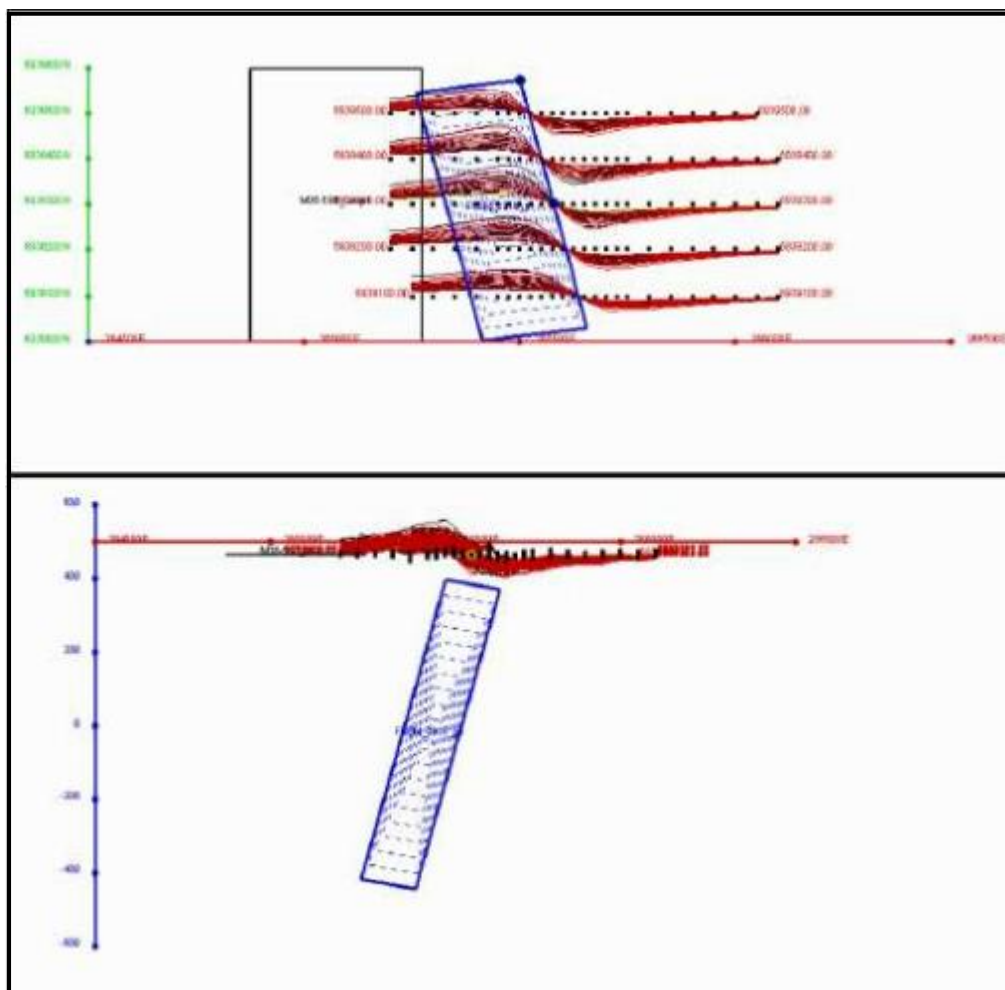


Figure 6. Cosmos South project FLEM Modelling Results; Top Panel is showing the plan view with late time profiles of CH36 to CH43 (Black Observed and Red-Modelled) and modelled plate. The bottom panel is showing the section view looking North.

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 Copper exploration company primarily exploring for high-grade Nickel and Nickel-Copper sulphide deposits, initially in the world class Albany Fraser Orogen (AFO) and, based on the company's inhouse Nickel prospectivity database, generating additional projects in the Eastern Goldfields and South West Yilgarn, all 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.