

ASX RELEASE: 29 September 2023

Nex Metals and Metalicity settle all matters.

Nex Metals Explorations Ltd (ASX:NME) (“NME”) is pleased to announce that a terms sheet (“Terms Sheet”) has been entered into with Metalicity Limited (“MCT”) regarding the Kookynie and Yundamindra Joint Venture (“JV”) and the settlement of all disputes between the parties (“Disputes”).

The effect of the Terms Sheet in respect of the JV is that on completion, MCT will cease to be a shareholder of NME (subject to shareholder approval), MCT will increase its hold to 80% interest in the JV with NME retaining the remaining 20%, with both parties to contribute to expenditure in accordance with their respective interests, and NME will acquire certain prospecting licences as to 100% and retain the tailing rights under formal terms.

In respect of the Disputes, being the Supreme Court action CIV 1582 of 2022 and all other matters in dispute between the parties, it has been agreed that on completion of the matters set out in the Terms Sheet, NME and MCT:

- (a) agree and acknowledge that any claim that they may have against the other party (and their related parties) in relation to the Disputes will have been settled in full; and
- (b) unconditionally and irrevocably releases and discharges the other party (and their related parties) from all future obligations and claims under, in relation to or in connection with the Disputes.

Terms Sheet

Under the Terms Sheet, in consideration for:

- (a) the parties settling all disputes relating to the JV, the Supreme Court action CIV 1582 of 2022 and all other matters in dispute between the parties;
- (b) MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME (~91m) and forgiving all outstanding cash calls owed by NME under the JV; and
- (c) NME forgiving all legal costs owed to it by MCT under all actions between MCT (its subsidiaries), NME and other third parties as at the date of completion of the settlement,

MCT has agreed to:

- (a) acquire and NME has agreed to transfer to MCT a 29% interest in the JV; and
- (b) sell and transfer to NME its interest in Prospecting Licences P40/1500, P40/1510, P40/1511 and P40/1499 (to the extent they are not already 100% held by NME); and in the tailings materials located within the stockpiles at the Kookynie tenements.

The Terms Sheet is conditional on the following matters:

- (a) Approvals: each of NME and MCT having obtained all authorisations of any governmental or administrative agency or commission, which are necessary to implement the transactions contemplated by the Terms Sheet and the Formal Agreement;
- (b) Formal Agreement: NME and MCT entering into a formal agreement to more specifically detail the matters agreed and set out in the Terms Sheet;
- (c) Share Cancellation: NME obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME;
- (d) Amendment of JV Agreement: the parties amending the JV Agreement, including for, but not limited to, the following matters:
 - (i) the Joint Venture Commencement Date being confirmed as 20 May 2021;

- (ii) first rights of refusal to be given to each party for any proposed disposal, forfeit or relinquishment of any JV interest;
- (iii) the dilution clause being amended to reflect an industry standard dilution clause; and
- (iv) removing the area of influence clause in its entirety; and
- (e) Tailings Agreement: the parties entering into a tailings agreement which provides for NME to have unfettered access to the tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, for MCT to retain the priority right to explore the area where the tailings are located as reasonably required and upon giving NME 2 months' notice of its intention to explore or, if appropriate, for NME at its election to remove the tailings to a new location to be agreed, with all parties acting reasonably.

The Board considers that entering into the Term Sheet is in the best interests of NME and provides a pathway for NME and MCT to focus their efforts on achieving the objectives under the JV and in their own rights.

This announcement has been authorised for release by the Board.

Forward Looking Statements

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of Nex Metals, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Nex Metals that could cause Nex Metals actual results to differ materially from the results expressed or anticipated in these statements. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained on this announcement will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Nex Metals does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained on this announcement, except where required by applicable law and stock exchange listing requirements.