

Metalicity and Nex Metals Execute Formal Agreements

Metalicity Limited (ASX:MCT) (“MCT”) is pleased to announce that it has executed formal agreements (“Formal Agreements”) with Nex Metals Exploration Ltd (“NME”) regarding the Kookynie and Yundamindra Joint Venture (“JV”) and the settlement of all disputes between the parties (“Disputes”).

As previously announced by Metalicity and NME, on completion of the matters set out in the agreements, MCT will hold an 80% interest in the JV (currently 51%) with NME retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NME will acquire 100% of certain none-core prospecting licences along with the tailing rights. MCT will remain the manager of the JV¹.

The signing of the Formal Agreements between the two parties completes the first stage of matters set out in the Term Sheet, which broadly includes execution of the following:

- Settlement Agreement – being agreement of specific details of matters agreed and set out in the Term Sheet, including settlement of disputes between the two parties;
- Amendment of JV Agreement – being amendment of matters including, but not limited to:
 - Amendment of dilution clause to reflect an industry standard;
 - First right of refusal given to each party;
 - Confirmation of JV commencement date of 20 May 2019; and
 - Removal of area of influence.
- Mineral Rights Agreement - providing NME with the sole right to the Kookynie Tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, and for MCT to retain the priority right to explore the area where the tailings are located as reasonably required.

Commenting on the signing of the Formal Agreements, MCT Managing Director Justin Barton said:

“This is another positive step forward for both parties, and for the development of the highly prospective and high grade Kookynie and Yundamindra projects. Both parties remain focused on finalising the remaining conditions of the agreement to allow both parties to move forward and focus on their own business activities into 2024.”

Following execution of these Formal Agreements, both parties are now focused on completion of the remaining conditions¹, being:

- (a) Approvals: each of NME and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement. These approvals are of a standard nature; and
- (b) Share Cancellation: NME obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME.

The notice of meeting for the shareholder approval to cancel 100% of the fully paid ordinary shares that MCT owns in NME will be sent to the NME shareholders as soon as possible after the independent expert's report commissioned by NME is received, with the meeting anticipated to be held in February 2024.

1 Please refer to ASX Announcement "MCT moves to 80% interest in Kookynie JV" dated 29 September 2023.

This announcement is approved by the Board of Metalicity Limited

ENQUIRIES

Investors - MCT

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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.