

9 December 2020

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

Further 86 Drill Holes for 7,464m Completed at 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 6 May 2019) with respect to a further 86 Drill Holes for 7,464m with assay results pending.

Metalicity has completed a further 86 drill holes for 7,464m;

- Altona – 24 RC holes for 2,394 metres.
- Cosmopolitan North – 21 RC holes for 1,908 metres.
- Orient Well East – 15 RC holes for 1,206 metres.
- Leopold North – 26 RC holes for 1,956 metres.

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

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

Yours Faithfully



Kenneth M Allen

ASX RELEASE: 9 December 2020

Drilling Progressing Strongly, Assays Pending for 86 Holes

Key Highlights:

- Since early October, Metalicity has completed 86 drill holes for 7,464m at the Kookynie Gold Project with assays pending for all holes
- Drilling has been systematically targeting high priority prospects within the extensive 25+ targets generated at Kookynie, with a focus on near historic mine mineralisation as follows:
 - Altona – 24 RC holes for 2,394 metres.
 - The historic Altona Mining Centre produced 88,700 ounces between 1900 to 1965 at an average head grade of 30 g/t Au (circa 1.5kms from the Cosmopolitan Gold mine).
 - Cosmopolitan North – 21 RC holes for 1,908 metres.
 - Cosmopolitan North sits ~2kms north from the historic Cosmopolitan Gold Mine that produced 360,000 ounces between 1896 to 1922 at an average head grade of 15 g/t Au.
 - Orient Well East – 15 RC holes for 1,206 metres.
 - Adjacent and along strike to Genesis Minerals Ulysses/Orient Well Mineral Resource of 7.1Mt @ 3.3 g/t gold for 760,000 ounces of contained gold².
 - Leipold North – 26 RC holes for 1,956 metres.
 - Testing extensions to north of the highly successful drilling campaign at Leipold which confirmed shallow high-grade mineralisation over a strike length of 700 metres.
- Productivity with the existing rig has increased 30% by increasing the drilling days with additional staff, which has mitigated the limited drill rig availability that has hampered the Company's ability to secure a second rig before the year end.
- Drilling for 2020 is set to finish the week of the 21st December, with drilling set to resume in mid-January 2021.

¹Please refer to ASX Announcement "Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA" dated 6th May 2019 with Nex Metals Explorations Ltd, ASX:NME.

²Please refer to Genesis Minerals Website <https://genesisminerals.com.au/ulysses-gold-project>

Cautionary Statement Relating to Cosmopolitan & Altona Historical Production Data

The Production details for the Altona and Cosmopolitan Mines are referenced from publicly available data sources. The source and date of the production data reported has been referenced in the body of this announcement where production data has been reported. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the historical production data. An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

Metalicity Limited (ASX: MCT) ("Metalicity" or "Company") provides a market update on our current Drilling Programme at the Kookynie Gold Project¹ in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

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

"The exploration boom that Western Australia is facing is fantastic for the industry but is hindering drill rig scheduling and assay turnaround times. Whilst we would have liked some assays returned by now, we should see a steady stream of results for the next few months as we have stepped-up drilling efforts."

"We have a plethora of quality targets within the Kookynie Gold Project, and we are making inroads into consolidating the province with the recent acquisition of the Mulga Plum and Batavia areas that complements our already highly prospective tenure. Our methodical approach to exploration has been the cornerstone of our strategy for the Kookynie Gold Project. That aspect has not changed."

"We will continue our methodical approach on this Project and are excited to be developing, in what is emerging to be, a premier district in the Eastern Goldfields. 2020 has certainly provided a fantastic foundation for us to launch into 2021."

Assay & Drilling Discussion

The Kookynie Project is host to eight, significant prospects; Champion, McTavish, Leipold, the DCC Trend, Altona, Orient Well East, Wandin and Mulga Plum. The map below details the prospect locations relative to the tenure:

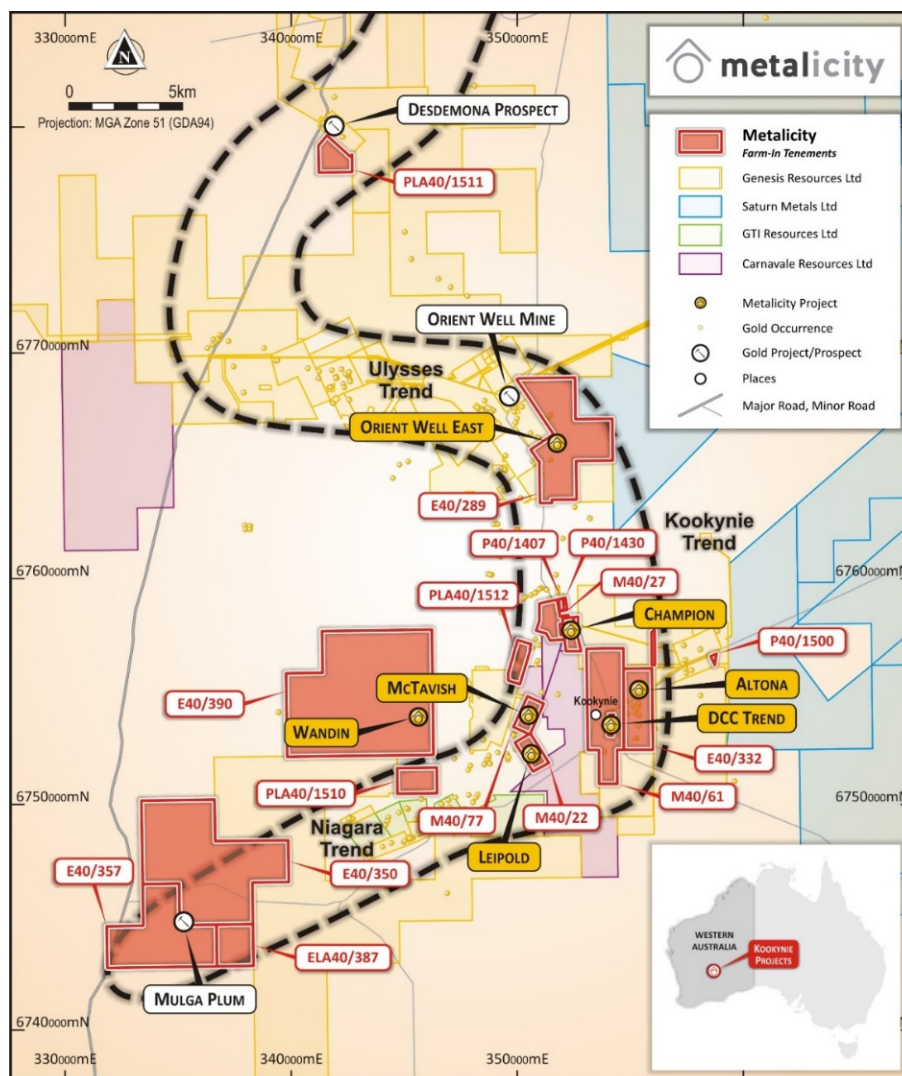


Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

In summary, since this phase of drilling has commenced in early October 2020, the Company has completed:

Prospect	Drill Type	No. of Holes	Total Metres
Altona	RC	24	2,394
Cosmopolitan North	RC	21	1,908
Leipold North	RC	26	1,956
Orient Well East	RC	15	1,206
Total		86	7,464

Table 1 – Kookynie Prospect Drilling Summary of Results Pending.

Below are details on key observations to date, at the Prospects we have performed drilling in, to further assess their gold endowment:

Altona Programme

The drilling programme completed at Altona was designed to follow up and step out from known existing workings to evaluate the presence of remnant mineralisation. Mapping and geophysical interpretations were completed to evaluate this prospect, and a 24-hole programme for 2,394 metre has been executed. Please refer to Figure 2 below:

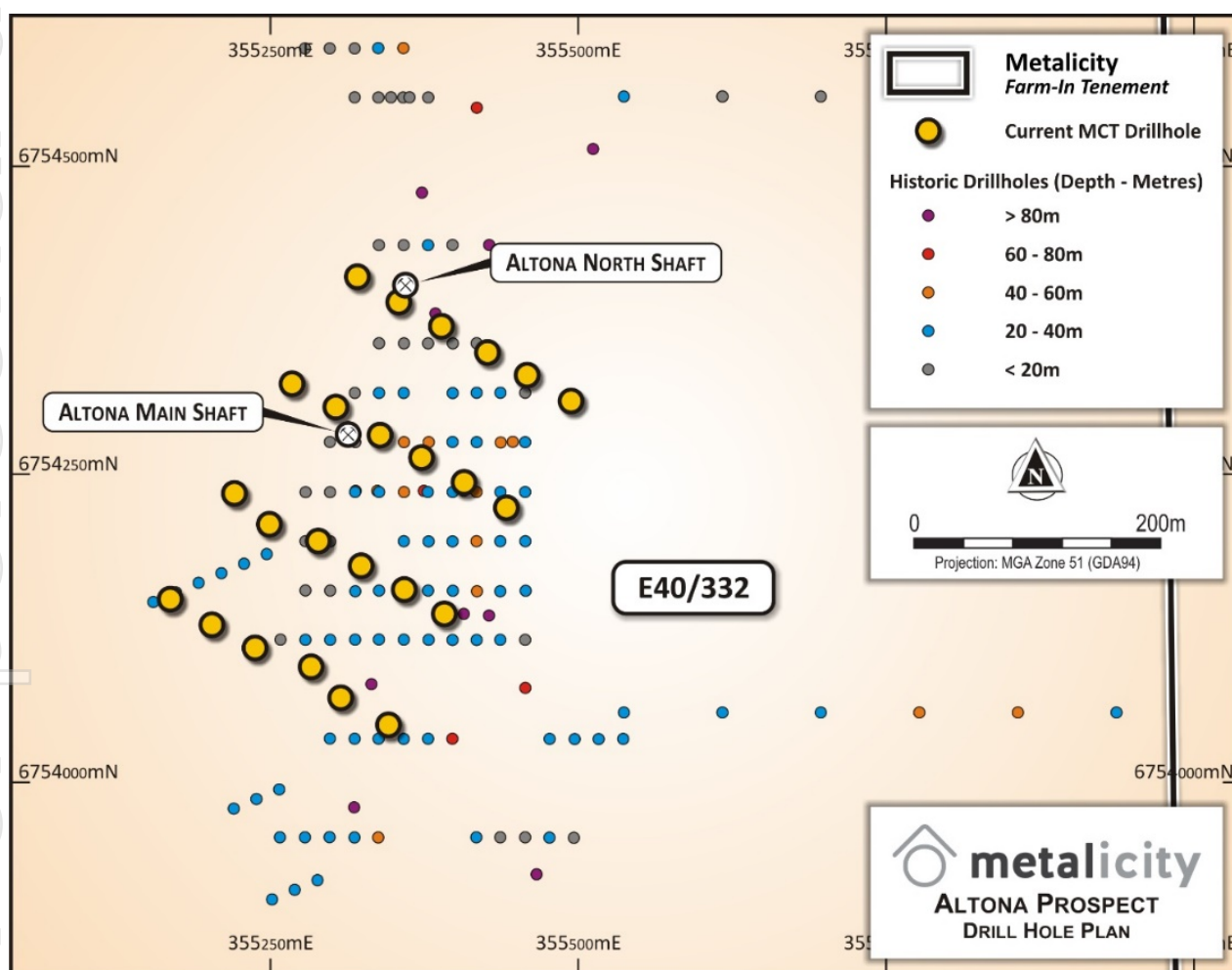


Figure 2 –The Altona Trend with completed collar points.

Assays are still pending from these holes and are likely to be the first reported when final results are received.

As previously reported, the Altona structure has been intersected in the drilling to date in ALTRC0012.



Photograph 1 – ALTRC0012, drill hole at the Altona Prospect (collar coordinate - MGA94 Zone 51 South - 355393E, 6754136N. Drill hole dip is -60° towards magnetic azimuth 300°).

The drill hole was orientated slightly oblique to the main north south structure, so represents a skewed thickness, that is showing a thickness that is wider than true thickness. However, intersecting the Altona Structure is highly encouraging and the Company looks forward to presenting the results in due course.

Leipold North

Based on the ultra-high-resolution drone magnetic survey that highlighted some significant and analogous anomalies, 26 RC holes have been completed for a total of 1,956 metres. These anomalies have very similar signatures to their respective known mineralised counterparts and represent an incredible opportunity for exploration success.

At the Leipold North target (please refer to Figure three), the Company interprets this to be the offset extension to the main Leipold drilling that has returned spectacular, near surface and high-grade drilling results including:

- LPRC0077 – 4 metres @ 26.91 g/t Au from 65 metres,
 - inc. 1 metre @ 100.77 g/t Au from 67 metres,
- LPRC0049 – 10 metres @ 7.44 g/t Au from 108 metres,
 - inc. 2 metres @ 21.03 g/t Au from 111 metres
- LPRC0049 – 2 metres @ 35.23 g/t Au from 124 metres,
- LPRC0053 – 4 metres @ 17.29 g/t Au from 103 metres,
 - inc. 2 metres @ 28.79 g/t Au from 104 metres.

*Please refer to ASX Announcements: “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 August 2020, “Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project” dated 15 September 2020 & “Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project” dated 1 October 2020.

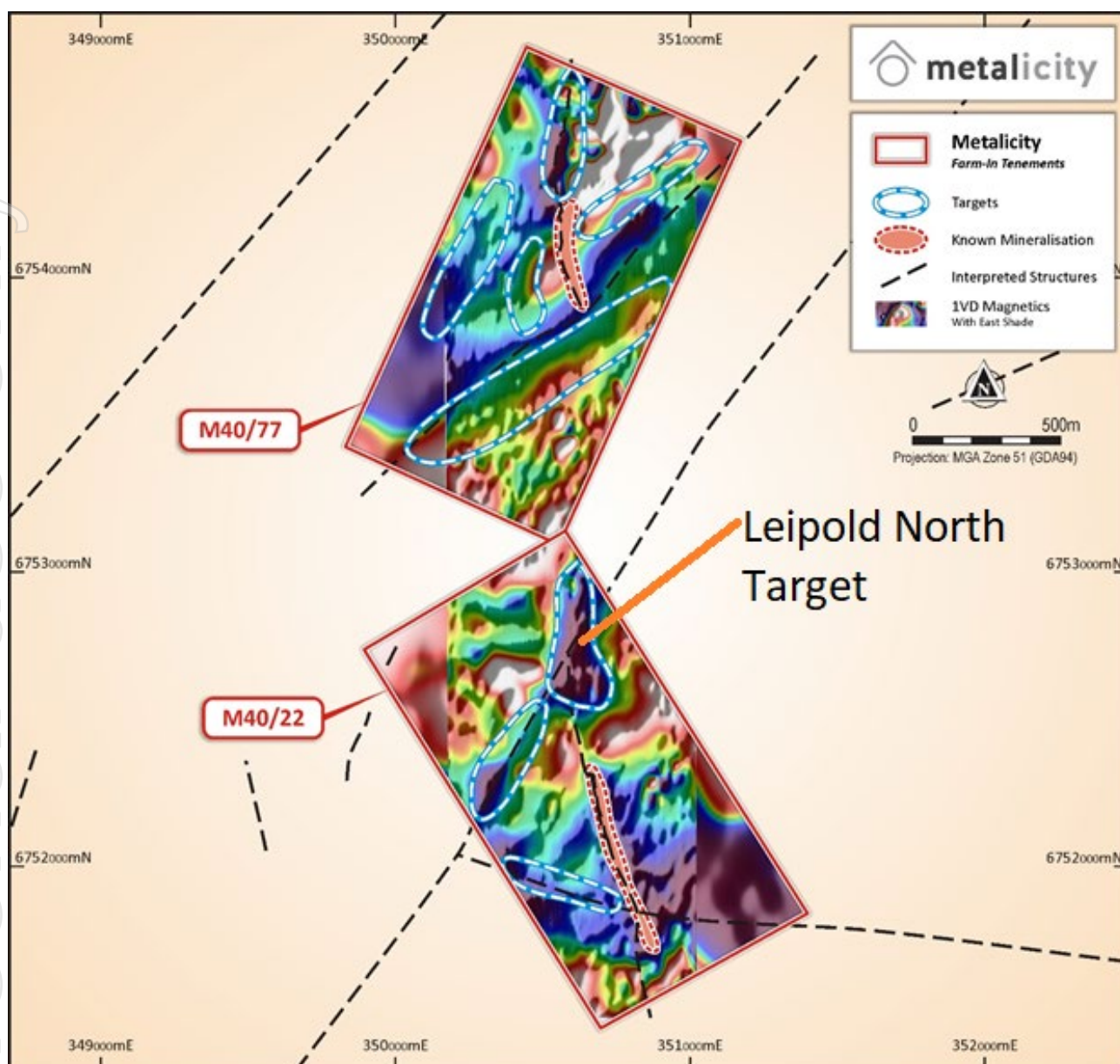


Figure 3 – Leipold – McTavish Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

Drilling to date has intersected iron-stained quartz veining of similar nature to that hosting the observed Leipold mineralisation. The lateral extents of this veining have not been ascertained; however, the veining is coincidental with a similar geophysical signature to the main Leipold Prospect, validating our structural interpretation to the potential of being the offset strike extents of the main Leipold structure. Assays are pending.

Cosmopolitan North Targets

The Cosmopolitan North target appears to be a strike extension and possible repeat of the prolific Cosmopolitan Gold Mine (please refer to Figure four) that has historically produced 360,000 ounces at an average head grade of 15 g/t Au.

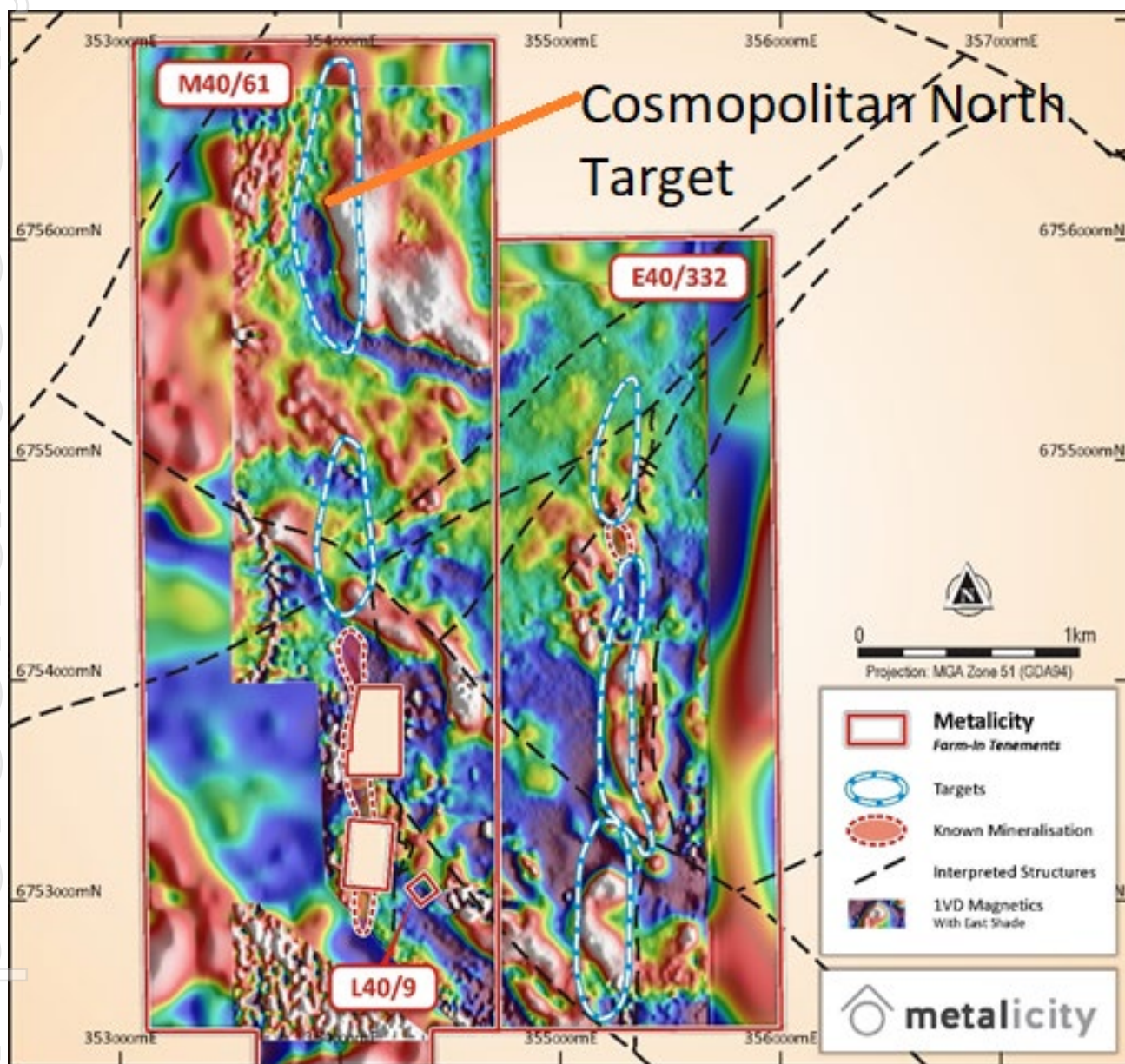


Figure 4 – The DCC & Altona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

The Cosmopolitan North Target has had 3 east-west reconnaissance lines of drilling (21 holes for 1,908 metres) performed over this target. Host rocks encountered are similar to the host lithologies observed at the Cosmopolitan Gold Mine with minor alteration noted. Results are pending for this programme but confirmation that the area hosts similar lithologies bodes well for prospectivity and will assist in further drill targeting.

Orient Well East Targets

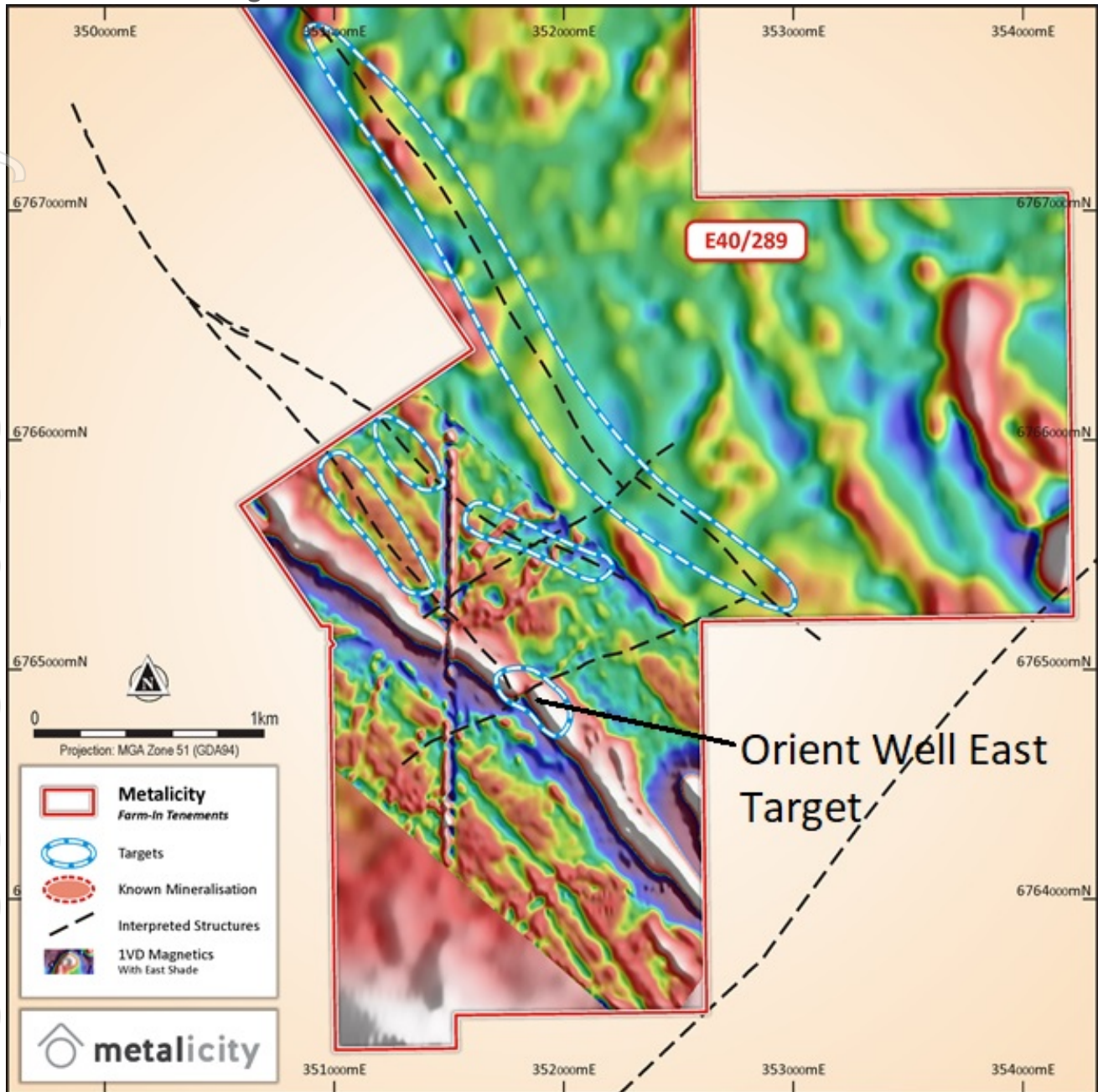


Figure 5 – The Orient Well East Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

The Orient Well East target is directly along strike from the Historical Orient Well Mine and, so far, 15 holes for 1,206 metres have been completed. The drilling is designed to test the structural disruptions highlighted in the aerial drone survey completed. To date, the general observations are that the area is dominated by a sequence of highly magnetic basalts, moving into a de-magnetised basalt juxtaposed against volcanoclastics. Of note is extensive alteration and sulphide mineralogy demonstrating that a mineralised fluid has passed through this area. Furthermore, quartz carbonate veins coincident with the contact between the altered and de-magnetised basalt and volcanoclastics bodes incredibly well for analogous mineralisation to the historic Orient Well Mine.

Plan Moving Forward

The priority for the Company is to clear the back log of samples at the laboratory and report the results, however, we do need to complete our QC checks to ensure that the results are fair and reflective of the observed geology.

The plan for the remaining time in 2020 is to finalise the drilling at Orient Well East and complete 3 drill holes at Leipold within the historically drilled areas to:

- a) confirm historical drilling, and
- b) provide samples for pilot metallurgical test work of transitional and fresh mineralisation within an area that would most likely be the start of any potential mining operation in this Prospect.

Then finally, as the rig departs the area for the year, and timing dependent, follow up on the recent drilling at Mulga Plum.

2020 has been an incredibly busy year for the Company. The bulk of the 2020 programmes have been completed, with assays pending on the most recent work. With this information derived and appropriately interrogated, the exploration and development schedule for 2021 has been developed (pending recent results to confirm interpretations and appropriate scheduling of follow up work). We will update the market accordingly to the plans and how they will be executed in due course.

This Announcement is approved by Jason Livingstone, Managing Director & CEO of Metalicity Limited.

ENQUIRIES

Investors

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Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

Competent Person Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears.

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*".

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.