

ASX RELEASE: 24 September 2021

Metalicity Lodges Bidder's Statement for Nex Metals

Metalicity Limited (**Metalicity**) (ASX: MCT) is pleased to announce that the Bidder's Statement pursuant to the proposal announced on 14 September 2021 to Nex Metals Exploration Limited (ASX: NME) (**Nex Metals**) has now been lodged with ASIC. A copy of the Bidder's Statement is attached to this announcement.

Metalicity's offer to Nex Metals shareholders is 4.81 Metalicity ordinary shares (Metalicity Shares) for every 1 Nex Metals Share (Offer) on issue as at 14 September, valuing Nex Metals equity at A\$12.8 million based on Metalicity's closing share price on 13 September 2021. The Offer is equivalent to approximately \$0.048 (4.8 cents) per Nex Metals Share which represents an attractive premium of 30% to the closing price of Nex Metals Shares on 13 September 2021.

Through the Offer, it is intended that ownership of the Kookynie and Yundamindra Gold Projects will be rationalised into a single listed entity. Nex Metals shareholders would own 37.5% of the enlarged entity¹ that would hold a 100% interest in the Kookynie and Yundamindra Gold Projects, with improved access to capital, and an enhanced balance sheet position.

Further details of the Offer and the implications for Nex Metals shareholders, including conditions to the Offer, are set out in the Bidder's Statement.

Metalicity also notes Nex Metals' announcement on 21 September 2021 advising it has provided notice that Nex Metals considers Metalicity to have breached the Joint Venture Agreement (JVA) between the parties. Metalicity rejects the assertions made by Nex Metals and is proceeding with its takeover offer.

Metalicity further confirms that under the terms of its JVA with Nex Metals, it has earned a 51% controlling interest in the Kookynie and Yundamindra Gold Projects after successfully completing a \$5.0m exploration program. This program was fully funded by Metalicity and the projects are now under the direct operational control of Metalicity, as per the JVA. The results of this program have been announced to the ASX, in accordance with disclosure obligations.

Metalicity has been in dialogue with Nex Metals for over 12 months regarding a potential combination of the two companies. A compelling proposal has been presented to the board of Nex Metals on multiple occasions and Metalicity believes this Offer should be placed directly to Nex Metals shareholders.

This release has been authorised by the Board of Metalicity.

For more information, please contact:

ENQUIRIES

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¹ Approximately 35.6% on a fully diluted basis based on MCT share price of \$0.010

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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.