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OUTCOME OF CHALLENGE TO NEX METALS AGM AND EGM

Metalicity Limited (ASX: MCT) (“**the Company**”; or “**Metalicity**”) notes the outcome of the Supreme Court case¹ initiated by Metalicity in respect of the Nex Metals Explorations Ltd (ASX: NME, Nex Metals) Annual General Meeting (AGM) of 31 March 2022 and Extraordinary General Meeting (EGM) of 25 July 2022.

The Court found that as contended by Metalicity, several proxies for the AGM “were not effective and should not have been accepted at the AGM”². These in part were the proxies lodged online by the Managing Director of Nex Metals, Mr Ken Allen, purporting to be on behalf of other shareholders without clear authority. The Court also found that at the time of the AGM, Mr Allen had a relevant interest of 14.49% of the issued shares of Nex Metals³. However, unfortunately the Court went on to hold that despite the issues of the AGM, there would be no utility in making any orders in respect of the AGM as these would not impact or overturn the resolutions that were later validly passed at the EGM⁴.

Commenting on the outcome, Metalicity Managing Director, Justin Barton said:

“We are obviously disappointed that the Court declined to overturn the recent shareholder meetings of Nex Metals, despite the Court finding that numerous AGM proxies were not effective and should not have been accepted. It remains a source of frustration that in our opinion basic norms of governance at Nex Metals have not been followed, yet there is little to no consequences for those involved.”

“As there remains a fundamental mismatch between Metalicity’s view of the value of Nex Metals, and that of the Nex Metals Board, we will be reviewing our position with respect to our substantial holding of circa 91 million shares in Nex Metals. We will continue to pursue recovery of the ~\$1.5m of unpaid joint venture costs from Nex Metals. We note Nex Metals Rights Issue recently closed with a 97% shortfall and appears not to have been supported by Nex Metals Directors.”

Metalicity’s claim against Nex Metals for approximately \$1.5M of unpaid joint venture costs continues (refer ASX Announcement of 14 June 2022) and is scheduled for a directions hearing on 14 December 2022.

Finally, the Yundamindra Complaint was heard in the Warden’s Court between 5-7 December 2022. The Warden has adjourned the matter to 8 March 2023, whilst the Warden considers a no case submission.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Justin Barton

Managing Director

+61 8 6500 0202

jbarton@metalicity.com.au

Shane Murphy (Media)

FTI Consulting

+61 420 945 291

shane.murphy@fticonsulting.com

¹ METALICITY LTD -v- ALLEN [No 2] [2022] WASC 420.

Judgement available at <https://ecourts.justice.wa.gov.au/eCourtsPortal/Decisions/DownloadDecision/b0525497-4118-4b99-a3fc-615a39dea8fe?unredactedVersion=False>

² Par 281 of the Judgement

³ Par 285 of the Judgement

⁴ Par 312 of the Judgement

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.

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