

2 June 2020

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

Drone Magnetic Survey to Commence at the Kookynie Gold Project

Nex Metals Explorations Ltd (Nex or the Company) is pleased to attach an announcement by Metalicity Ltd (ASX: MCT) our Joint Venture Partner (refer to ASX announcement dated 4 May 2019) with respect to the commencement of a Drone Magnetic Survey at the Kookynie Gold Project, This is in addition to the current drilling project at the McTavish, Leipold and Cosmopolitan.

Yours Faithfully



Kenneth M Allen

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Drone Magnetic Survey To Commence at the Kookynie Gold Project

HIGHLIGHTS

- A significant 8kms of strike extensions to known mineralisation at the high grade Kookynie Gold Project has been identified through mapping and re-processing of regional geophysics.
- The structures that host the high-grade Cosmopolitan Gold Mine, which produced 360,000 ounces at 15 g/t gold, are now thought to extend for circa 2 kms north and south of the mine.
- 4 kms of strike extensions have also been identified at the Altona historical working which produced 80,000 ounces at 30 g/t gold, along with 2 kms of further strike extensions to the Champion, Leipold and McTavish Deposits.
- This major development signifies a step change for Kookynie and highlights the camp scale potential of the Project, much of which remains untested by modern exploration.
- A high definition drone magnetic survey has commenced along the 8kms of newly identified strike potential to refine targets for drill testing along strike, with drilling to follow.
- The current drilling program underway is progressing well with first assays due in the next few weeks.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to announce a significant step change in the potential of the high grade Kookynie Gold Project in WA (“Kookynie”) through the identification of circa 8kms of strike extensions to the known gold mineralisation through mapping work and the re-processing of regional geophysics. Kookynie is located 60 kilometres south of Leonora in the Eastern Goldfields of Western Australia.

The Kookynie Project includes the high grade historical Cosmopolitan mine which produced 360,000 ounces of gold at 15 g/t. Metalicity has now identified that the structures that host Cosmopolitan extend for circa 2kms to the north and south of the mine. The strike extensions are untested by modern exploration and no drilling has been conducted.

Metalicity has also identified 4kms of strike extensions to the Altona historical mine which produced 80,000 ounces at a very high grade of 30 g/t gold. A further 2kms of strike extensions to the Champion, Leipold and McTavish Deposits have also been identified.

The 8kms of strike extensions to the structures that host the gold mineralisation at Kookynie demonstrate the potential size of the mineralised system. With an “Exploration Target” of between **294,000 ounces and 967,000 ounces**, and inclusive of historically stated mineral resource estimates and previously excluded areas of underground development (please refer to ASX Announcement “Kookynie Gold Project – Development Strategy & Exploration Target Update” dated 12 March 2020) already in place, this further enhances Metalicity’s belief of camp scale gold potential at Kookynie.

“Exploration Target” cautionary statement: The potential quantity and grade is conceptual in nature, given that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Metalicity is planning to drill test these strike extension shortly. To refine the targets for drill testing, the Company has engaged RocAerial to recommence the very high detailed magnetic geophysical survey. The survey is currently underway and is expected to take circa 2-3 weeks and will be conducted over the 8

kilometres of strike potential from the known mineralised areas of Leipold, McTavish, Champion, Diamantina-Cosmopolitan-Cumberland and the Altona trends.

Commenting on the geophysical survey, Metalicity Managing Director, Jason Livingstone said:

“Concurrent with our drilling programme underway at the Kookynie Gold Project, we have engaged RocAerial with their drone to complete a very high detailed geophysical survey over all live tenure within this Project.”

“I am very keen to further define the structural framework that potentially hosts mineralisation north and south of the prolific Cosmopolitan Gold Mine which produced 360,000 ounces of gold and the strike continuation of Champion, but also the significant 2 kilometre trend between Leipold and McTavish. Let alone the Altona trend some 1.5 kilometres east of the Cosmopolitan where some 80,000 ounces has been produced historically with very little follow up work done in the modern era.”

“Having circa 8 kilometres of strike potential within such a historically prolific gold producing region is exciting to say the least. This geophysical programme will give us the detail needed to ensure our target generation is efficient and that any follow up drilling planned is targeted and effective as possible.”

“We are drilling immediately along strike, up and down dip with the areas that we know of at Leipold and McTavish. To generate solid targets to follow up on outside of these areas and within such a rich gold endowed region with the Kookynie Gold Project is incredibly exciting.”

“I look forward to not only presenting the results from our current drilling in due course, but to also articulate the potential we are seeing outside of the known Prospects.”

Geophysical Drone Survey:

The geophysical programme at the Kookynie Gold Project (Figure 1) is designed to give the Company the requisite detail in the trends of mineralisation we are observing and drilling. Understanding the structural framework to where and how the mineralisation occurs is paramount not only in resource definition phases, but also target generation.

The drone will fly set east west lines over all live tenure while carrying a georeferenced magnetometer taking readings of the earth’s magnetic field. Geology and discontinuations within the geology produce a response that is recorded by the magnetometer. Using this data, we can define in incredible detail the structural trends present and begin to interpret mineralised zones for drill testing. Figure 1 below illustrates the known prospects but also the trends defined from our initial work that is seen to be highly prospective. These trends are the primary target of this survey and represents a step change for the Kookynie Gold Project and highlights the camp scale potential of the Project, much of which remains untested by modern exploration.

These trends were first identified from our field mapping and re-processing of the publicly available geophysical datasets provided by the Department of Mines, Industry Regulation and Safety through their WAMEX, Data and Software Centre, and GeoView systems. This drone supported aerial survey will allow for a much clearer and exceptionally more detailed mapping of the geology and structural hosting of potential mineralisation. This in turn, allows the Company to plan and execute efficient and well targeted exploration programmes maximising the possibility of discovery and eventual delineation of mineralisation.

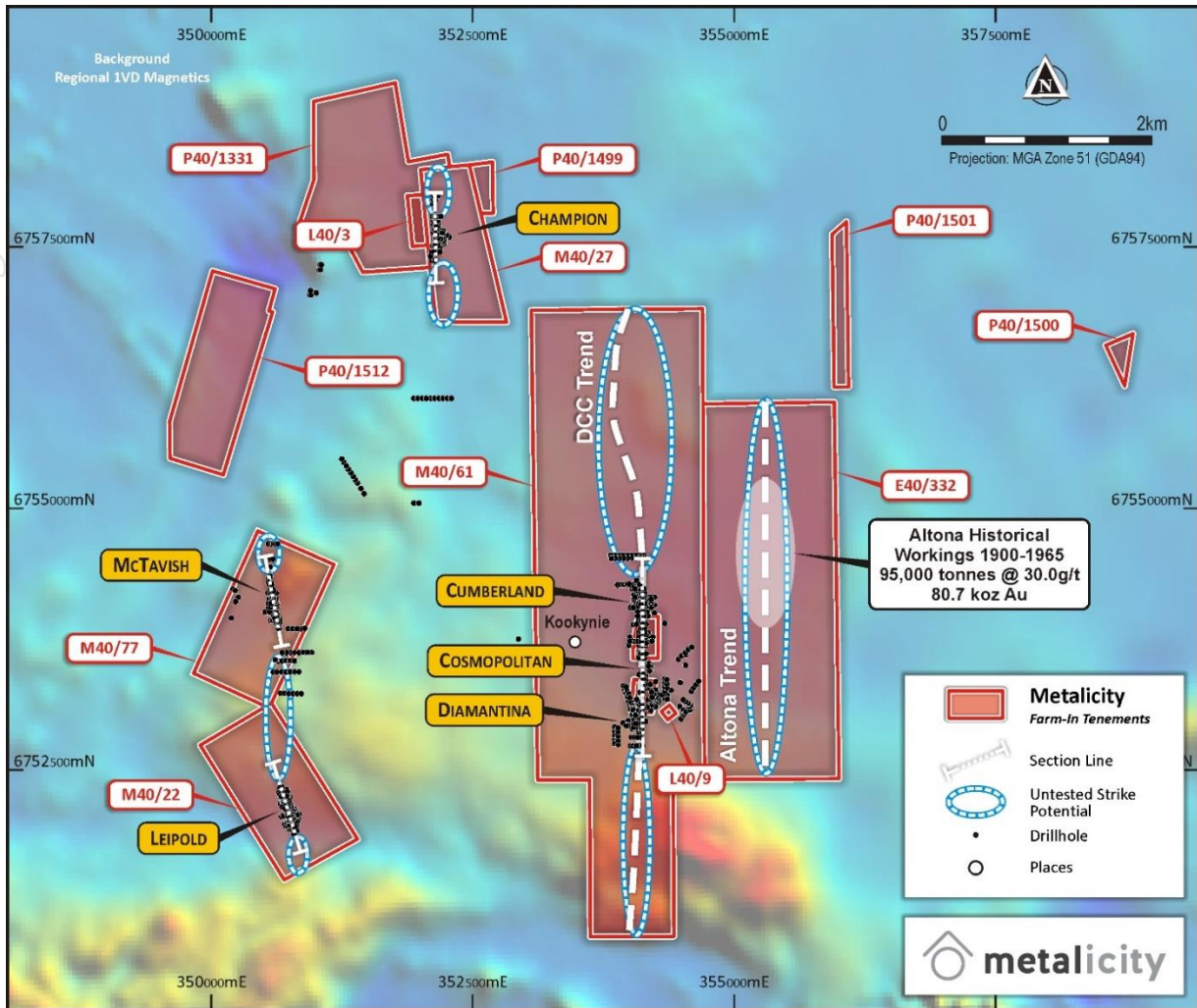


Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

ENQUIRIES

Jason Livingstone
 Managing Director & CEO
 +61 (0)8 6500 0202
jlivingstone@metallicity.com.au

Note

This Announcement is designed to also supplement for Nex Metals Exploration as it relates to our farm-in agreement as announced on the 6th May 2019 titled "Metallicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA".

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 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;
 - 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
 - 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.
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