

ASX RELEASE: 29 March 2022

NEX METALS ISSUED WITH NON-PAYMENT NOTICES

- Nex Metals Explorations Limited (Nex Metals) has been issued with Non-Payment Notices for unpaid cash calls totalling \$1,279,794 in relation to its share of approved expenditure for the Kookynie and Yundamindra Joint Venture.
- An initial Non-Payment notice was issued to Nex Metals on 11 March 2022 in relation to one of the cash calls in an amount of \$188,618. This cash call was due and payable on 10 March 2022. Nex Metals has disputed this cash call on grounds which Metalicity considers unsustainable.
- The proposed programme and budget for the Joint Venture was approved by vote at the reconvened Management Committee meeting on 8 March 2022. Nex Metals failed to attend the Management Committee meeting or reconvened meeting and the budget was then properly approved in accordance with the Joint Venture Agreement.
- A second Non-Payment notice has now been issued to Nex Metals for its share of approved expenditure for the Kookynie and Yundamindra Joint Venture for the amounts of \$989,712 and \$101,464. These cash calls were both due on 18 March 2022.
- These non-payments by Nex Metals constitute default events under the terms of the Farm in and Joint Venture agreement between the parties.

Metalicity Limited (ASX: MCT) (Company or Metalicity) advises that Kym Mining Pty Ltd has recently issued Non-payment notices for cash calls totalling \$1,279,794 to Nex Metals Explorations Limited (**Nex Metals**) in relation to Nex Metal's share of approved expenditure under the Kookynie and Yundamindra Farm in and Joint Venture Agreement between Metalicity and Nex Metals (JVA). Kym Mining Pty Ltd is a wholly owned subsidiary of Metalicity and is the manager of the Joint Venture.

Justin Barton, Managing Director of Metalicity commented:

"The non-payment by Nex Metals strongly supports our view that Kookynie and Yundamindra Joint Venture should be consolidated into ownership by a single entity.

"This is not only to keep this project going forward, but also because we believe that progressing under one focussed and qualified management team that can actually progress the project is the best way to realise the potential of the project sooner for all shareholders."

"Metalicity is the major partner in the JV, has been managing the project and funding all of the expenditure to date, and has the management and capabilities to continue progressing the project."

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.