

ASX ANNOUNCEMENT

4th JULY 2023

**MAJOR ACQUISITION OPTION AGREEMENT OVER
ADVANCED NICKEL AND LITHIUM PROJECTS**

HIGHLIGHTS

- Nickel X has executed an exclusive option to acquire 100% of an advanced Nickel and advanced Hard Rock Lithium exploration project, in Central Europe, within proximity to where 27 lithium battery “Gigafactories” are planned for 2030.
- **Ransko Nickel-Copper-Cobalt (Ni-Cu-Co) project:**
 - The Rankso Permit covers 6.93km² and hosts significant Ni-Cu-Co mineralisation defined by historic mapping, sampling, geophysics, limited vertically oriented drilling and exploration shafts and adits. No modern exploration techniques and resource modelling have been undertaken since the mid-1960’s.
 - The project contains a rich historical dataset from 7 known sulphide deposits with indications of multiple magma pulses and sulphide events, where remobilisation and enrichment is related to local faults and intrusions.
 - The project is one of the beneficiaries of the EU €7.5M Funded SEMACRET Project which aims to promote exploration for Critical Raw Materials in the EU, securing the continued supply for the EU market¹.
- **The Otov Hard Rock Lithium (Li) project:**
 - The Otov Permit covers 18.1km² and hosts significant Li (Spodumene) mineralisation defined by mapping and sampling of underground workings from limited historical feldspar mining at the Otov1 pegmatite.
 - The Otov1 Lithium-Caesium-Tantalum (LCT) pegmatite appears to be vertically zoned as spodumene increases with depth (current depth from historical feldspar mining is c. 50m). Spodumene crystals measure up to 70cm in length.
 - The Otov1 pegmatite deposit is one of 17 mapped pegmatites in the permit area which have not been the subject of modern exploration techniques.
- **EU’s Transition to Green Economy:**
 - The EU Critical Raw Materials (CRM) Act, has been adopted by the EU Commission in March 2023. The legislation aims to make the EU more self-reliant on mining including Nickel, Copper, Cobalt and Lithium².
 - The EU Green Deal recently adopted also aims to allocate €1 Trillion of Funding to combat Climate Change and €40B to transition fossil fuels to green energy, which would including investments in Nickel, Copper, Cobalt and Lithium³.

1. <https://semacret.eu/2022/06/01/our-sites/>
2. <https://commission.europa.eu>
3. <https://commission.europa.eu>

Managing Director Matt Gauci Commented:

“We are very excited to have secured the option to acquire, explore and develop the large-scale Ni-Cu-Co mineralisation at Ransko, as well as the highly prospective Otov 1 LCT pegmatite, which was historically only mined for Feldspar, which is 1 of the 17 known LCT pegmatites, and where large spodumene crystals, up to 70cm, are reported.

Should we decide to exercise the option, the Company will formalise an existing exploration partnership with Aurum Discovery Limited, a highly respected European based exploration consultancy, with in-country representation, to ensure efficient operations, ongoing stakeholder engagement and progression of the existing EU Funded SEMACRET Project, which aims to promote exploration for Critical Raw Materials in the EU.

It is an unprecedented time for energy transition in Europe with the passing of the EU Critical Raw Materials (CRM) Act and the adoption of the EU Green Deal, transforming the requirement for and funding of, exploration, development and mining of critical minerals. These critical minerals are well demonstrated within both the Ransko and Otov projects.

The projects are exceptionally well located, almost on the doorsteps of 27 lithium battery “Gigafactories” in Europe planned for 2030. Ransko and Otov are within a c.500km radius of these Gigafactories and there is also potential for Volkswagen (VW) (and Czech based subsidiary Skoda Auto) to build a Gigafactory within the Czech Republic”.

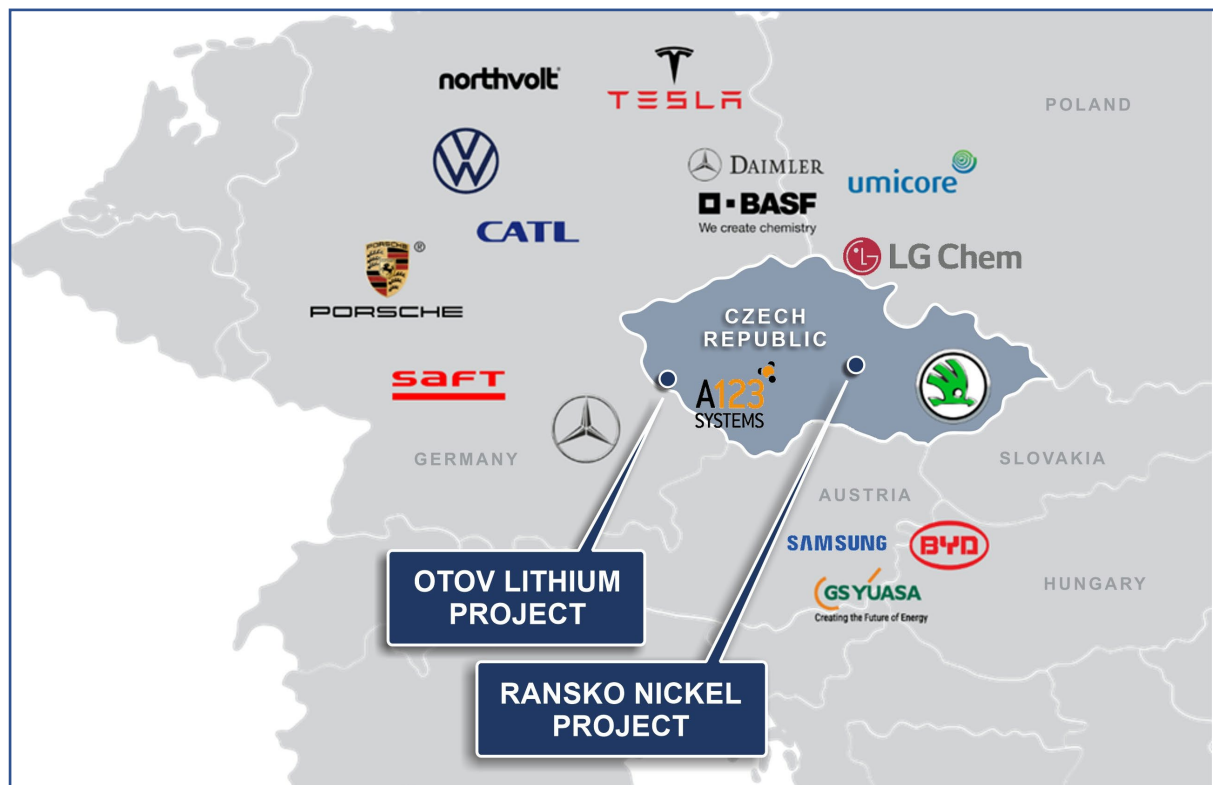


Figure 1. Project Location in the Central European country of the Czech Republic and within close proximity of 27 planned Lithium-Ion Battery Gigafactories and or EV manufacturers.

Projects Overview

Australian based exploration company NickelX Limited (ASX: NKL) (**NickelX** or the **Company**) has expanded its project portfolio and commodity exposure by entering into an exclusive Option Agreement (the **Agreement**) with Aurum Discovery Limited (**ADL**) to acquire the Ransko (Nickel-Copper-Cobalt) and Otov (hard rock Lithium) exploration projects (together, the **Projects**), in the Czech Republic, Central Europe.

As part of its initial review of the Projects, the Company has completed a first pass field visit to Ransko and Otov. The site visit has assisted the Company evaluate access to both Projects, develop field and remote sensing survey strategies, , conduct drill hole inspections, assess local infrastructure and engage with local stakeholders. The Company is currently completing a second pass field visit by Nickel X Director, Dr Oliver Kreuzer who is currently on site.

Should it proceed with acquisition of the Projects, the Company will be working with ADL, a European based exploration consultancy with in-country representation and strong regulatory, industry and community networks.

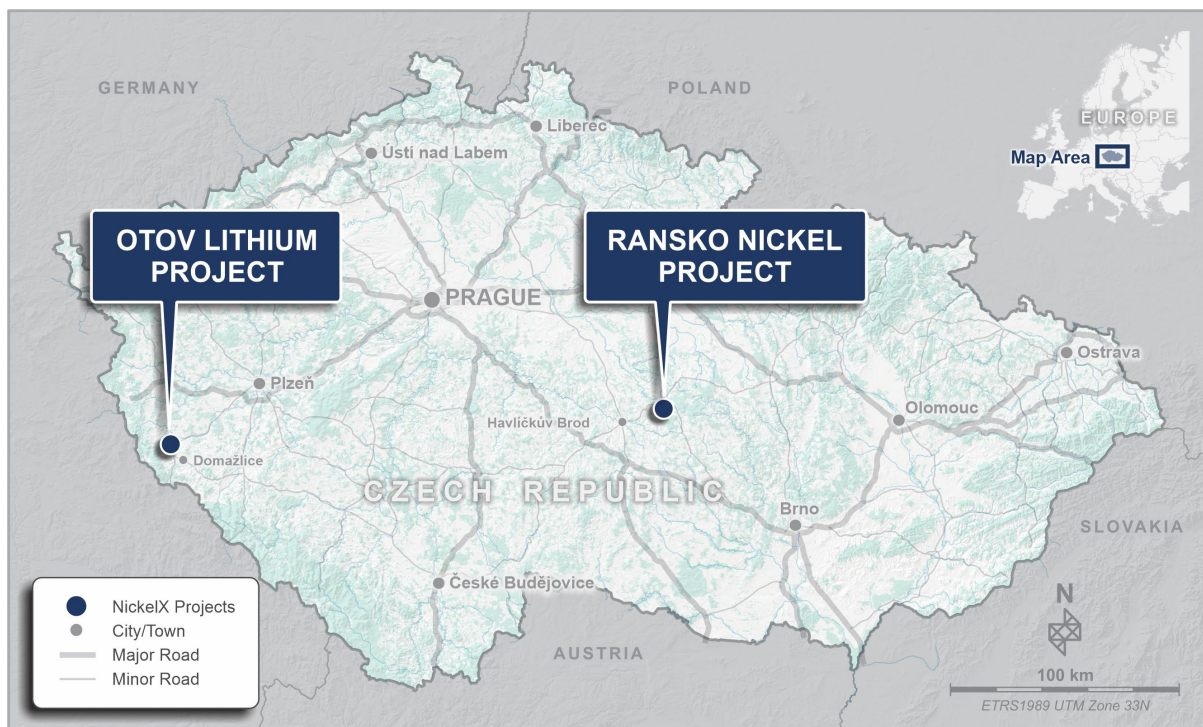


Figure 2. Nickel X Optioned Project Location in the Czech Republic

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Ransko Nickel-Copper-Cobalt (Ni-Cu-Co) Project

The Ransko Ni-Cu-Co Project permit covers 6.93km² and is located in the Vysočina region of central Czech Republic, approximately 110 kilometres southeast of the capital city of Prague and 75 kilometres northwest of the city of Brno (Figure 2). Access is via the D1/E50 motorway then sealed local roads and a network of paved local roads direct to site.

Ransko was first discovered in 1958 where 7 shallow underground sulphide deposits (to a depth of c. 300m) were sporadically defined by mapping, sampling, vertically oriented diamond drilling and several exploration shafts and adits, by the then state-owned Czech Mining Company, and ceased in 1964 due primarily to low commodity prices.

No further exploration work has been conducted since that time.

The project contains a rich historical dataset of geological mapping, cross sections, drill hole database from the historically defined 7 sulphide deposits as well as multiple untested regional exploration targets.

The Ransko mafic-ultramafic intrusion occurs along the NNE-SSW-oriented Vitis-Přibyslav Fault System, a major deep-tapping crustal structure that is interpreted to have served as a conduit for magma flux from the mantle. A recent review of the geological model has highlighted indications of multiple magma pulses and sulphide events, where remobilisation and enrichment are interpreted to relate to local faults and intrusions.

Genetically, Ransko is interpreted to represent a mineralised magma conduit (or chonolith). Many of the world's major nickel sulphide deposits are hosted within such conduit systems such as, for example, the Julimar and Nova-Bollinger mafic-ultramafic igneous complexes in Australia.

No modern exploration and, therefore, potential development techniques have been applied to the project, including 3D geological modelling (Leapfrog), geophysical surveys (Magnetic, Electromagnetic, Gravity) and subsequent targeted RC and diamond drilling.

The Ransko project is one of the beneficiaries of the EU €7.5M Funded SEMACRET Project which aims to promote exploration for Critical Raw Materials in the EU, securing the continued supply for the EU market, including EV's and ESS's.

The Company is currently working with ADL and SEMACRET to refine part funding (by the EU) geophysical surveys, geological modelling and application of the Mineral Systems approach to develop the Ransko project and additional regional targets.

NickelX is also working with ADL and CSA Global (an ERM Group company) on further due diligence matters during the Option Period (defined below), including but not limited to permitting, stakeholder engagement, modern exploration and development techniques, modern exploration and development strategies and building human capital.

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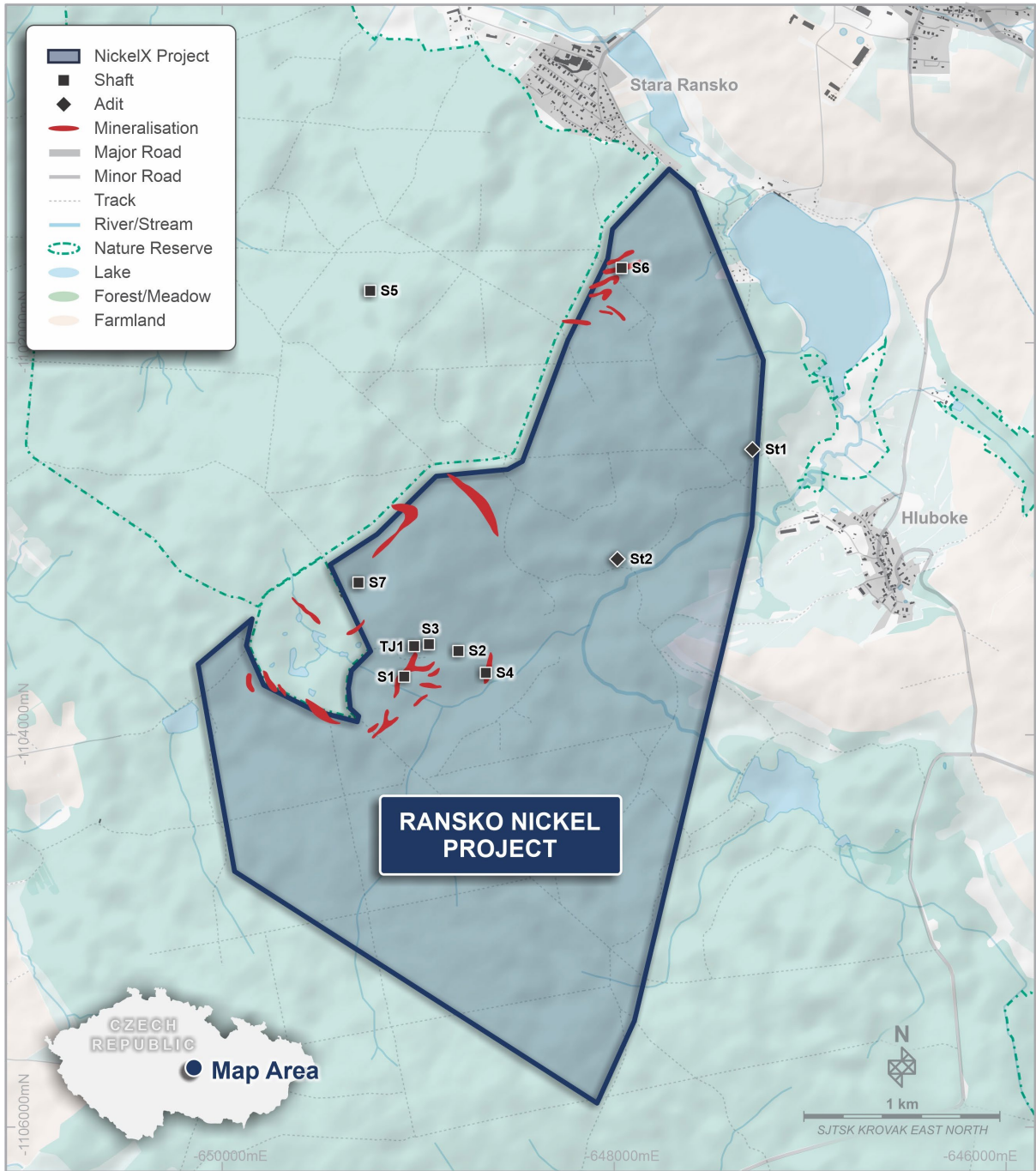


Figure 3. Ransko Project claim outline, mineralisation (red) and shaft (yellow) location

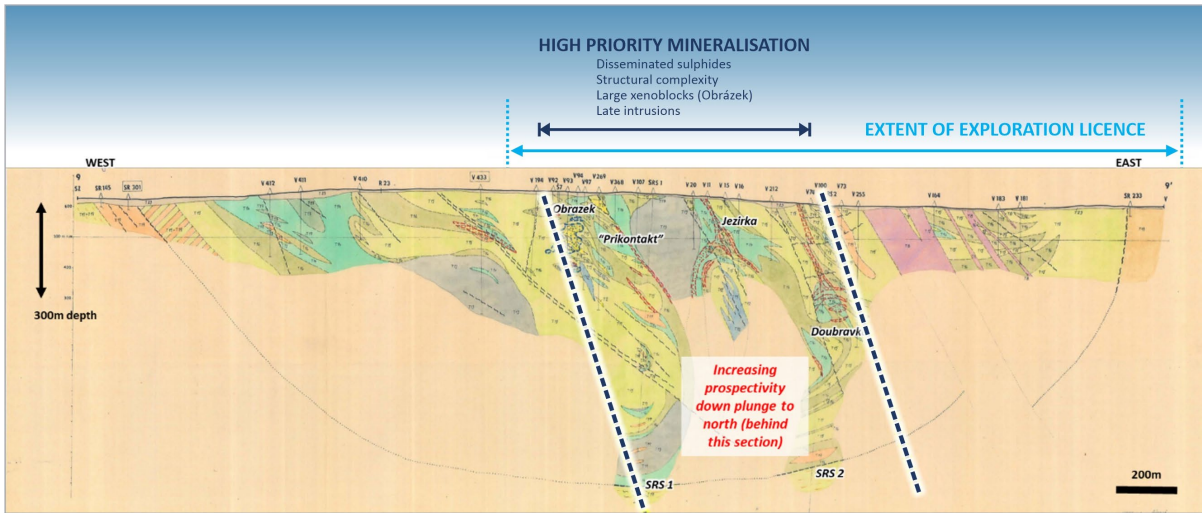


Figure 4. Detailed historic cross section highlighting the more dynamic and geologically complex setting of the known sulphide deposits within the Ransko mafic-ultramafic intrusive complex.

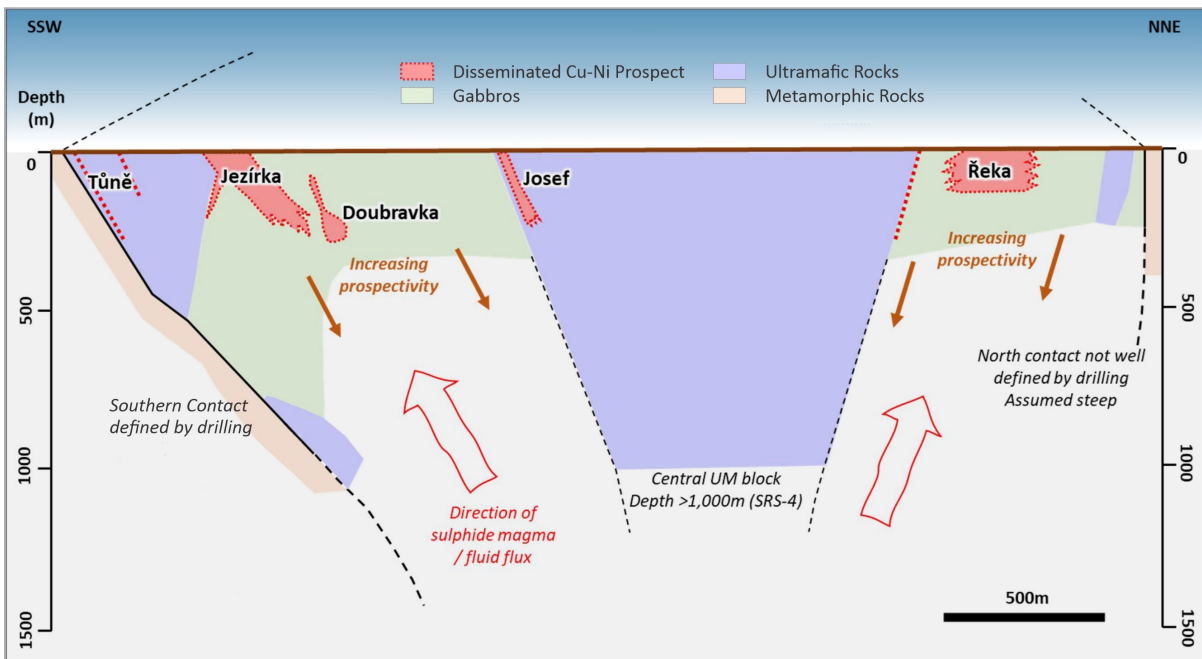


Figure 5. Schematic long section summarising the exploration model.

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The Otov Lithium Project:

The Otov Lithium Project permit covers 18.1km² and hosts significant Lithium (Spodumene) mineralisation, defined by mapping, sampling of underground workings from limited historical shallow underground feldspar mining.

The Otov pegmatite swarm is hosted by mica schist and paragneiss of the Teplá-Domažlice Crystalline Complex of the western Bohemian Massif, adjacent to the West-Bohemian Shear Zone. Known potassium feldspar-albite-quartz-muscovite pegmatite bodies and associated Lithium-Caesium-Tantalum (LCT) pegmatite minerals are present within the 18.1km² permit.

Otov1 is an historic underground Felspar mine where mining ceased in the early 1960's after 200 years, due to the depletion in economic Feldspar. Feldspar was mined predominantly from both open pit and shallow (c. 50 m deep) underground mines.

Beryl and spodumene crystals, up to 70 cm in length, have also been reported from the Otov1 pegmatite, which is up to 35m wide at least 300m long. Spodumene content reportedly increases with depth and decreasing feldspar content.

The Otov1 Pegmatite is one of 17 reported pegmatites within the permit area.

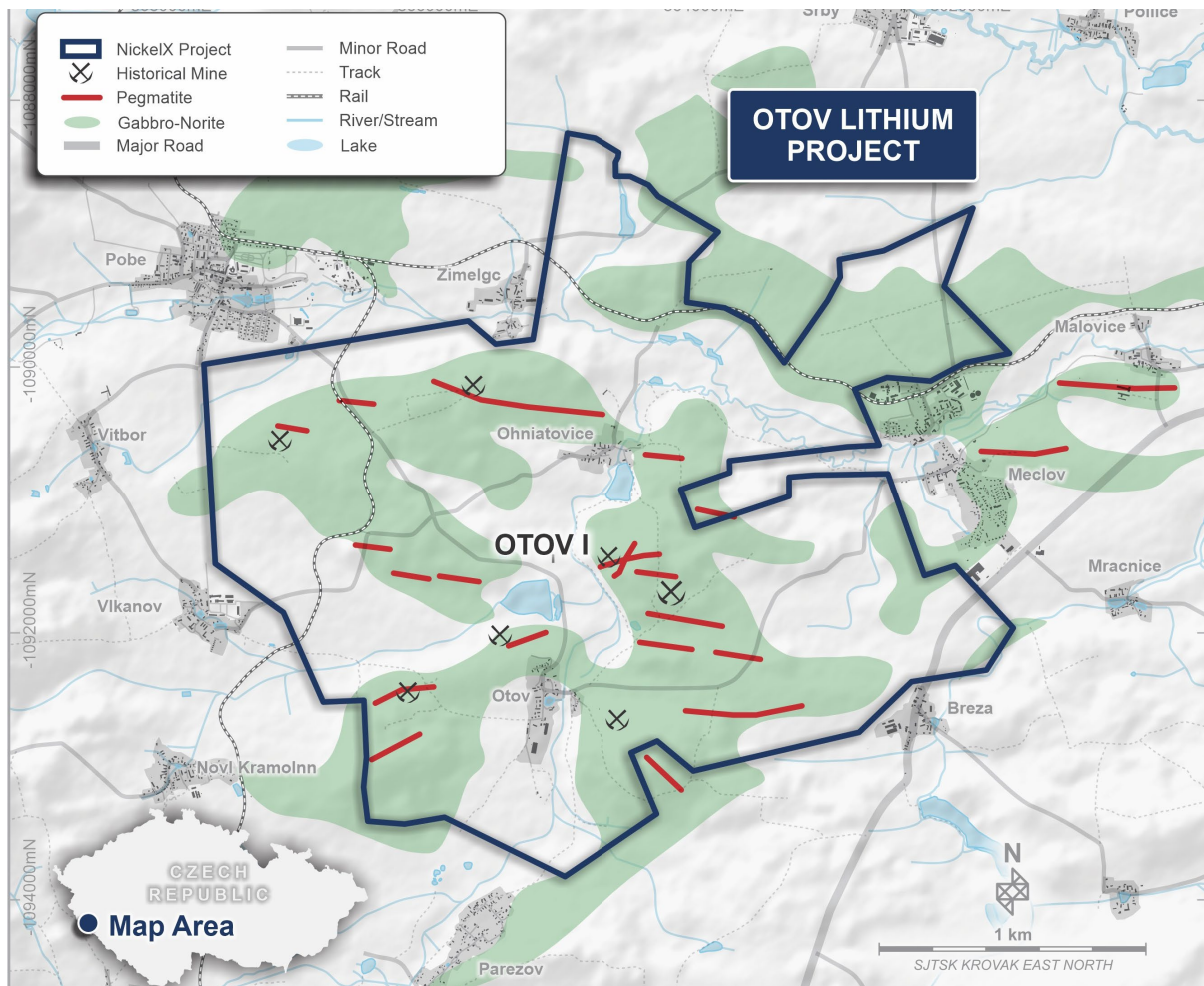


Figure 6. Otov Project permit area and location of numerous historic Pegmatite mines



Figure 7. Otov historical Feldspar mine (1965)

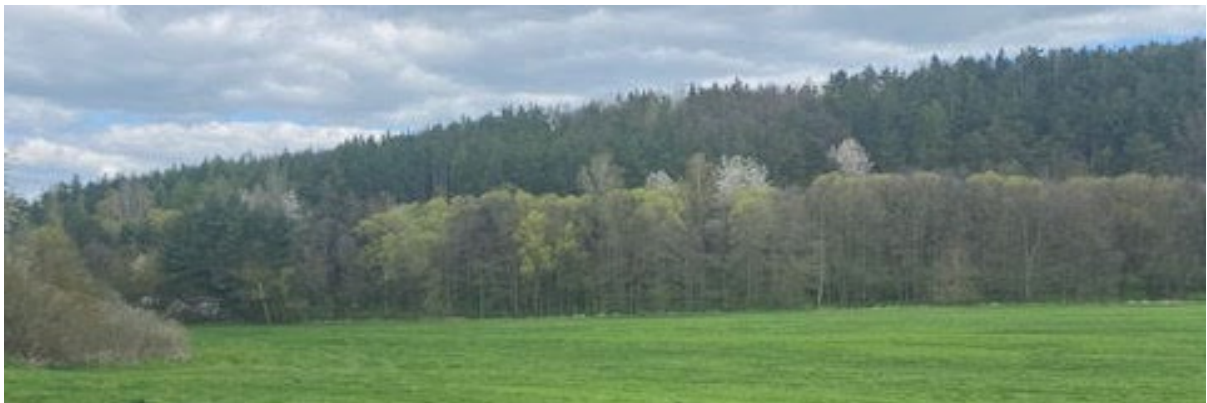


Figure 8. Otov historical Feldspar mine current view (2023)

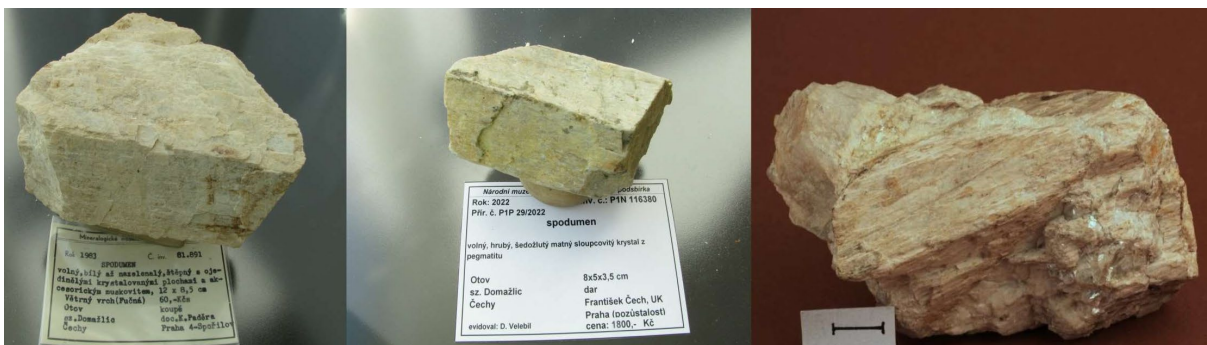


Figure 9. Spodumene crystals extracted from the Otov Project

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EU Transition to Green Energy Economy

The option to acquire the Projects occurs at an important time in the market, underpinned by a strong macro-economic environment.

Demand continues to accelerate for Lithium-Ion battery minerals, with Nickel-Copper-Cobalt and Lithium comprising c. 34% of minerals consumed in the production of Lithium-Ion Batteries, used in Electric Vehicles (EV's) and Electric Storage System's (ESS)⁴.

European demand for lithium is forecast to grow from 50,000t/year LCE in 2020 to 800,000+ t/year LCE by 2030 (a 16X increase) and demand for lithium hydroxide is expected to grow strongly on the back of increased nickel-based battery chemistry applications; nickel-based batteries provide superior cold weather performance and energy density⁵.

At least 27 new lithium battery “Gigafactories” are planned in Europe by 2030; and a digital passport is required to ensure battery inputs are of an acceptable standard to ensure high quality batteries are attained⁶.

Additionally, the EU Critical Raw Materials (CRM) Act (**CRM Act**), has been adopted by the EU Commission in March 2023. The legislation aims to make the EU more self-reliant on mining, processing and recycling to shield the region from increasing international resource competition⁷.

The CRM Act is further supported by the recently implemented EU Green Deal which aims to allocate €1 Trillion of Funding to combat climate change and \$40B to transition fossil fuels to green energy, including investments in Nickel, Copper, Cobalt and Lithium exploration, mining and processing⁸.

4. <https://elements.visualcapitalist.com/the-key-minerals-4n-an-ev-battery/>

5. Benchmark Minerals intelligence

6. Benchmark Minerals Intelligence

7. <https://commission.europa.eu>

8. <https://commission.europa.eu>

Material Terms of the Agreement between Nickel X Limited (NKL) and Aurum Discovery Limited (ADL).

- Upon signing the Agreement, NickelX Limited (**NKL**) to pay Aurum Discovery Limited (**ADL**) €50,000 cash. ADL irrevocably grants to the Company (or its nominee) an exclusive option to acquire 100% of the ADL's right, title & interest in the Projects for a period of 6 months (**Option Period**).
- Upon Exercise of the Option:
 - paying the sum of €50,000 within 30 days of the Execution Date; and
 - issuing to ADL (or its nominee/s) that number of fully paid ordinary shares in the capital of the Company (**Shares**) equal to 12.5% of the number of Shares on issue, calculated on the day immediately prior to the date the last of the parties executes the Agreement.
- Upon exercise of the Option and settlement of the acquisition, the Company shall grant to ADL a 2.0% net smelter return royalty in respect of all minerals, mineral products and concentrates, extracted and sold or otherwise disposed of, by the Company, from the Projects.
- NKL agrees that it will spend at least €1,000,000 in exploration and production activities on the Projects, over a 24-month period commencing from settlement of the acquisition.
- Upon settlement of the acquisition, ADL shall be entitled (but not obliged) to nominate a single person to an Advisory Board of the Company.
- Upon Settlement of the acquisition, NKL and ADL will enter into an exploration services agreement (for a 2-year term), whereby ADL will provide 1 senior geologist, 1 field geologist and 1 field technician to NKL for the purposes of defining a campaign-based budget for the assets (on standard commercial terms for a project of this nature) in a form acceptable to the Company.

Authorised for ASX release by Managing Director Matt Gauci.

ENDS

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ABOUT NICKELX LIMITED

NickelX Limited is an Australian, ASX listed, Nickel exploration company exploring for Nickel sulphide deposits in the SE and SW Yilgarn. The company's primary focus is the highly prospective Dalwallinu Nickel Project which covers 86km² of the underexplored Barra Barra Greenstone belt in the emerging West Yilgarn, which is host to several recent Nickel-Copper-PGE discoveries including the world class Julimar Nickel-Copper-PGE discovery. Recent geochemical and geophysical work programs undertaken by the Company have identified priority Nickel-Copper-PGE targets over a strike length of 6km with more detailed geochemical, geophysical and drilling work planned.

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.Ge) with the association of Professional Geoscientists of Ontario (PGO), a Recognised Professional Organisation (RPO). Mr Donaghy is an employee of ERM Consultants Australia, trading as CSA Global, and is contracted as Exploration Management Consultant to NickelX 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.