

2 September 2020

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

Drone Survey Completed over Kookynie Gold Project

Nex Metals Explorations Ltd (Nex or the Company) is pleased to attach an announcement by Metalicity Ltd (ASX: MCT) our Joint Venture Partner (refer to ASX announcement dated 6 May 2019) with respect to drone magnetic geophysical interpretation over the entirety of the Kookynie Gold Project.

The Drone Magnetic Survey completed by Metalicity Ltd has identified 21 targets outside the "known" mineralised areas of Leipold, McTavish and The DCC trend.

Please note the attached announcement forms part of this announcement and should be read in its entirety.

This announcement is approved by authority of the Managing Director, Kenneth Allen.

Yours Faithfully



Kenneth M Allen

trending structures. These trends have not been investigated historically and presents an incredible opportunity for further discovery.

The Champion Trend

The Champion Prospect is not only characterised by significant drill hole intercepts, but historical production from a very shallow (<8 metre depth) open pit. The Company has completed limited drilling at the Champion Prospect the best result includes*:

- CPRC0004 – 2 metres @ 25.2 g/t Au from 28 metres to EOH
 - inc. 1 metre @ 42.04 g/t Au from 28 metres.

*Please refer to announcements: ASX Announcement "Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie" dated 21 January 2020

The mineralisation observed at the Champion Prospect is of a similar setting to the McTavish-Leipold Prospects with the zones between magnetic highs and lows with influencing north east south west discontinuities hosting the observed gold endowment. However, there appears to be an arcuate nature to the trend of which Champion is hosted with the northern trend from Champion crossing from Mining License 40/27 into Prospecting License 40/1331. Again, north west-south east and north east, south west trending structures are apparent and have not been evaluated. Therefore, 3 similar signatures have been identified within the Prospect locality that demonstrate a similar signature to known mineralised areas.

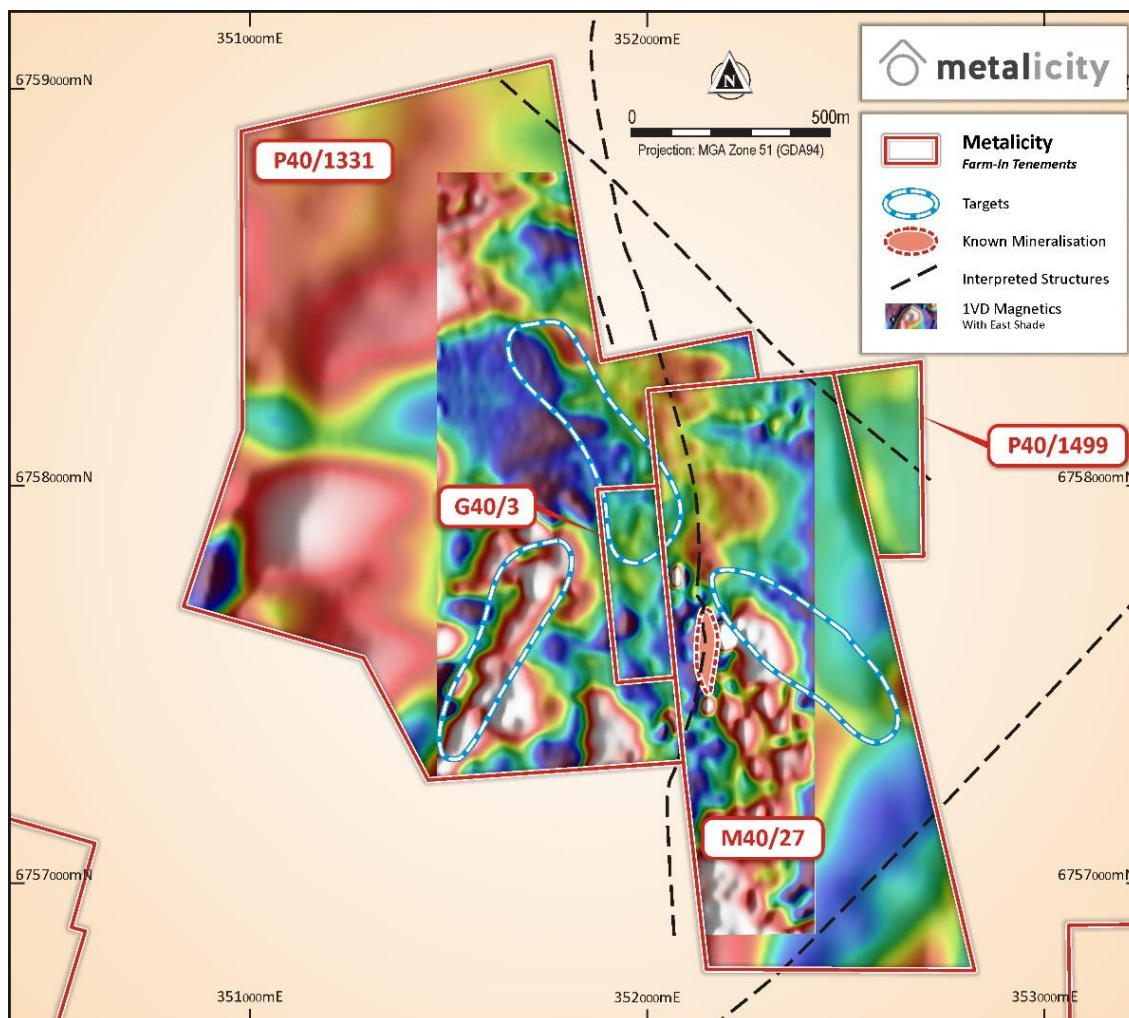


Figure 3 – Champion Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

The Orient Well East/Fortuna (E40/289) Trend

The Company had entered a farm-in agreement with a private entity who holds E40/289, located 3 kilometres east, along strike from Genesis Mineral's Ulysses and Orient Well Projects. The tenement contains highly prospective historical production centres like Fortuna – 2,070 tonnes @ 42.49 g/t Au, Niagara Commonwealth – 53 tonnes @ 28.36 g/t Au and Nunnoya – 16 tonnes @ 308.56 g/t Au (Source DMIRS MineDex System).

Metalicity has arranged to spend \$200,000 over 2 years to earn 100% of the tenure. Upon reaching this milestone, the former holder will revert to a royalty of 1% NSR on the first 50,000 ounces of production that may potentially be sourced from within this area. All expenditure incurred on this tenement is also contributory towards the Nex-Metalicity farm-in agreement of 51% for \$5 million spent within 5 years.

This tenement is approximately 12 kilometres north of the Cosmopolitan Gold Mine and hosts the strike continuation of the prolific Orient Well Mining Centre. Five high tenure geophysical anomalies have been identified that coincide with historical mining centres listed above, coupled with similar signatures further along strike within this highly endowed trend.

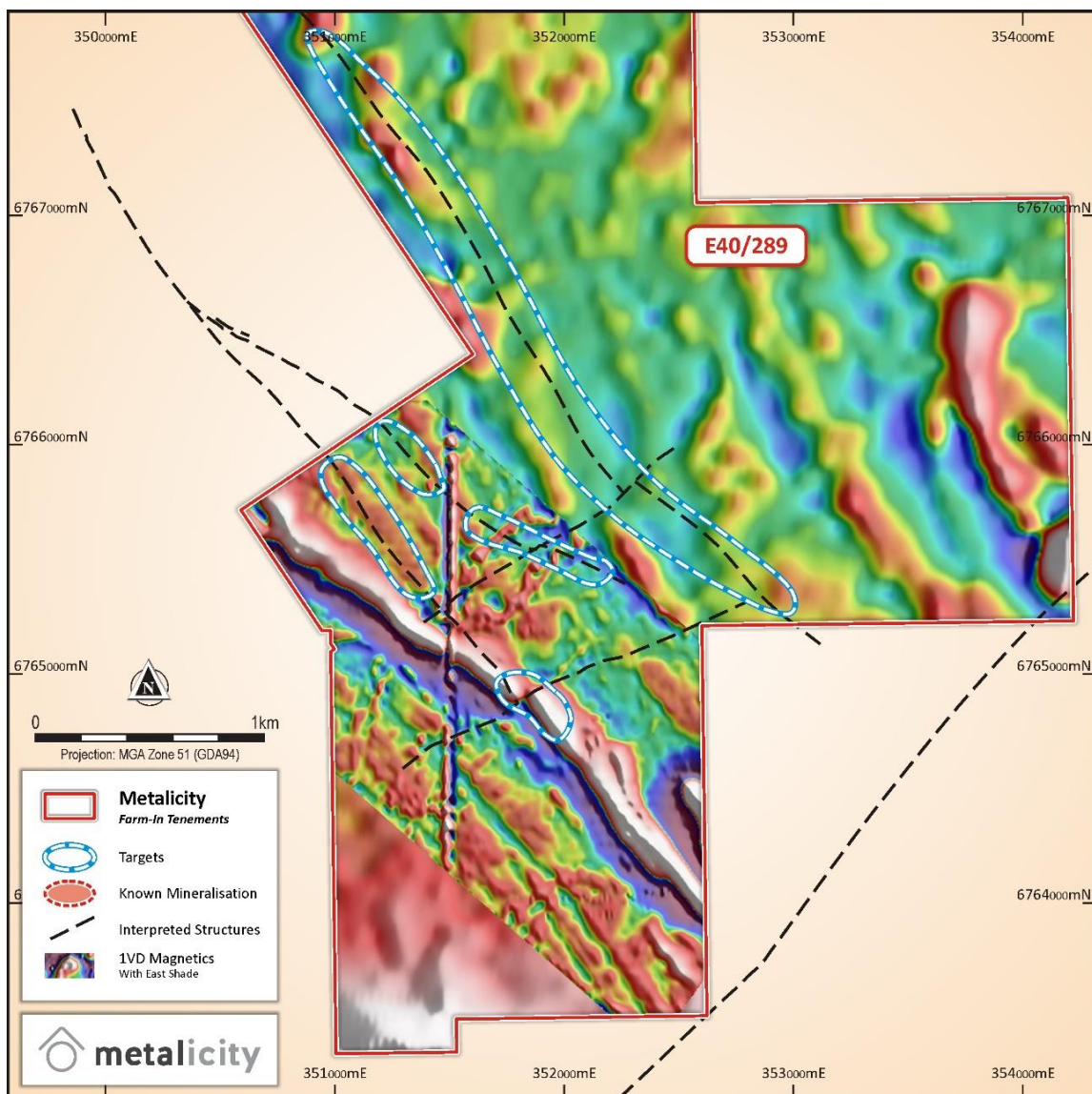


Figure 4 – The Fortuna (E40/289) Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

The DCC (Diamantina-Cosmopolitan-Cumberland) & Altona Trends

The following was reported on the 31 August 2020 under the ASX Announcement titled “Compelling 1.3 Kilometre Anomaly Along Strike and 2.5kms to the North of the Historic High-Grade Cosmopolitan Gold Mine”.

The Cosmopolitan Gold Mine between 1896 and 1922 produced 360,000 ounces at an average, life of mine head grade of 15 g/t gold. Historic channel sampling results at Cosmopolitan has indicated extraordinarily high-grade mineralisation in areas of remnant mineralisation that may still exist in developed areas of the mine. Of the 2,438 sample points presented, 110 returned assays above 100 g/t Au, 444 returned assays above 50 g/t Au and 1,046 returned assays above 20 g/t Au (please refer to ASX Announcement dated 9 June 2020 titled “Extremely High-Grade Gold From Historical Underground Sampling At The Cosmopolitan Gold Mine”).

The Altona area is 1.5 kilometres east of the DCC Trend and between 1900 and 1965, produced some 88.7koz from approximately 90,000 tonnes at an average grade of approximately 30 g/t Au.

The DCC and Altona Trends have very prominent geophysical signatures with clear contrast between magnetic intensities. Interestingly, the northern extents of the Cosmopolitan Gold Mine presents an incredible opportunity where two distinct zones have been identified, the most prominent is a 1.3-kilometre anomaly some 2.5 kilometres north of this historically prolific gold mine wholly within Mining License 40/61. Furthermore, the Altona Trend appears to be an almost mirror image of the DCC trend with very prominent geophysical and structural discontinuities coincident with historical production centres.

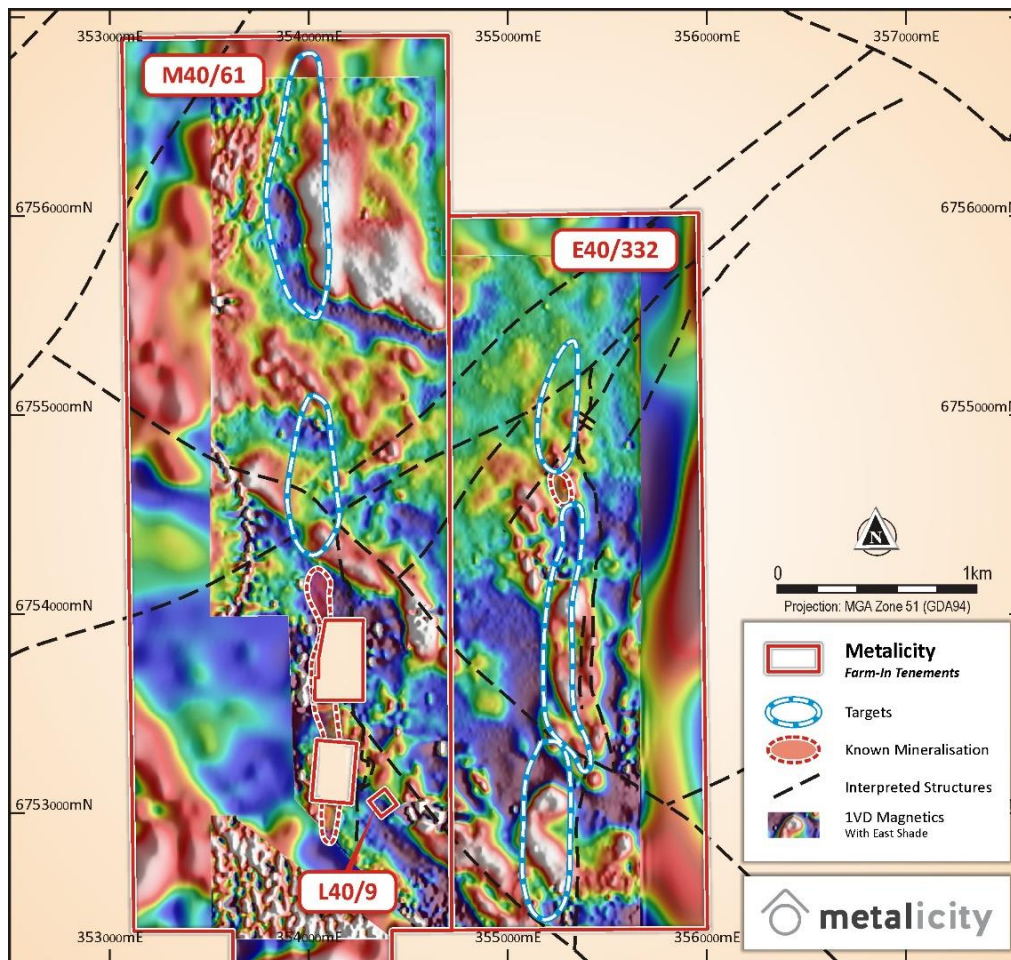


Figure 5 – The DCC & Altona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

Summary & Plan Moving Forward

The drone magnetic survey has produced 21 high tenure targets of similar disposition to known mineralised areas within the Kookynie Gold Project, a summary of the targets is below:

Prospect	Tenement(s)	Target Number	Target Centre Point - MGA 94 Zone 51 South		Strike Length (km's)
			Easting	Northing	
The DCC and Altona Trends*	M40/61 & E40/332	1	353,929	6,756,141	1.3
		2	354,016	6,754,656	0.8
		3	355,265	6,755,032	0.6
		4	355,256	6,753,836	1.3
		5	355,212	6,752,902	0.9
The Leipold-McTavish Trend	M40/22 & M40/77	6	350,582	6,751,922	0.5
		7	350,363	6,752,364	0.5
		8	350,609	6,752,767	0.5
		9	350,511	6,753,665	1
		10	350,439	6,753,969	0.3
		11	350,274	6,754,108	0.6
		12	350,841	6,754,295	0.5
		13	350,582	6,754,488	0.5
The Champion Area	M40/27, G40/3 & P40/1331	14	352,411	6,757,576	0.6
		15	351,667	6,757,630	0.6
		16	351,871	6,758,156	0.7
The Fortuna Area	E40/289	17	351,895	6,764,881	0.4
		18	351,930	6,765,527	0.7
		19	351,170	6,765,623	0.7
		20	351,319	6,765,929	0.3
		21	351,790	6,766,487	3.2

Table 1 – Drill Target Summary.

*Please refer to ASX Announcement titled "Compelling 1.3 Kilometre Anomaly Along Strike and 2.5kms to the North of the Historic High-Grade Cosmopolitan Gold Mine" dated 31 August 2020.

With most of the assays still pending from the current drilling, we are using this information derived from the RC drilling and high-resolution geophysics to plan further work within the targets generated from this exercise. It is intended to expand the programme of work to continue to evaluate Champion, Altona and to return to the Cosmopolitan Gold Mine area where 360,000 ounces was produced historically at a head grade of 15 g/t over the life of that mine between 1896 to 1922 then systematically test these targets.

Project Geology

The Kookynie Project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south.

There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Kookynie (Niagara) areas. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures

cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation at Kookynie tends to be preferentially concentrated in magnetite dominated granitic fractions of the overall granite plutons observed within the Kookynie area.

This Announcement is approved by Jason Livingstone, Managing Director & CEO of Metalicity Limited.

ENQUIRIES

Investors

Jason Livingstone
MD & CEO
+61 8 6500 0202
jlivingstone@metalicity.com.au

Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

Competent Person Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears.

Note

This Announcement is designed to also supplement for Nex Metals Exploration as it relates to our farm-in agreement as announced on the 6th May 2019 titled "*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*".

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.

Appendix One – JORC Code, 2012 Edition – Table 1

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> Please refer to the tenement column below to where the targets were listed in Table One in the body of the announcement. Nex Metals Explorations Ltd holds the tenure in question. Metalicity is currently performing an earn in option as part of our farm in agreement (please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019). No impediments exist to obtaining a license to operate over the listed tenure.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Nex Metals Explorations Ltd have done a great job of collating the historical drilling completed over the previous 30 years. The historical work completed requires further field verification via re-down hole surveying (if possible) of drill holes beyond 60 metres depth – it appears below this depth; hole deviation becomes a factor in establishing the location of mineralisation in 3D. Furthermore, collar pickups require verification. All laboratory certificates for the assays on file are collated, only recommendation is possibly more duplicate information in mineralised zones.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Kookynie: <ul style="list-style-type: none"> The project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south. There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Niagara area. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures

		cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation tends to be preferentially concentrated in differentiated dolerite sills associated with pyrite/carbonate/silica/sericite wall rock alteration.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • 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. 	<ul style="list-style-type: none"> • No new drilling information is discussed in this announcement; however, the following ASX Announcements are referenced: • ASX Announcement “Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie” dated 21 January 2020, ASX Announcement “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 June 2020, ASX Announcement “Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project” dated 2 July 2020, ASX Announcement “Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently” dated 10 July 2020 & ASX Announcement “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 August 2020. • Furthermore, historical channel sampling is also referenced from ASX Announcement dated 9 June 2020 titled “Extremely High-Grade Gold From Historical Underground Sampling At The Cosmopolitan Gold Mine”.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • All intercepts discussed have been calculated using the weighted average method but are based on 1 metre samples from RC drilling. Specific intervals within an interval have been described as part of the overall intercept statement. • Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 1 metre, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied. • No metal equivalents are discussed or reported. • No new drill hole intercepts are published in this announcement, and where drill hole intercepts are discussed, the ASX Announcement that originally detailed the intercept has been referenced.
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> • No new drill hole intercepts are published in this announcement, and where drill hole intercepts are discussed, the ASX Announcement that originally detailed the intercept has been referenced. • Given the shallow dipping nature (approximately -45° on average) of the

<p><i>intercept lengths</i></p>	<ul style="list-style-type: none"> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<p>mineralisation observed at Kookynie, the nominal drilling inclination of -60° lends to close to truth width intercepts.</p> <ul style="list-style-type: none"> ● However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> ● <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> ● Please see main body of the announcement for the relevant figures.
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> ● <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> 	<ul style="list-style-type: none"> ● The Announcement above details the interpretation of a ultra-high-resolution drone magnetic survey, re-processed publicly available geophysical data coupled with observations from drilling and fact mapping over the tenure in question. The objective of this announcement is to briefly summarise previous work completed and its application towards the interpretation of remote sensed data in an effort to generate drill targets. ● All previous information has been referenced accordingly and “<i>Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of “exploration results” that all material assumptions and technical parameters underpinning the “exploration results” in the relevant announcements referenced apply and have not materially changed.</i>” ● Therefore, the intent of this announcement is to demonstrate, based on previous collated and collected data, in light of new data being acquired from detailed geophysical survey has highlighted numerous geophysical anomalies that are analogous to known mineralised centres. ● The drone magnetic survey was flown on 25 metre spaced lines orientated east west at a mean terrain clearance height of 24 metres. ● The publicly available geophysical data had the following data sets contributing towards the re-processed and combined imagery: <ul style="list-style-type: none"> ● Survey Name – Kookynie (70867) , line spacing 50 metres, mean terrain clearance height of 40 metres orientated north south, ● Survey Name - Wandarie Well (53683), line spacing 65 metres, mean terrain height of 20 metres orientated east west.

		<ul style="list-style-type: none"> Survey Name - Menzies North (P1260), line spacing 100 metres, mean terrain height of 50 metres orientated east west, & Survey name – Edjudina (P580), line spacing 400 metres, mean terrain height of 100 metres orientated east west.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The area has had significant historical production recorded and is accessible via the MINEDEX database. All stated mineral resources for the Kookynie Gold Project is pre-JORC 2012. Considerable work around bulk density, QAQC, down hole surveys and metallurgy, coupled with the planned drilling will be required to ensure compliance with JORC 2012 guidelines. Regional, broad spaced geophysical data is available publicly from the DMIRS – GeoView website and has been collected and reprocessed accordingly using standard algorithms for such data set types.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Metalicity intends to drill the known and extend the mineralised occurrences within the Kookynie and Yundramindra Projects. The Yundramindra Project is currently under the plaint process, however Metalicity believes that Nex Metals is well advanced in defending those claims. The drilling will be designed to validate historical drilling with a view to making maiden JORC 2012 Mineral Resource Estimate statements. Metalicity has made the aspirational statement of developing “significant resource and reserve base on which to commence a sustainable mining operation focusing on grade and margin”. Diagrams pertinent to the area’s in question are supplied in the body of this announcement.