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CHAIRMAN'S ADDRESS

Good afternoon everyone and welcome to the Metalicity 2022 Annual General Meeting.

Well, you certainly don't need me to tell you that the last 12 months, has for the most part, been extremely frustrating for us all.

As you well know, in September 2021, we launched what we still believe was, a very fair offer to the shareholders of our joint venture partner (Nex Metals Explorations Ltd., "Nex"). The move was aimed at consolidating the ownership of the Kookynie and Yundamindra Gold Projects which in turn would enable us to move forward more quickly with its exploration and ultimate development, thereby generating solid value for all our shareholders.

Our offer was well received by a large number of Nex shareholders who saw the value in our proposal and over one third of Nex shareholders accepted our offer.

However, a core group of the Nex shareholders, who we believe have a totally unrealistic view of the current value of the Kookynie Project continued to hold firm.

This was even the case after the completion of an Independent Engineers Report, by an industry specialist, that prescribed a fair overall value to Nex of between \$0.00 and \$0.01 (with a preferred value of \$0.003)

In addition, since we earned-in our 51% of the Kookynie Project back in May 21, Nex has, for various spurious reasons, not paid any of the cash calls we have made as Manager of the Joint Venture.

To date they have even refused to pay their share of any funds that are required just to maintain the Kookynie Project's licences. In response, we have had no alternative but to temporarily cease all field operations at the Project and pursue our claims in the courts.

After nearly 12 months of relative obfuscation and now being Nex's largest shareholder, we decided that, at Nex's proposed 2021 AGM, which was held last August, we would propose the election of 3 new directors for Nex (2 of whom have no previous or current connection with Metalicity and are completely independent).

Nex's most recent accounts show that the company has very few liquid assets and we also have serious concerns as to the ongoing viability of the tailings project, which we have made clear to the

market we also consider to be a Joint Venture asset. Our aim in making this move was, and still is hopefully, to get greater transparency into the management and reporting of the company.

You will also be aware that there were some serious concerns raised with regard to the voting processes at that AGM, and these were heard in the Supreme Court last week. The Judge has now reserved her decision and we hope to hear the outcome of this matter in the near future.

With all of these issues still under review and being played out in the courts, it is extremely disappointing, but not overly surprising, that our own share price has remained depressed.

However, I can assure you that we remain firmly of the view that the true value of our holding in the Kookynie and Yundamindra Projects has actually increased quite markedly. Not only do we have an effective increased holding in the Projects through our increased shareholding in Nex, but we believe the value of the Kookynie Project itself has been enhanced by the very good results we have obtained from our completed drilling programs to date.

In addition, we also have our recently acquired extremely exciting, new tenements in North Queensland. The Mount Surprise Project and the Georgetown Project.

It became clear to us, earlier in the year, that the issues resulting from our offer to Nex shareholders, were not going to be resolved quickly and so we began a search for another project to compliment Kookynie & Yundamindra.

As you know, we announced the acquisition of the Mt Surprise Project in August and have recently completed our first field programme. The results from which show the Project is living up to its name. Initial results have shown that the Project looks very prospective for base and precious metals as well as for Lithium.

We anticipate that the granting of the Georgetown Project will occur early in the new year and we cannot wait to begin exploration on this highly prospective tenure.

So, I would like to stress, that once our issues with Nex are settled, we will be restarting our field work at the Kookynie Project and look forward to increasing the Resource base there. At the same time, we will also be pushing ahead as fast as we are able with further work on the Mt Surprise and the Georgetown tenements.

I am therefore very confident that by this time next year we will have progressed our activities to a point where those shareholders who have remained loyal to us and those who did accept our offer and came across from Nex will have been well and truly rewarded.

Last, but not least, it would be remiss of me not to mention the outstanding leadership of our MD, Justin Barton, since he took over the role some 18 months ago. He has pulled together a very good team to support him and I am confident that they are well equipped to take your Company forward towards great future success.

And finally, as you will be aware, I announced some time ago that, for entirely personal reasons, I would not seek re-election as a director at this meeting and I will be retiring at its conclusion. I have been a director of this company since it started on its current path nearly ten years ago. While I cannot say that it's always been plain sailing, I have enjoyed working with all of its directors and executives over the years and none more than with the present team. I wish them all the very best for the future.

Given my retirement, I am very pleased therefore to be able to announce that Mr Steven Wood has agreed join the Board as an independent Non-Executive Director and details of his appointment after today's meeting will be announced shortly.

Thankyou

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

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Forward Looking Statements

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