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**ASX ANNOUNCEMENT**

**7<sup>th</sup> JULY 2023**

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**ASX RETRACTION AND CLARIFICATION STATEMENT**

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**NickelX Limited (ASX: NKL) (“the Company”)** refers to the announcement dated 4th July 2023, regarding the Company's major acquisition option agreement over advance nickel and lithium projects in Central Europe.

**Retraction**

NKL hereby, expressly retracts statements made in relation to visual estimates of spodumene and lithium bearing minerals, as well as specific references to drill holes. The Company emphasises that investors should not place reliance on these statements, as the results cannot currently be reported under the 2012 JORC Code.

Additionally, the Company wishes to emphasise that it is working with Aurum Discovery Limited (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 and development strategies and building human capital.

**Clarification**

Whilst exploration results have been completed by the previous owners prior to 1964 (the then state-owned Czech Mining Company) and compiled by Aurum Discovery Limited, they have not been reported in accordance with the JORC (2012) Code. A Competent Person has not done sufficient work to disclose the exploration results in accordance with the JORC (2012) Code. It is possible that following further evaluation and/or exploration work that the confidence in the prior exploration results may be reduced when reported under the JORC (2012) Code. Nothing has come to the attention of NKL that causes it to question the accuracy or reliability of the former owner's exploration. The Company however has not independently validated the former owner's exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

On the Ransko Ni-Cu-Co project, drill and assay data has been compiled from historical paper records (pre-1964) such as reports, drill logs, maps and sections where such records have survived. NKL are yet to verify the database for accuracy and completeness and caution is exercised in interpreting the results due to lack of historic QA/QC protocols, inability to physically locate collars on the ground for all drill holes mentioned in the data compilation, and possible incomplete nature of the database. Aurum have conducted very limited check sample assay verification on the drill core that is available, with obtained results similar to the historic assay database results for the corresponding intervals.

While an excellent asset for planning exploration of the project, NKL views the database as a guide to potential only at an advanced greenfields stage of exploration with demonstrated nickel-copper sulphide mineralisation present within the intrusive complex. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate.

Part of future work programs to be undertaken should NKL exercise the option will be drilling to twin historic drill holes in key areas of the historically defined sulphide mineralisation to verify the historic results. Until these historic results can be verified with modern exploration, NKL do not believe the results would be considered compliant with the JORC Code (2012), and as such, do not believe quoting the historic results would be valid until such time as they have been independently verified by new exploration data acquisition.

On the Otov Lithium Project, NKL has yet to verify the content and consistency of past visual estimates of spodumene distribution within the pegmatite bodies, and views historical accounts of spodumene as an indication of prospectivity at an advanced greenfields stage of exploration. No detailed geochemical work has been completed to date to verify the lithium content of the spodumene visually identified within the pegmatites. Further work is needed to verify the nature of the spodumene distribution and potential lithium content of the pegmatite bodies.

On both projects, further exploration work is required to validate the historic work results (Confirmatory Exploration Work). The Confirmatory Exploration Work is expected to be conducted over the next 24 months.

Mr Tony Donaghy acted as a competent person for the Company and states that the information in the market announcement is an accurate representation of the available data and studies for the material exploration project.

Authorised for ASX release by Managing Director Matt Gauci.

**CONTACT:**

**Matt Gauci**  
NickelX Limited  
[info@nickelxlimited.com](mailto:info@nickelxlimited.com)  
+61 8 417 417 907

**David Tasker**  
Chapter One Advisors  
[dtasker@chapteroneadvisors.com.au](mailto:dtasker@chapteroneadvisors.com.au)  
+61 8 433 112 936

# JORC Code, 2012 Edition – Table 1 Czech Projects

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>Historic drilling is diamond drilling. While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this</li> </ul>

Criteria	JORC Code explanation	Commentary
	<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>	<p>compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</p>
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>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</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>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
Quality of assay data and	<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,</li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>laboratory tests</i>	<p><i>the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p>information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</p>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> <li>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>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.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling results, drill sampling or assays reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling results, drill sampling or assays reported.</li> <li>• While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling results, drill sampling or assays reported.</li> <li>• While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>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.</i>	Ransko Nickel-Copper-Cobalt-Platinum-Palladium (Ni-Cu-Co-PGE) project Permit covers 6.93km <sup>2</sup> The Otov Hard Rock Lithium (Li) project Permit covers 18.1km <sup>2</sup> The details and status of NKL's option to acquire exploration licences are provided in the body of the Announcement.
	<i>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.</i>	The tenements are in good standing and NKL is unaware of any impediments for exploration on these licences.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none"> <li>• Pre 1950s: First written evidence about iron ore mining in the district from 14th century; surface iron ore mining ongoing in the region until end WWII</li> <li>• 1957: Formal iron ore exploration commences.</li> <li>• 1958: Cu-Ni-Co occurrence discovered in outcrop at Jezírka. First surface diamond drillholes give positive results at Jezírka, mapping identified deposits at Řeka and Doubravka.</li> <li>• 1960-61: Exploration shaft TJ-1 developed at Jezírka, 7 new deposits found.</li> <li>• Several other shafts and exploration adits were developed to target Cu-Ni-Co occurrence, but these were for exploration only and there has been no production from these deposits.</li> <li>• At the end of 1961, drillhole V91 intersected blind Zn-Cu occurrence at Obrázek.</li> <li>• 1962-64: Exploration progressed across both Cu-Ni-Co and Zn-Cu deposit types.</li> <li>• 1965: State directs to focus exploration only on the Obrázek Zn-Cu discovery – virtually no Cu-Ni-Co exploration since that point.</li> <li>• 1966-1989: Underground mine production of Zn-Cu ore at Obrázek*</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>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.</p> <p>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 a c. 5km<sup>2</sup> area of the 18.1km<sup>2</sup> permit.</p>
<b>Drill hole information</b>	<p><i>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:</i></p> <p><i>easting and northing of the drill hole collar</i></p> <p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole</i></p> <p><i>downhole length and intersection depth</i></p> <p><i>hole length.</i></p> <p><i>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.</i></p>	<p>No drilling results, drill sampling or assays reported.</p> <p>While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.</p> <p>The announcement pertains to an option agreement to acquire exploration licences where historic exploration activity has delineated potential for discovery of magmatic nickel sulphides in mafic-ultramafic rocks and of lithium (spodumene) pegmatites.</p>
<b>Data aggregation methods</b>	<p><i>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.</i></p> <p><i>Where aggregate intersections 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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No weighted averages or maxima/minima assay results are reported.</p> <p>No aggregated assay results are reported</p> <p>No metal equivalent values are reported.</p>
<b>Relationship between mineralisation widths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p>	<p>No mineralised intersections are reported.</p> <p>No mineralised intersections are reported.</p>

Criteria	JORC Code explanation	Commentary
<b>and intersection lengths</b>	<i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. “downhole length, true width not known”).</i>	No mineralised intersections are reported.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intersections should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i>	Appropriate maps and diagrams are provided in the body of the Announcement.
<b>Balanced reporting</b>	<i>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.</i>	No drilling results, drill sampling or assays reported. While a database has been compiled of historic drill data, this compilation is reliant on old paper records that predate 1964. No information exists as to sampling methods, assay methods, QA/QC, accurate drill collar locations, nor downhole drill survey methods or accuracy. NKL has not yet verified the historic results, nor does NKL warrant that the historic database is complete or accurate. The historic database is viewed by NKL as an indication of prospectivity at an advanced greenfields level of project development and further exploration work is required to validate the historic records.
<b>Other substantive exploration data</b>	<i>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.</i>	All material data is reported in the body of the Announcement.
<b>Further work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	A two-year exploration work program will be planned and will include additional geophysical surveys and DD drilling.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	All diagrams are presented in the body of the Announcement.