

20 December 2023

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

Nex Metals and Metalicity Execute Formal Agreements

Nex Metals Exploration Ltd (“NEX”) is pleased to announce that it has executed formal agreements (“Formal Agreements”) with Metalicity Limited (ASX:MCT) (“MCT”) regarding the Kookynie and Yundamindra Joint Venture (“JV”) and the settlement of all disputes between the parties (“Disputes”).

As previously announced by Nex and Metalicity, on completion of the matters set out in the agreements, MCT will hold an 80% interest in the JV (currently 51%) with NEX retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NEX will acquire 100% of certain non-core prospecting licences along with the tailing rights.

The signing of the Formal Agreements between the two parties completes the first stage of matters set out in the Term Sheet, which broadly includes execution of the following:

- Settlement Agreement – being agreement of specific details of matters agreed and set out in the Term Sheet, including settlement of disputes between the two parties;
- Amendment of JV Agreement – being amendment of matters including, but not limited to:
 - Amendment of dilution clause to reflect an industry standard;
 - First right of refusal given to each party;
 - Confirmation of JV commencement date of 20 May 2019; and
 - Removal of area of influence.
- Mineral Rights Agreement - providing NEX with the sole right to the Kookynie Tailings, including the right to treat and process the tailings and be liable for environmental and rehabilitation obligations in respect of the tailings, and for MCT to retain the priority right to explore the area where the tailings are located as reasonably required.

Following execution of these Formal Agreements, both parties are now focused on completion of the remaining conditions, being:

- (a) Approvals: each of NEX 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. These approvals are of a standard nature; and
- (b) Share Cancellation: NEX obtaining shareholder approval for and MCT cancelling 100% of the fully paid ordinary shares that MCT owns in NME.

The notice of meeting for the shareholder approval to cancel 100% of the fully paid ordinary shares that MCT owns in NME will be sent to the NEX shareholders as soon as possible after the independent expert’s report being commissioned by NEX is received, with the meeting anticipated to be held in February 2024.

This announcement is authorised by Kenneth M Allen.