

ASX RELEASE: 15 November 2021

METALICITY APPROACHES 20% INTEREST IN NEX METALS AND RESPONDS TO INACCURATE NEX METALS CLAIMS

Metalicity Limited (ASX: MCT) (Company or Metalicity) is pleased to confirm its interest in shares of Joint Venture (JV) partner, Nex Metals Exploration Limited (ASX: NME) (NME), is rapidly approaching 20%, having now reached 19.66%. This is a significant milestone in Metalicity's Offer for NME and represents considerable progress towards the Kookynie and Yundamindra Gold Projects being owned and advanced in value by a single listed entity.

Capitalised terms in this announcement have the same meaning as given in the bidder's statement lodged by Metalicity on 24 September 2021 in relation to its off-market takeover bid for all of the fully paid ordinary shares in NME, unless otherwise specified.

Andrew Daley, Chairman of Metalicity commented:

"The combination of Metalicity and NME just makes logical sense, and we are very pleased to see that a growing number of NME shareholders are coming to the same conclusion and accepting our Offer. We are very excited about the potential of the Kookynie and Yundamindra Gold Projects moving forward under a simplified ownership structure, and the benefits that can bring through improved access to capital, cost savings and enhanced balance sheet position, leading to accelerated project development.

While we are keen to see the Offer for NME successfully completed and the compelling benefits of a combination realised, we also continue to drive the projects forward, and even now have drilling underway. We expect initial reports from the drill program in the coming week, which we hope will again highlight the value that can be created for shareholders when the projects are able to really move forward, and not get mired in obstructive efforts.

The drilling campaign underway will also contribute the final density data required to compile a robust, high confidence Mineral Resource Estimate (MRE) for the Leiplold, McTavish and Champion prospects. Without this density data, an MRE for these prospects would likely be restricted to only being in the Inferred category, the lowest confidence level of a JORC Mineral Resource, which is also not able to be converted into an Ore Reserve (with suitable further successful study including a mine plan) in the future. By using the latest information from ongoing drilling, and initial metallurgical test work, Metalicity is aiming to produce a robust MRE that maximises value creation and sets the projects up to move to the next stage of development. As the Kookynie and Yundamindra Gold Projects are now majority (51%) held by Metalicity, the value of a completed MRE will flow almost equally to both JV partners.

Metalicity also refers to the NME's Quarterly Report for the period ended 30 September 2021 dated 29 October 2021 (Quarterly Report) and NME's announcement released on 8 November 2021 (Announcement). Metalicity considers that, amongst other things, NME's Quarterly Report and the Announcement contain a significant number of inaccurate assertions.

Metalicity wishes to confirm that:

- a) it rejects any assertion that it has not completed the stage 1 earn-in under the farm-in and joint venture agreement with NME and thereby acquired a 51% and controlling interest in the Kookynie and Yundamindra Gold Projects; and
- b) as manager under the farm-in and joint venture agreement with NME, it will continue to maintain the tenements forming the Kookynie and Yundamindra Gold Projects in good standing, including satisfying minimum expenditure commitments.

In addition, as set out in the Media Release made by the Takeovers Panel on 3 November 2021, Metalicity has made an application to the Takeovers Panel regarding statements in NME's Target's Statement, which Metalicity also considers to be misleading.

The matters raised by NME in its Target Statement are before the Takeovers Panel and these matters will be responded to by the Company in due course and in the appropriate forum.

Metalicity encourages all Nex Metals shareholders to carefully consider the Offer and make an early decision ahead of any closing date given that postal backlogs are not yet fully cleared. Nex Metals holders can also email acceptances to capitalmarkets@linkmarketservices.com.au with the subject line "NME Takeover by MCT". **The Closing Date of the Offer (unless extended) is 5:00pm (Perth time) on 6 December 2021.**

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

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Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.