

6 July 2020

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

Drilling to Recommence 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 recommencing drilling at the Kookynie Gold Project (Leipold Prospect). Metalicity Ltd plan a further 5,000 metres with potential to increase on the receipt of final 15 drill-hole assays from phase 1 drilling.

Please note the attached announcement forms part of this announcement and should be read in its entirety.

This announcement is approved by authority of Kenneth Allen, Managing Director.

Yours Faithfully



Kenneth M Allen

ASX RELEASE: 6 July 2020

Drilling to recommence at the High Grade Kookynie Gold Project

HIGHLIGHTS

- Drilling is set to re-commence at the high-grade Kookynie Gold Project in WA (which includes the historic Cosmopolitan mine which produced 360,000oz at a very high average head grade of 15 grams per tonne (g/t)).
- This follows outstanding results received to date from the June 2020 Phase 1 drilling programme, where 21 out of 29 drill holes returned so far have delivered material grade intercepts (15 drill holes still pending) including:
 - LPRC0012 – 4m @ 16.3g/t Au from 42 metres,
 - inc. 3m @ 20.7g/t Au from 42 metres¹
 - LPRC0015 – 9m @ 5.7g/t Au from 35 metres,
 - inc. 2m @ 17.9g/t Au from 40 metres¹
 - LPRC0013 – 4m @ 13/g/t Au from 33 metres¹
 - LPRC0032 – 10 metres @ 3.21 g/t Au from 26 metres²
 - LPRC0003 – 6 metres @ 9.4 g/t Au from 26metres,
 - inc. 2metres @ 19g/t Au from 26metres³
- Initial focus area of the new drilling programme will be at Leipold where the southernmost hole of the Phase 1 programme returned 10 metres at 3.21 g/t Au from 26 metres. This extends known mineralisation at Leipold to a total of 0.5kms. It is also in an area where 2.2kms of additional strike, north and south of Leipold, remain relatively untested.
- The new drilling programme, currently planned for an additional 5,000 metres, will likely be increased following receipt of the final 15 drill-hole assays from the Phase 1 programme and the receipt of the magnetic interpretations from the recently completed drone survey.
- All the Company's work to date is contributing towards being able to potentially convert the significant Exploration Target (refer below) to JORC 2012 compliant mineral resource estimates.
- Metalicity is well funded to execute this programme expeditiously.

¹Please refer to ASX Announcement "Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project" dated 25 June 2020

²Please refer to ASX Announcement "Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project" dated 2 July 2020

³Please refer to ASX Announcement titled "Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie" dated 21 January 2020.

Metalicity Limited (ASX: MCT) ("MCT" or "Company") is pleased to announce that, based on the results to date of the Phase One drilling programme, the Company is moving to recommence a significantly expanded drilling programme at the Kookynie Gold Project⁴ ("Kookynie"). The return of significant intercepts from the June 2020 Phase One drilling programme has continued to confirm mineralisation within and extensions of previously developed and drilled areas for the Leipold Prospect. The second phase is planned to commence in mid-July incorporating the results and targeting the extents of Leipold, with further drilling designed to target McTavish, Cosmopolitan, Champion and Altona.

⁴Please refer to ASX Announcement "Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA" dated 6 May 2019

The Kookynie Gold Project is located 60 kilometres south south-east from Leonora, Western Australia and is host to seven, significant prospects; Champion, McTavish, Leipold, Diamantina, Cosmopolitan and Cumberland. Diamantina, Cosmopolitan and Cumberland are known collectively as the DCC Trend (see Figure 1) and the Altona Trend. The historic Cosmopolitan mine which produced 360,000oz at a very high average head grade of 15 grams per tonne (g/t).

Metalicity has also defined a significant **“Exploration Target”** of between **294,000 ounces and 967,000 ounces** and is 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)

“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.

All the work to date by Metalicity and its partner Nex Metals has been designed to work towards producing JORC 2012 compliant Mineral Resource Estimates (which will potentially include previous JORC 2004 resources). The aim is also to establish a solid understanding of the mineralised extensions of all of the Prospects which are open in all directions.

Overall, the exploration upside for the Kookynie Gold Project outside of the known Prospects is phenomenal with 8 kilometres of strike extensions that have had relatively little to no work historically.

Commenting on the planned drilling, Metalicity Managing Director, Jason Livingstone said:

“The results to date from all our drilling programmes have been a delight to present. We have confirmed mineralisation and are addressing aspects of JORC 2012 compliancy, but most importantly, we continue to highlight that these prospects remain open in all directions through our step out drilling.”

“The Second Phase Drilling Programme is a major step forward for the Kookynie Gold Project. We intend to continue our work methodically and expeditiously to illustrate the potential of the Kookynie Gold Project. Through this expanded programme of approximately 5,000 metres of RC with a possible component of diamond drilling initially targeting the southern extents of Leipold after the incredible 10 metres @ 3.21 g/t Au from LPRC0032, we will move quickly to fold in the pending results from McTavish and the greater project from the drone magnetic survey. Whilst the Leipold Prospect has also returned fantastic, high grade results like 4 metres @16.3 g/t Au, 9 metres @ 5.7 g/t Au, 6 metres at 9.4 g/t Au etc. This result from the southernmost drill hole indicates we are far from the edge of mineralisation we are observing at Leipold, let alone along strike, but down dip.”

“Finally, the Company is well placed financially to execute this programme and potentially expand it further depending on the target generation exercises that may generate further targets from our drone magnetic survey. It is truly an exciting time as we apply our learnings through methodical exploration and development at the Kookynie Gold Project.”

Planned Drilling Programmes:

The planned programme at the Kookynie Gold Project (Figure 1) is designed to follow up on the phenomenal drill-hole results to date through further step out and infill drilling. The Phase Two expanded drilling programme will initially concentrate on the southern extents of Leipold (see Figure 2), but also include, pending drone magnetic survey results and further assays, the circa 2 kilometre gap between Leipold and McTavish, the extensions of McTavish, but also aspects at Champion, Cosmopolitan, and the Altona area. The tenement E40/289, immediately east and along strike from the Orient Well mine site was also surveyed using the drone. This data will be processed accordingly to generate drill targets which dependent on the interpretations, may form part of the expanded programme. However, the expanded programme will initially concentrate within the 8 kilometres of strike we have identified within the Kookynie Gold Project around the Leipold, McTavish, Champion, DCC and Altona Trends.

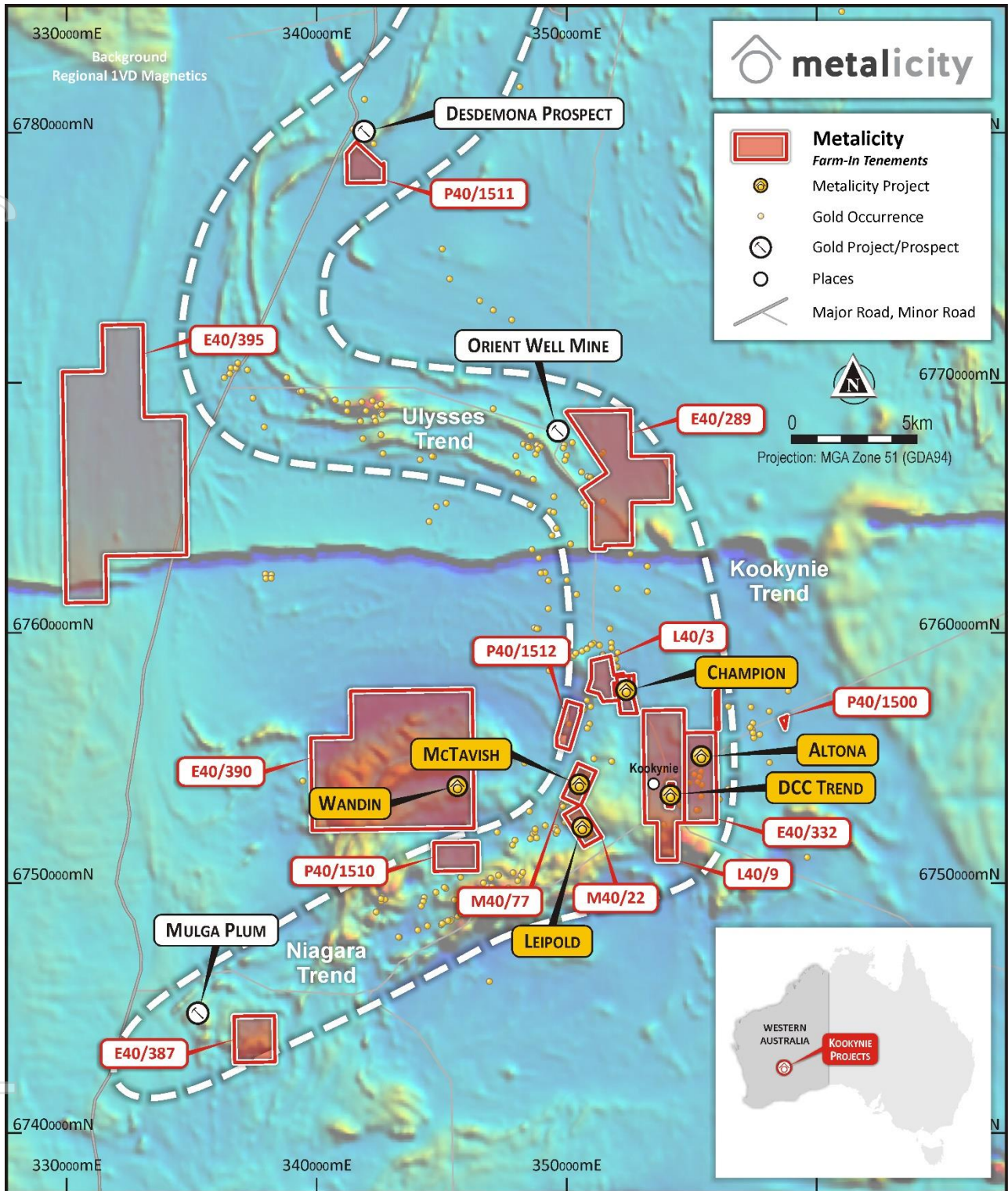


Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

The Leipold Prospect

The Company has previously confirmed and stepped out from the mineralisation, this expanded programme of up to 5,000 metres of RC will initially target the southern strike extent and dip aspects of the Leipold Prospect. The Company is continually updating aspects of the JORC 2004 Mineral Resource Estimate of 555kt @ 1.9 g/t for 33koz (please refer to ASX Announcement by NME dated 1 August 2011 "Update on activities") to potentially re-estimate and significantly refine the mineralisation model to JORC 2012 guidelines.

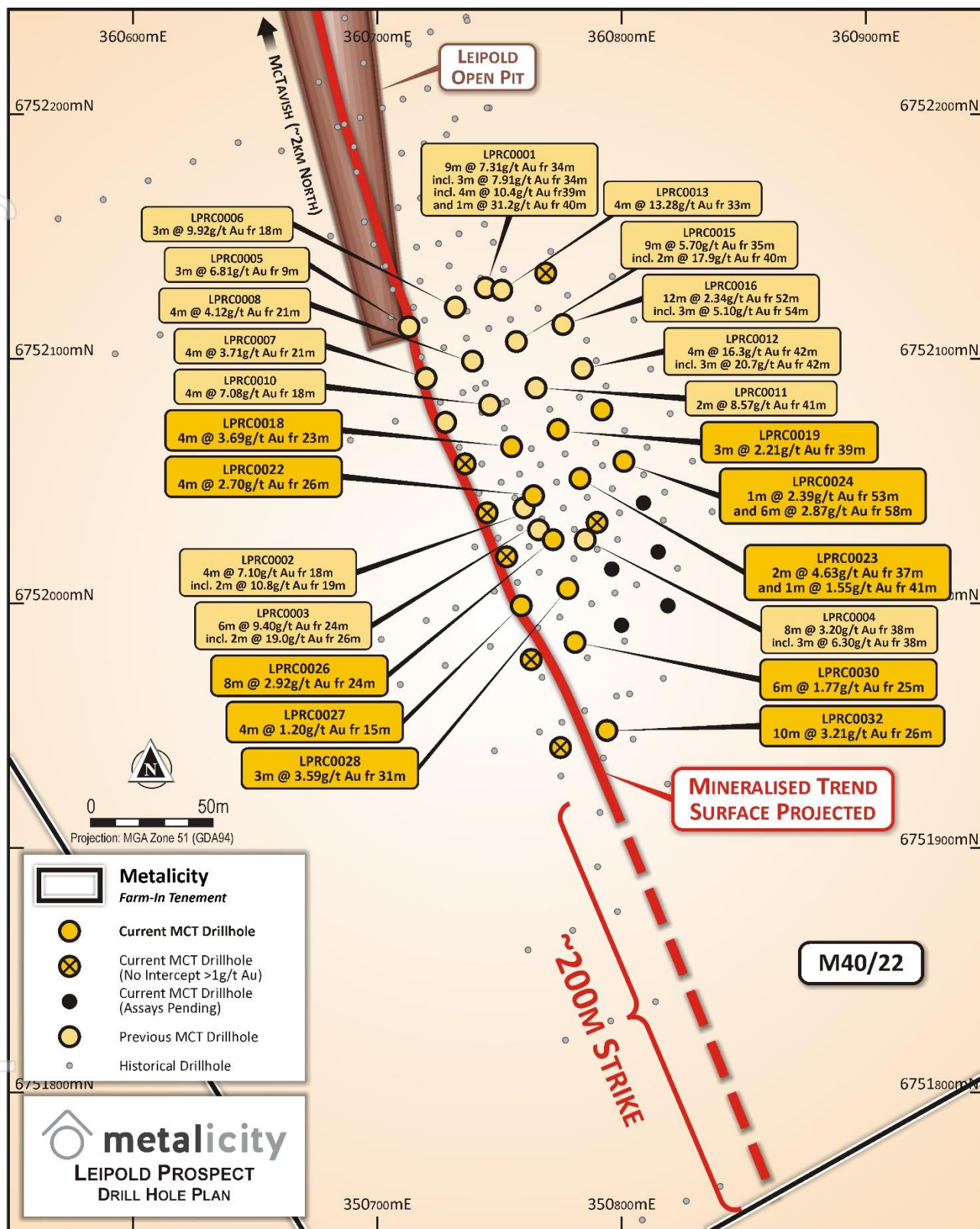


Figure 2 – Leipold Collar Plan with trend extension and recent drilling.

Summary:

Below is a table with all drill hole results since entering the farm-in agreement (please refer to ASX Announcement "Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA" dated 6 May 2019):

MGA 94 Zone 51 South																	
Prospect	Hole ID	Tenement	Hole Type	Easting	Northing	RL	EOH	Dip	Azi	From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments			
Leipold	LPRC0001	M40/22	RC	350,744	6,752,130	420	48	-60	250	34	43	9	7.31	9m @ 7.31 g/t Au from 34m			
								including	34	37	3	7.91	inc. 3m @ 7.91 g/t Au from 34m				
								including	39	43	3	10.4	inc. 3m @ 10.4 g/t Au from 39m				
								including	40	41	1	31.2	inc. 1m @ 31.2 g/t Au from 40m				
	LPRC0002			350,760	6,752,040	431	42	-60	250	18	22	4	7.1	4m @ 7.1 g/t Au from 18m			
								including	19	21	2	10.8	inc. 2m @ 10.8 g/t Au from 19m				
								-60	250	26	29	3	3.4	3m @ 3.4 g/t Au from 26m			
	LPRC0003			350,766	6,752,030	431	42	-60	250	24	30	6	9.4	6m @ 9.4 g/t Au from 24m			
								including	26	28	2	19	inc. 2m @ 19 g/t Au from 26m				
	LPRC0004			350,785	6,752,027	431	60	-60	250	38	46	8	3.2	8m @ 3.2 g/t Au from 38m			
								including	38	41	3	6.3	inc. 3m @ 6.3 g/t Au from 38m				
	LPRC0005			350,713	6,752,113	430	30	-60	250	9	12	3	6.81	3m @ 6.81g/t Au from 9 metres			
	LPRC0006			350,732	6,752,121	430	36	-60	250	18	21	3	9.92	3m @ 9.92g/t Au from 18 metres			
										26	27	1	2.7	1m @ 2.7g/t Au from 26 metres			
	LPRC0007			350,720	6,752,092	430	30	-60	250	15	19	4	3.71	4m @ 3.71g/t Au from 15 metres			
	LPRC0008			350,739	6,752,099	430	36	-60	250	21	25	4	4.12	4m @ 4.12g/t Au from 21 metres			
	LPRC0009			350,728	6,752,074	430	30	-60	250	No intercept >1g/t Au							
	LPRC0010			350,746	6,752,081	430	36	-60	250	18	22	4	7.08	4m @ 7.08g/t Au from 18 metres			
										32	33	1	1.98	1m @ 1.98g/t Au from 32 metres			
										41	43	2	8.57	2m @ 8.57g/t Au from 41 metres			
	LPRC0011			350,765	6,752,088	430	54	-60	250	31	32	1	1.26	1m @ 1.26g/t Au from 31 metres			
										42	46	4	16.3	4m @ 16.3g/t Au from 42 metres			
										Including		42	45	3	20.7	inc. 3m @ 20.7g/t Au from 42 metres	
	LPRC0012			350,784	6,752,096	430	78	-60	250	31	32	1	1.26	1m @ 1.26g/t Au from 31 metres			
	LPRC0013			350,751	6,752,128	430	54	-60	250	33	37	4	13.28	4m @ 13.28g/t Au from 33 metres			
										30	31	1	2.69	1m @ 2.69g/t Au from 30 metres			
										35	44	9	5.7	9m @ 5.7g/t Au from 35 metres			
	LPRC0015			350,757	6,752,107	430	60	-60	250	Including		40	42	2	17.9	inc. 2m @ 17.9g/t Au from 40 metres	
										46	47	1	1.26	1m @ 1.26g/t Au from 46 metres			
										49	50	1	4.48	1m @ 4.48g/t Au from 49 metres			
										52	64	12	2.34	12m @ 2.34g/t Au from 52 metres			
	LPRC0016			350,776	6,752,114	430	84	-60	250	54	57	3	5.1	inc. 3m @ 5.1g/t Au from 54 metres			
										No intercept >1g/t Au							
No intercept >1g/t Au																	
No intercept >1g/t Au																	
LPRC0014	350,769	6,752,135	430	75	250	250	No intercept >1g/t Au										
LPRC0017	350,736	6,752,057	430	30	250	250	No intercept >1g/t Au										
LPRC0018	350,755	6,752,064	430	42	250	250	23	27	4	3.69	4 m @ 3.69 g/t Au from 23m						
LPRC0019	350,774	6,752,071	430	54	250	250	39	42	3	2.21	3 m @ 2.21 g/t Au from 39m						
LPRC0020	350,792	6,752,079	430	72	250	250	57	60	3	-	Void - Historical Workings Intersected						
LPRC0021	350,745	6,752,037	430	30	250	250	No intercept >1g/t Au										
LPRC0022	350,764	6,752,044	430	42	250	250	26	30	4	2.7	4 m @ 2.7 g/t Au from 26m						
							37	39	2	4.63	2 m @ 4.63 g/t Au from 37m						
							41	42	1	1.55	1 m @ 1.55 g/t Au from 41m						
LPRC0023	350782.5348	6752051.181	430	60	250	250	53	54	1	2.39	1 m @ 2.39 g/t Au from 53m						
							58	64	6	2.87	6 m @ 2.87 g/t Au from 58m						
LPRC0024	350801.1609	6752058.466	430	78	250	250	No intercept >1g/t Au										
LPRC0025	350,753	6,752,019	430	30	250	250	No intercept >1g/t Au										
LPRC0026	350,772	6,752,026	430	40	250	250	24	32	8	2.92	8 m @ 2.92 g/t Au from 24m						
LPRC0027	350,759	6,751,999	430	36	250	250	15	19	4	1.2	4 m @ 1.2 g/t Au from 15m						
LPRC0028	350,778	6,752,006	430	42	250	250	31	34	3	4.59	3 m @ 4.59 g/t Au from 31m						
LPRC0029	350,763	6,751,977	430	30	250	250	No intercept >1g/t Au										
LPRC0030	350,781	6,751,984	430	40	250	250	25	31	6	1.77	6 m @ 1.77 g/t Au from 25m						
LPRC0031	350,775	6,751,941	430	30	250	250	No intercept >1g/t Au										
LPRC0032	350,794	6,751,948	430	48	250	250	26	36	10	3.21	10 m @ 3.21 g/t Au from 26m						
LPRC0033	350,790	6,752,033	430	60	250	250	No intercept >1g/t Au										

Continued over page.

MGA 94 Zone 51 South														
Prospect	Hole ID	Tenement	Hole Type	Easting	Northing	RL	EOH	Dip	Azi	From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments
McTavish	McTRC0001	M40/77	RC	350,647	6,754,118	423	112	-60	270	67	71	4	6.4	4m @ 6.4 g/t Au from 67m
	McTRC0002			350,647	6,754,098	424	84	-60	270	67	68	1	15.47	inc. 1m @ 15.47 g/t Au from 67m
	McTRC0003			350,576	6,754,153	423	30	-60	270	14	15	1	1.9	3m @ 1.41 g/t Au from 73m
	McTRC0004			350,596	6,754,153	423	48	-60	270	33	35	2	2.2	1m @ 1.9 g/t Au from 14m
	McTRC0005			350,618	6,754,083	424	66	-60	270	48	53	5	17.9	2m @ 2.2 g/t Au from 33m
Champion	CPRC0001	M40/27	RC	352,224	6,757,503	417	112	-60	270	Stope fill intersected - structure present but mined out.				
	CPRC0002			352,265	6,757,582	416	138	-60	250	127	128	1	1.35	5m @ 17.9 g/t Au from 48m
	CPRC0003			352,158	6,757,586	417	48	-60	270	31	33	2	1.8	1m @ 1.41 g/t Au from 73m
	CPRC0004			352,149	6,757,566	417	30	-60	270	28	30	2	25.2	3m @ 1.9 g/t Au from 14m
	CPRC0005			352,167	6,757,631	417	42	-60	270	28	29	1	42.04	2m @ 2.2 g/t Au from 33m
DCC Trend	CDRCDD0001	M40/61	RC/DD Tail	354,377	6,753,209	427	186.33	-60	270	167	168	0.72	3.1	1m @ 1.9 g/t Au from 14m
										173.07	173	0.21	8.8	2m @ 2.2 g/t Au from 33m
										174.85	176	1.15	1.5	1m @ 1.41 g/t Au from 73m
	CLRC0001	M40/61	RC	354,153	6,754,058	429	136	-60	270	72	74	2	1.4	0.72m @ 3.1 g/t Au from 167m
	CDDD0001	E40/332	DD	354728	6753398	432	529.5	-60	270	Structure diluted by Proterozoic Dolerite Dyke				
	CDRC0001	M40/61	RC	354284	6753513	430	148	-60	270	76	78	2	22.1	0.21m @ 8.8 g/t Au from 173.07m

Table 1 – All Drillhole results since July 2019*.

*Please refer to announcements:

ASX Announcement “Metalicity Confirms Mineralisation” dated 31 July 2019,

ASX Announcement “Metalicity Confirms Additional Gold Mineralisation at Kookynie” dated 2 October 2019,

ASX Announcement “Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie” dated 21 January 2020.

Based on the results obtained from the drilling programmes to date, the Company will continue with the same methodical, results driven approach to the exploration of the Prospects we have performed before.

The objective is to efficiently explore the large high-grade mineralised systems that the Company’s initial work identified. The Second Phase of this expanded exploration programme will be concentrated initially on the Leipold and McTavish Prospects, with the DCC, Champion and Altona being assessed in due course through this Phase Two Drilling Programme

ENQUIRIES

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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 “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA”.

Competent Person’s Statements

Please refer to the ASX Announcements listed in the body of the announcement for the relevant competent person’s statements.

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.