

ASX RELEASE: 10 May 2022

INDEPENDENT EXPERT SAYS OFFER FOR NEX IS FAIR AND REASONABLE

Highlights

- The Independent Expert has considered the terms of the Metalicity Offer for Nex Metals Explorations Limited (“Nex Metals”) as outlined in their report and have concluded that, in the absence of a superior offer, the Offer is fair and reasonable to Nex shareholders
- The Independent Experts Report (“IER”) stated that the Offer was fair, as it was valued as greater than their valuation estimate for Nex Metals of nil to \$0.01 per Nex Metals share (**\$0.003 preferred value**)
- The IER stated that the Offer was reasonable as the position of Nex Metals’ shareholders if the Offer is accepted is more advantageous than the position if the Offer is not accepted
- Nex Metals’ shareholders should also note that the Independent Technical Specialist did not attribute any value to the Kookynie Tailings Project, as it considers that any value generated would likely be offset by the cost of rehabilitating the project (and in any event, Metalicity disputes whether Nex Metals owns the tailings project as alleged by Nex Metals)
- The IER has been prepared pursuant to orders made by the Takeovers Panel and Nex Metals’ directors are personally liable for the cost (up to \$50,000)

Metalicity Limited (ASX: MCT) (“Metalicity” or “the Company”) is pleased to release an Independent Expert’s Report (“IER”) prepared by BDO Corporate Finance in respect of Metalicity’s off-market takeover bid for all of the fully paid ordinary shares in Nex Metals (“Offer”) pursuant to the bidder’s statement dated 24 September 2021 (as varied).

The IER concluded that, in the absence of a superior offer, the Offer is fair and reasonable to Nex Metals shareholders.

Andrew Daley, Metalicity Chairman commented:

“I encourage all Nex Metals shareholders to read the very thorough IER. Other than our bidder’s statement, to date it is the only real professional material they have available to assist them in deciding on our Offer and it offers an independent assessment of the value of Nex Metals and its (disputed) tailings project by an external expert.

So far, the Takeovers Panel has declared two attempts by the Nex Metals board to provide a Target’s Statement to be defective and misleading. In the absence of proper advice from their board, Nex Metals’ shareholders should pay close attention to the IER, which concludes that our Offer is fair and reasonable, and accepting the Offer is more advantageous than not accepting.”

Pursuant to the orders made by the Takeovers Panel, the directors of Nex Metals are liable for the costs of the IER (including the independent technical specialist) up to an amount of \$50,000.

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.