

29 March 2022

The Company Announcements Officer
The Australian Securities Exchange
Level 40, 152-158 St Georges Terrace
Perth WA 6000

Metalicity Ltd: - Announcement to Market:

Nex Metals Explorations Ltd (NME or the Company) has read the announcement by Metalicity Ltd (ASX:MCT) on the ASX Platform entitled "Nex Metals Issued With Non-Payment Notices"

However, NME is concerned that the market will fail to understand that the amount claimed has not been authorised by NME under the terms of the Joint Venture Agreement (see ASX announcement 6 May 2019) and as such is at Metalicity Shareholders expense.

One of the principal foundations of any Joint Venture is that both parties agree a prospective budget for expenditure then operate within that budget, Metalicity Ltd has failed to do that in this case.

The budget is prospective and not retrospective. All expenditures from May 2021 to now were not approved. A Joint Venture Management Meeting was not validly constituted on March 8 as purported by Metalicity thus all expenditures are solely to Metalicity's account.

NME has lodged 2 dispute resolution notices with Metalicity who have not responded or addressed either. These un-responded dispute notices were of a nature to halt the calling of any Joint Venture Management Committee meeting. The dispute Resolution provisions of the Joint Venture Agreement are very clear that notices trigger a set process regardless of the other parties acceptance or not of the matters of dispute. MCT has not complied with these provisions.

Whilst the expenditure incurred by Metalicity maybe of the correct magnitude it was unauthorised and consequently the Non Payment notices are invalid.

This announcement is authorised by Kenneth Allen

Yours Faithfully



Kenneth M Allen

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