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CHAIRMAN'S ADDRESS

Good afternoon everyone let me add my welcome to the Metalicity 2021 Annual General Meeting.

I would like to begin by expressing my disappointment that I cannot be at this meeting in person, because I truly believe your company is poised to move into an exciting new era of project development and hopefully substantial capital growth for all of its shareholders, and I wanted to share this with you personally

I don't need to tell you that over the last financial year the management team at Metalicity did a phenomenal job of earning a 51% interest in a joint venture to develop the Kookynie and Yundamindra Gold Project in the eastern goldfields of WA. This initially proposed 5 year earn in period was actually completed in a little over 2 years, and since completion of the earn-in in May this year, we have become the Manager and Operator of the Joint Venture.

At this point and for the record, let me assure you that despite suggestions by some to the contrary, expenditures supporting our earn-in are fully documented and have been independently audited. We will vigorously defend any attempt to suggest otherwise.

Since becoming Project Manager of the Kookynie and Yundamindra Gold Project in May, your company has continued to progress the development of the project. A drilling team was remobilised to drill 5 deeper diamond drill holes to test depth extensions to the currently known mineralisation at Leipold, and 2 diamond core holes at McTavish required to obtain much needed density data and to complete metallurgical test work necessary to complete a revised Mineral Resource Estimate for the Project.

With regard to the MRE, it soon became clear after we commenced work, that some of the existing drill hole data was not of the quality we had expected. Because of the success of our ongoing drilling programs we decided that it would also be best to incorporate all information obtained from the scheduled drilling programs for the year. That has now been done and as soon as we have the density data from the current drilling to hand, we will be in a position to complete the updated MRE.

On the corporate front you will recall that early in 2020 we announced that we had started preliminary talks with our now Joint Venture partner about a potential merger of our two companies. We strongly believe that the best and most effective way to develop the Kookynie and Yundamindra Gold Project is to have it managed and funded by a single entity. A joint venture structure is much less efficient with both companies needing to raise capital and increasingly it does not make good

business sense.

Unfortunately, after eighteen months of discussions we could not reach agreement on relative valuations of our two companies. Whilst the 51/49 split of the joint venture is easy to understand, your Company is debt free while our Joint venture partner has large debts on its balance sheet and these have to be taken into account in the relative valuations.

We reluctantly decided that the only way forward would be to put our offer directly to Nex Metals shareholders, which is what we did on 24 September.

It has been disappointing then that the response to our offer from the Nex Board has been to challenge the validity of our earn-in with haphazard and spurious legal claims. They have also failed to provide adequate information including their current audited financial statements to shareholders. As a result, Nex shares have been suspended and Nex shareholders do not currently have the ability to trade their shares.

Importantly, the rationale behind our offer remains unchallenged. The best and most effective way to develop the Kookynie and Yundamindra Gold Project is to have it managed and funded by a single entity.

The track record of the Metalicity team in developing the project to date, and in its financial and technical capacity to continue this development has not been questioned. We believe the single biggest value driver for all shareholders will be progressing the successful development of the Project, and the sooner we can achieve this the sooner we can work towards realising this value.

Our offer directly to Nex shareholders is for them to join us and become Metalicity shareholders. We believe that when everything is taken into account, our offer of 4.81 of our shares for every Nex Metals share is both very fair and very reasonable, representing currently just over a 40% premium to Nex's traded share price.

In closing, I am optimistic that Nex shareholders will take this opportunity for the most effective way to take this exciting project forward. I am also confident in Metalicity's capability to manage the development of the project and look forward to what this may bring.

I would like to thank all the Metalicity management team and employees for their efforts this year and the achievement of excellent results, as well as our shareholders for their continuing support. I would also like to thank the Nex shareholder who represent in excess of 20% of the Nex share register who have recognised the merits of our offer and have already agreed to accept.

Thankyou

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors



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Forward Looking Statements

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(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.

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