

6 May 2019

Company Announcements Officer
The Australian Securities Exchange
Level 40, 152-158 St Georges Terrace
Perth WA 6000

Farm-In Agreement with Metalicity Ltd (ASX: MCT) on Kookynie and Yundamindra Projects

Nex Metals Explorations Ltd (ASX: NME) ("NME" or "Company") is pleased to announce it has entered into a farm-in agreement with Metalicity Limited (ASX: MCT) ("MCT") for the Kookynie and Yundamindra Projects¹ in the Eastern Goldfields, Western Australia. Exploration to commence during May with drilling planned for the June quarter. The quick start is due to a detailed evaluation and planning process and the on the ground experience of the Metalicity's senior management. The Company sees the value of the spend and experience of MCT exploration team as a significant step forward in advancing the project to production. NME retains processing/milling rights for the projects.

The deal structure for the NME – MCT farm-in agreement is as follows:

- Initial Placements:
 - An initial placement amount of NME's shares, taken by MCT for \$50,000 upon execution of the agreement at a 20-day VWAP per NME share preceding the date of execution, plus a premium of 20%.
 - A second initial placement of NME shares to MCT, 6 months post the execution date of the agreement for a further \$50,000 based on a 20-day VWAP preceding the 6-month anniversary.

- 51% Earn In:
 - An initial spend of minimum \$500,000 to drill test the Projects within and up to 12 months from date of the agreement execution.
 - A total of \$5 million spend within and up to 5 years to earn 51% of the Projects inclusive of the initial spend and time duration.

Metalicity has the right to withdraw from the farm-in at the completion of the initial \$500,000 spend and at any time after that event.

Overall, MCT and NME see the agreement as an opportunity to unlock the potential of the Kookynie and Yundamindra Projects and realise the value through methodical, results driven exploration with the aspiration of developing a revenue producing sustainable asset.

NME will participate with Metalicity with the provision of staffing and other resources during the farm In stage.

¹ Includes tenements: Yundamindra L39/34,52,258 – M39/84,274,406,407,408,409,410,839,840.
Kookynie E40/332,333 -G40/3 – L40/9 – M40/22,27,61,77.



Nex Metals
Explorations Ltd

Address: 45 Guthrie St
Osborne Park, WA, 6017
Postal: PO Box 6731
East Perth, WA, 6892, Australia
Phone: 61 8 9221 6813
Fax: 61 8 9221 3091
Email: admin@nexmetals.com

ABN: 63 124 706 449

MCT is aware of the Complaints lodged on Yundamindra tenements but as previously advised by the Company we are dealing with those in the normal course. Expenditure will still occur on those tenements in any event as part of the MCT exploration program.

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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 are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include, but are not limited to 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 we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s annual reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.