

# WINGELLINA DRILLING FURTHER SUPPORTS HIGH GRADE STARTER PIT OPTION

Metals X Limited (**Metals X** or the **Company**) advises that it has received all assay results from the recently completed infill Reverse Circulation (**RC**) drilling program at its 100%-owned Wingellina Nickel-Cobalt Project in Western Australia (**Wingellina**).

The Wingellina Mineral Resource extends over almost ten kilometres within which the Company has delineated fifteen potential high-grade nickel-cobalt open pits which could be exploited during the first 7-10 years of operation (**Starter Pits**). These fifteen pits represent only a small portion of what is the largest undeveloped nickel-cobalt-scandium deposit in Australia.

During 2017-2018 the Company completed infill drilling of the first six Starter Pits (Pits 1, 3, 4, 5, 8 & 14) which successfully confirmed the targeted high-grade nickel-cobalt domains<sup>1</sup>.

The Company has recently completed infill RC drilling of an additional two defined Starter Pits (Pits 2 & 7) with further outstanding results being returned. The drilling program, which comprised 32 RC holes for 1,416m, encountered nickel-cobalt mineralisation occurring from, or near, surface with significant intersections including:

- WPRC0731: 26m @ 1.57% Ni & 0.18% Co (2.04% Ni<sub>eq2</sub>) from surface
- WPRC0735: 28m @ 1.98% Ni & 0.11% Co (2.27% Ni<sub>eq2</sub>) from 12m
- WPRC0743: 72m @ 1.32% Ni & 0.08% Co (1.53% Ni<sub>eq2</sub>) from 2m
- WPRC0747: 10m @ 1.36% Ni & 0.23% Co (1.96% Ni<sub>eq2</sub>) from 26m

**Executive Chairman, Mr Patrick O'Connor, commented:**

*“These drill results continue to confirm the quality of the shallow, high grade nickel and cobalt mineralisation within the previously delineated Starter Pits.*

*The significance of the high-grade starter pits is their potential to accelerate payback on the initial investment in a full-scale development of the project, or potentially allow a smaller scale, lower capital cost start-up.*

*The Company will be undertaking a strategic review of the project during the remainder of 2020.”*

<sup>1</sup> Refer ASX Announcements dated 15 January 2018 and 13 February 2018

<sup>2</sup> Nieq calculated using a nickel:cobalt ratio of 2.6:1 based on assumed nickel price of US\$11,282/t and cobalt price of US\$29,500 as at 31 March 2020



## HIGH GRADE STARTER PIT INFILL DRILLING PROGRAM

Wingellina is part of Metals X's Central Musgrave Project, which is the largest undeveloped nickel-cobalt deposit in Australia. The Central Musgrave Project has a Mineral Resource containing approximately 2.0 million tonnes of nickel and 154,000 tonnes of cobalt.<sup>3</sup>

Wingellina has been the subject of an economic feasibility study proposing the production of 40,000t of nickel and 3,000t of cobalt per annum for up to 40 years based on the known resources<sup>4</sup>. In addition, Metals X has signed an agreement with the Traditional Owners which provides consent to undertake mining activities and, in November 2016, the Company received its Public Environmental Review approval from the EPA.

During 2017, further technical studies identified 15 potential high-grade nickel–cobalt open pits within Wingellina which could potentially be exploited during the first 7-10 years of operation (**Starter Pits**) (Table 1). Although these Starter Pits host a significant quantity of nickel and cobalt (326,100 tonnes Ni and 25,800 tonnes Co), collectively they account for less than 20% of the total contained nickel and cobalt in the Central Musgrave Project (Table 1).

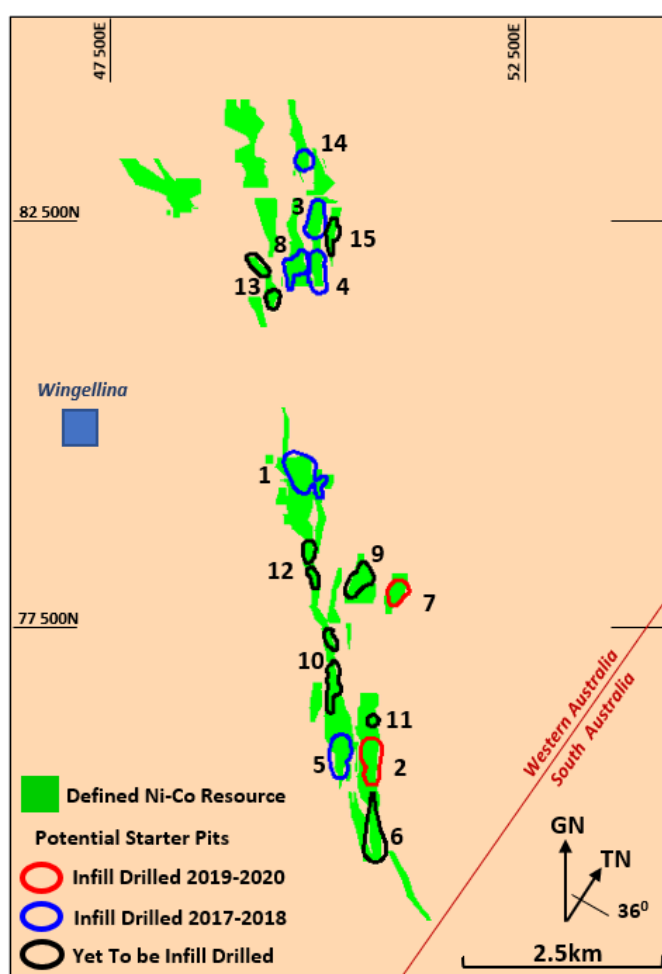
The first six of the potential Starter Pits were infill drilled during late 2017 and reported in early 2018 with outstanding high-grade intersections being defined<sup>1</sup>.

During December 2019, a further two Starter Pits, Pits 2 & 7, were infill drilled with 32 RC holes for 1,416m being completed. Tables 2 and 3 report the significant intersections from this drilling program.

TABLE 1: POTENTIAL STARTER PIT TONNAGES

| Pit Shell #           | Tonnes (Mt) | N <sub>1eq2</sub> (%) | Nickel (kt)  | Cobalt (kt) |
|-----------------------|-------------|-----------------------|--------------|-------------|
| Pit 1                 | 4.5         | 1.56%                 | 59.0         | 4.1         |
| Pit 2                 | 3.7         | 1.36%                 | 42.0         | 3.1         |
| Pit 3                 | 2.7         | 1.46%                 | 31.0         | 2.9         |
| Pit 4                 | 2.3         | 1.46%                 | 26.5         | 2.4         |
| Pit 5                 | 2.8         | 1.20%                 | 28.3         | 2.0         |
| Pit 6                 | 2.0         | 1.37%                 | 22.4         | 1.7         |
| Pit 7                 | 1.9         | 1.44%                 | 22.6         | 1.7         |
| Pit 8                 | 1.5         | 1.37%                 | 16.2         | 1.5         |
| Pit 9                 | 2.1         | 1.25%                 | 22.7         | 1.3         |
| Pit 10                | 1.5         | 1.15%                 | 14.8         | 1.0         |
| Pit 11                | 0.2         | 2.24%                 | 2.6          | 1.0         |
| Pit 12                | 0.9         | 1.31%                 | 9.2          | 0.8         |
| Pit 13                | 1.1         | 1.26%                 | 11.4         | 0.8         |
| Pit 14                | 0.9         | 1.26%                 | 8.7          | 0.8         |
| Pit 15                | 0.7         | 1.44%                 | 8.6          | 0.5         |
| <b>Total Pits</b>     | <b>28.5</b> | <b>1.38%</b>          | <b>326.1</b> | <b>25.8</b> |
| <b>Total Resource</b> | <b>182</b>  | <b>1.10%</b>          | <b>1,953</b> | <b>154</b>  |

FIGURE 1: POTENTIAL STARTER PIT LOCATIONS



<sup>3</sup> 31 August 2017: 2017 Annual Report to Shareholders

<sup>4</sup> Refer ASX Announcement dated 12 September 2008



TABLE 2: DRILLING RESULTS FOR STARTER PIT 2

| Hole ID  | MGA East | MGA North | Dip | RL  | Hole Depth | From                     | To | Width | %Ni  | %Co  |
|----------|----------|-----------|-----|-----|------------|--------------------------|----|-------|------|------|
| WPRC0741 | 498015   | 7115882   | -90 | 696 | 60         | 2                        | 54 | 52    | 1.24 | 0.06 |
| WPRC0742 | 497998   | 7115869   | -90 | 696 | 36         | 0                        | 16 | 16    | 1.09 | 0.08 |
| WPRC0743 | 497997   | 7115855   | -90 | 692 | 78         | 2                        | 74 | 72    | 1.32 | 0.08 |
| WPRC0744 | 497957   | 7115840   | -90 | 694 | 66         | 0                        | 58 | 58    | 1.23 | 0.13 |
| WPRC0745 | 497933   | 7115824   | -90 | 696 | 60         | 30                       | 44 | 14    | 1.08 | 0.14 |
| WPRC0746 | 497915   | 7115811   | -90 | 693 | 66         | 30                       | 58 | 28    | 1.23 | 0.09 |
| WPRC0747 | 497883   | 7115794   | -90 | 693 | 78         | 26                       | 36 | 10    | 1.36 | 0.23 |
| WPRC0748 | 497874   | 7115779   | -90 | 689 | 96         | 30                       | 42 | 12    | 1.40 | 0.07 |
|          |          |           |     |     |            | 56                       | 64 | 8     | 1.22 | 0.16 |
|          |          |           |     |     |            | 72                       | 96 | 24    | 1.39 | 0.08 |
| WPRC0749 | 498165   | 7115723   | -90 | 701 | 24         | NSA – Intersected Gabbro |    |       |      |      |
| WPRC0750 | 498144   | 7115710   | -90 | 699 | 30         | NSA – Intersected Gabbro |    |       |      |      |
| WPRC0751 | 498130   | 7115697   | -90 | 696 | 60         | 2                        | 18 | 16    | 1.53 | 0.07 |
|          |          |           |     |     |            | 22                       | 56 | 34    | 1.24 | 0.06 |

TABLE 3: DRILLING RESULTS FOR STARTER PIT 7

| Hole ID  | MGA East | MGA North | Dip | RL  | Hole Depth | From | To | Width | %Ni  | %Co   |
|----------|----------|-----------|-----|-----|------------|------|----|-------|------|-------|
| WPRC0727 | 497132   | 7117390   | -90 | 681 | 36         | 16   | 26 | 10    | 1.04 | 0.10  |
| WPRC0728 | 497156   | 7117406   | -90 | 683 | 36         | 6    | 24 | 18    | 1.02 | 0.20  |
| WPRC0729 | 497171   | 7117418   | -90 | 682 | 36         | 4    | 10 | 6     | 1.02 | 0.13  |
| WPRC0730 | 497142   | 7117545   | -90 | 682 | 60         | 0    | 6  | 6     | 1.11 | 0.09  |
|          |          |           |     |     |            | 10   | 22 | 12    | 1.25 | 0.08  |
| WPRC0731 | 497121   | 7117531   | -90 | 682 | 60         | 0    | 26 | 26    | 1.57 | 0.18  |
| WPRC0732 | 497103   | 7117519   | -90 | 684 | 60         | 0    | 28 | 28    | 1.30 | 0.12  |
| WPRC0733 | 497082   | 7117503   | -90 | 683 | 60         | 0    | 24 | 24    | 1.18 | 0.03  |
| WPRC0734 | 497063   | 7117488   | -90 | 682 | 60         | 8    | 54 | 46    | 1.57 | 0.11  |
| WPRC0735 | 497038   | 7117473   | -90 | 680 | 54         | 12   | 40 | 28    | 1.98 | 0.11  |
| WPRC0736 | 497110   | 7117672   | -90 | 678 | 36         | 12   | 34 | 22    | 1.11 | 0.12  |
| WPRC0737 | 497090   | 7117660   | -90 | 680 | 72         | 10   | 20 | 10    | 1.16 | 0.09  |
|          |          |           |     |     |            | 24   | 60 | 36    | 1.29 | 0.08  |
| WPRC0738 | 497067   | 7117641   | -90 | 680 | 48         | 0    | 24 | 24    | 1.23 | 0.12  |
|          |          |           |     |     |            | 28   | 42 | 14    | 1.21 | 0.09  |
| WPRC0739 | 497048   | 7117628   | -90 | 680 | 66         | 10   | 52 | 42    | 1.12 | 0.13  |
| WPRC0740 | 497030   | 7117616   | -90 | 680 | 78         | 4    | 24 | 20    | 1.03 | <0.01 |
|          |          |           |     |     |            | 48   | 72 | 24    | 1.11 | 0.12  |

The assay results for Starter Pits 2 & 7 are considered highly encouraging and are consistent with the results for the 2017-2018 drilling program of Starter Pits 1, 3, 4, 5, 8 & 14. Further infill drilling is being designed for the remaining Starter Pits.



## COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to Exploration Results for the Wingellina Project was compiled by Metals X technical employees and contractors under the supervision of Mr Simon Rigby BSc (Hons), who is a member of the Australian Institute of Geoscientists. Mr Rigby is a full time employee of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves. Mr Rigby consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## ENQUIRIES

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## APPENDIX A

## INFORMATION MATERIAL TO UNDERSTANDING THE EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES

## JORC CODE, 2012 EDITION

## JORC TABLE 1: THE INFORMATION IN THIS TABLE REFERS TO THE WINGELLINA AND CLAUDE HILLS PROJECTS

## SECTION 1: SAMPLING TECHNIQUES AND DATA

| Criteria              | JORC Code Explanation  | Commentary  |
|-----------------------|--|---|
| Sampling techniques   | <ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <p><b>Diamond Drilling</b></p> <ul style="list-style-type: none"> <li>A small portion of the data used in resource calculations at the Central Musgrave Project (CMP) has been gathered from diamond core. This core is geologically logged prior to sampling.</li> </ul> <p><b>RC Drilling</b></p> <ul style="list-style-type: none"> <li>RC drilling has been utilised extensively at the CMP.</li> <li>From 2001 to 2008 drill cuttings were extracted from the RC return via cyclone. The underflow from each interval was transferred via bucket to a four-tiered riffle splitter, delivering approximately three kilograms of the recovered material into calico bags for analysis. The residual material was retained on the ground near the hole. Composite samples were obtained from the residue material for initial analysis, with the split samples remaining with the individual residual piles until required for re-split and duplicates analysis or eventual disposal. Cyclone cone splitter sampling was in use in the 2017 and 2019 programs whereby 2m samples were composited into calico bags for analysis. 2m duplicate samples are collected simultaneous during normal sampling runs during drilling from within mineralised profiles.</li> </ul> <p><b>Historical</b></p> <ul style="list-style-type: none"> <li>A variety of drilling methods were employed by INCO during the 1950's and 1960's, including churn drilling (102 holes) DDH (19 holes) RAB Drilling (2,643 holes) Vacuum (77 holes) Becker Drilling (102 holes).</li> <li>Sample recovery from early drilling by INCO is not known. Sample recovery from RC drilling after 2001 has generally been very good, except where the drill encountered strong water flow from the hole.</li> <li>All geology input is logged and validated by the relevant area geologists, incorporated into this is assessment of sample recovery. No defined relationship exists between sample recovery and grade. Nor has sample bias due to preferential loss or gain of fine or coarse material been noted.</li> </ul> |
| Drilling techniques   | <ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>  |   |
| Drill sample recovery | <ul style="list-style-type: none"> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>  |   |



| Criteria                                       | JORC Code Explanation   | Commentary  |
|--|---|---|
| Logging  | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged</li> </ul>  | <ul style="list-style-type: none"> <li>Diamond core is logged geologically and geotechnically.</li> <li>RC hole chips are logged geologically.</li> <li>Logging is qualitative in nature.</li> <li>All holes are logged completely.</li> </ul>  |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul> | <ul style="list-style-type: none"> <li>A sample of each 5ft of drilling from INCO drilling were quartered and forwarded for assay, either to AMDEL in Adelaide, or to INCO's in-house laboratory at Blackstone in the 1950's and 1960's.</li> <li>Samples of RC drilling taken prior to 2005 were composited on a 3m or 4m basis, and the composite assayed. A 1m riffle-split sample was also taken for each metre drilled and was submitted for analysis if the composite assayed &gt;0.4%Ni. Most of the drilled samples are dry, but wet samples were previously laid out on the ground to dry before being riffle split to generate the 2-3kg sample for analysis.</li> <li>Sub-sampling for the 2005 and later RC drilling programs up to 2008 involved riffle splitting each 2m interval drilled. Cyclone cone splitting of samples is currently employed. All dry, damp and wet samples are able to be split efficiently through the cyclone cone splitter with an emphasis also on regular, industry-standard cleaning of the cyclone utilising high pressure air and water.</li> <li>Chips / core chips undergo total preparation.</li> <li>QA/QC is currently ensured during the sub-sampling stages process via the use of the systems of an independent NATA / ISO accredited laboratory contractor. A portion of the historical informing data has been processed by INCOs historic in-house laboratory at Blackstone in the 1950's and 1960's.</li> <li>The sample size is considered appropriate for the grain size of the material being sampled.</li> <li>The un-sampled half of diamond core is retained for check sampling if required.</li> <li>For RC chips regular field duplicates are collected and analysed for significant variance to primary results.</li> </ul> |



| Criteria                                   | JORC Code Explanation   | Commentary  |
|--|---|---|
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul> | <ul style="list-style-type: none"> <li>Samples of INCO's drilling were dried and assayed by AAS either at AMDEL in Adelaide, or at INCO's in-house laboratory at Blackstone. The digest method was not specified. Samples were assayed for Ni, Co and Fe. Analytical quality control was maintained by the by the insertion of standard samples and re-analysis of duplicates at separate laboratories at a frequency of two check analyses for every twenty samples.</li> <li>Composite samples of RC drilling completed in 2001 were submitted to AMDEL, dried and pulverised, and assayed for Ni, Co, Ag, As, Bi, Cu, Cr, Fe, Mg, Mn, Pb, S, Sb, Ti, V, Zr, Ca and Al by HF-multi-acid digest / ICP-OES. The 1m riffle-splits for any composite sample assaying &gt;0.4%Ni were retrieved, and re-assayed using the same method.</li> <li>Composite samples from 2002-2004 were assayed for Al, Ca, Cr, Fe, Mg, Mn, Ni, Si, Ti by borate fusion ICP-OES, and for Ag, As, Bi, Co, Cu, Ni, Pb, S, Sb, V, Zr by HF-multi-acid digest / ICP-OES.</li> <li>During 2005 two metre composite riffle-split (or spear-sampled for wet samples) samples were sent to SGS Laboratories in Perth. Each 2m composite sample was dried and pulverised to a nominal 90 per cent passing 75 microns and analysed for: As, Bi, Co, Cu, Ni, Pb, S and Zn by ICP-OES. Samples returning &gt;0.4%Ni were re-assayed for Ni, Co, Al<sub>2</sub>O<sub>3</sub>, CaO, K<sub>2</sub>O, Fe<sub>2</sub>O<sub>3</sub>, MgO, MnO, Na<sub>2</sub>O, SiO<sub>2</sub>, V<sub>2</sub>O<sub>5</sub>, TiO<sub>2</sub>, Cr, SO<sub>3</sub>, Cu, Zn by fused disc XRF.</li> <li>After 2005 two metre composite riffle-split (or spear-sampled) samples were sent to SGS Laboratories in Perth. Each sample was pulverised to nominal 90 per cent passing 75 micron for analysis for assay for Ni, Co, Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, TiO<sub>2</sub>, Fe<sub>2</sub>O<sub>3</sub>, MnO, CaO, K<sub>2</sub>O, MgO, SO<sub>3</sub>, Na<sub>2</sub>O, V<sub>2</sub>O<sub>5</sub>, Cr, Cu and Zn by fused disc XRF.</li> <li>From 2005 to 2008 duplicate samples were taken by spearing the sample pile on the ground approximately every 20th 2m sample, and an in-house standard was inserted into the sample run every alternate 20th samples. Duplicate samples are taken from within mineralised profiles for each hole drilled in the 2017 and 2020 drill programs.</li> <li>No significant QA/QC issues have arisen in recent drilling results.</li> <li>These assay methodologies are appropriate for the resource in question.</li> </ul> |



| Criteria  | JORC Code Explanation  | Commentary  |
|---|--|---|
| Verification of sampling and assaying                   | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>  | <ul style="list-style-type: none"> <li>Anomalous intervals as well as random intervals are routinely checked assayed as part of the internal QA/QC process.</li> <li>Virtual twinned holes have been drilled in several instances across all sites with no significant issues highlighted.</li> <li>Primary data is loaded into the drill hole database system and then archived for reference.</li> <li>All data used in the calculation of resources and reserves are compiled in databases which are overseen and validated by senior geologists.</li> <li>No primary assays data is modified in any way.</li> </ul>   |
| Location of data points                                 | <ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>  | <ul style="list-style-type: none"> <li>All hole collar locations for RC holes drilled after 2000 were surveyed by using a Real Time Kinematic GPS. This measured X, Y and Z to sub-centimetre accuracy in terms of the MGA 94, Zone 52 metric grid.</li> <li>Hole collars for almost all INCO drill holes were re-located, and survey in using the RTK GPS. Several INCO collars could not be located, and their MGA positions are estimated from their drilled location on the original INCO Imperial local grid.</li> <li>Topographic control is generated from a combination of remote sensing methods and ground-based surveys. This methodology is adequate for the resource in question.</li> </ul> |
| Data spacing and distribution                           | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>                                 | <ul style="list-style-type: none"> <li>Drill hole spacing at CMP is generally on a 120m x 50m spacing. This has been filled-in to 60m x 50m and 30m x 25m spacing in some areas. The data spacing is sufficient for both the estimation procedure and resource classification applied.</li> <li>Compositing of pre-2000 drill assay data to 1.5m was used in the estimate.</li> </ul>   |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul> | <ul style="list-style-type: none"> <li>Drilling intersections are nominally designed to be sub-normal to the orebody.</li> <li>It is not considered that drilling orientation has introduced an appreciable sampling bias.</li> </ul>   |
| Sample security   | <ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>  | <ul style="list-style-type: none"> <li>Samples are delivered to a third-party transport service, who in turn relay them to the independent laboratory contractor. Samples are stored securely until they leave site.</li> </ul>   |
| Audits or reviews                                       | <ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data</li> </ul>   | <ul style="list-style-type: none"> <li>Site generated resources and reserves and the parent geological data is routinely reviewed by the Metals X Corporate technical team.</li> </ul>  |





## SECTION 2: REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

| Criteria                                | JORC Code Explanation  | Commentary   |
|---|--|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul> | <ul style="list-style-type: none"> <li>The CMP comprises 4 granted exploration leases and 3 granted miscellaneous leases.</li> <li>Native title interests are recorded against the CMP tenements.</li> <li>The CMP tenements are held by Hinckley Range Pty Ltd (Western Australia) and Austral Nickel Pty Ltd (South Australia). Metals X has 100% ownership of both companies.</li> <li>One third party royalty agreement applies to the tenements at CMP, over and above the state government royalty.</li> <li>Hinckley Range and Austral Nickel operate in accordance with all environmental conditions set down as conditions for grant of the leases.</li> <li>There are no known issues regarding security of tenure.</li> <li>There are no known impediments to continued operation.</li> </ul>   |
| Exploration done by other parties       | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties</li> </ul>   | <ul style="list-style-type: none"> <li>The CMP area has an exploration history which extends to the 1960's, with significant contributors being INCO, Acclaim and Metex Nickel.</li> <li>On balance, MLX work has generally confirmed the veracity of historic exploration data.</li> </ul>  |
| Geology                                 | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>  | <ul style="list-style-type: none"> <li>The Musgrave Block is an east-west trending, structurally bounded mid-Proterozoic terrane some 130,000km<sup>2</sup> in area, straddling the common borders of Western Australia, South Australia and the Northern Territory.</li> <li> <ul style="list-style-type: none"> <li>Deep weathering of olivine-rich ultramafic units aided by shearing has resulted in the concentration of nickel mineralisation. The olivine in the ultramafic units has background values of about 0.15% Ni to 0.3% Ni. The almost complete removal of MgO and SiO<sub>2</sub> to ground waters during the weathering of olivine in the ultramafic units resulted in extreme volume reductions and consequent significant upgrading of other rock forming oxides (Fe<sub>2</sub>O<sub>3</sub>, Al<sub>2</sub>O<sub>3</sub>) and metal element concentrations in the weathered profile.</li> </ul> </li> </ul> |



| Criteria   | JORC Code Explanation   | Commentary  |
|--|---|---|
| Drill hole Information   | <ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>» easting and northing of the drill hole collar</li> <li>» elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>» dip and azimuth of the hole</li> <li>» down hole length and interception depth</li> <li>» hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul> | <ul style="list-style-type: none"> <li>• Excluded results are non-significant and do not materially affect understanding of the Wingellina deposit.</li> </ul>  |
| Data aggregation methods   | <ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>   | <ul style="list-style-type: none"> <li>• Results are reported on a length weighted average basis.</li> <li>• Results are reported with weighted average grade of <math>\geq 2.0\%</math> Ni<sub>eq</sub> with maximum internal dilution of 6m at 0.5% Ni<sub>eq</sub>.</li> <li>• Nieq is calculated using a nickel : cobalt ratio of 2.6:1 coinciding with a nickel price of US\$11,298/t Ni and cobalt price of US\$29,500/t Co as at 31 March 2020 and recoveries of 92% Ni and 89% Co.</li> </ul> |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>   | <ul style="list-style-type: none"> <li>• Interval widths are downhole width unless otherwise stated.</li> </ul>   |
| Diagrams   | <ul style="list-style-type: none"> <li>• Appropriate maps and sections(with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>  | <ul style="list-style-type: none"> <li>• Presented in the body of the text above.</li> </ul>  |



| Criteria                           | JORC Code Explanation   | Commentary   |
|------------------------------------|---|--|
| Balanced reporting                 | <ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>   | <ul style="list-style-type: none"> <li>Presented above.</li> <li>Excluded results are non-significant and do not materially affect understanding of the Wingellina deposit.</li> </ul> |
| Other substantive exploration data | <ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul> | <ul style="list-style-type: none"> <li>No relevant information to be presented.</li> </ul>   |
| Further work                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>                                     | <ul style="list-style-type: none"> <li>Exploration and mine planning assessment continues to take place at the CMP.</li> </ul>   |