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The Australian Securities Exchange
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Further Impressive Drill Hole Results 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 further Drill Hole results at Altona and Leipold Projects.

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: 22 December 2020

Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project

HIGHLIGHTS

- **Assays from the circa 2-kilometre-long Altona Prospect at the Kookynie Gold Project have delivered excellent near surface results, including:**
  - **ALTRC0015 – 4 metres @ 2.63 g/t Au from 29 metres; and**
    – 1 metre @ 14.82 g/t Au from 57 metres
    Notably, repeat assays on this sample returned the first value of 14.82 g/t Au: however subsequent duplicate samples returned values of 5.56 g/t Au, 60.34 g/t Au and 3.52 g/t Au indicating significant statistical variability within the mineralisation related to the "nugget effect",
  - **ALTRC0016 – 4 metres @ 2.8 g/t Au from 49 metres,**
  - **ALTRC0010 – 6 metres @ 2.03 g/t Au from 34 metres; and**
    – 1 metre @ 8.36 g/t Au from 89 metres,
  - **ALTRC0012 – 1 metre @ 6.86 g/t Au from 102 metres,**
  - **ALTRC0023 – 3 metres @ 1.77 g/t Au from 67 metres; and**
    – 1 metre @ 4.81 g/t Au from 86 metres,
- **Drilling results confirm that high grade mineralisation continues along strike and at depth to the historic Altona Mining Centre that 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).**
- **The Company has also completed 3 drill holes at the Leipold Prospect during this phase of drilling to confirm mineralisation and provide sample material for pilot metallurgical test work:**
  - **LPRC0094 - 10 metres @ 2.28 g/t Au from 29 metres,**
    - **inc. 1 metre @ 10.94 g/t from 34 metres,**
  - **LPRC0095 - 13 metres @ 2.77 g/t Au from 23 metres,**
    - **inc. 1 metre @ 16.86 g/t Au from 34 metres,**
  - **LPRC0096 – assays pending.**
- **Assays are still pending across the wider Kookynie project for a further 87 holes.**

Metalicity Limited (ASX: MCT) ("MCT" or "Company") is pleased to announce the return of new assays from the Drilling Programme at the Kookynie Gold Project[1] in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

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

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 operator 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.

The Company has received assays for a further 24 drill holes from the Altona Prospect and 2 of the 3 drill holes executed for metallurgical test work at the Leipold Prospect within the expanded drilling programme at the Kookynie Gold Project. So far, the drilling has confirmed significant high-grade gold mineralisation at the Altona Prospect and that mineralisation at this Prospect continues at depth and along strike from the prolific historical workings.

Altona is circa 1.5 kms to the east of the prolific Cosmopolitan Gold Mine that between 1896 and 1922 produced circa 360,000 ounces at an average head grade of 15 g/t Au. Coupled with these results, 3 drill holes into the previously drilled area at Leipold were also performed with the aim of obtaining sample for pilot metallurgical test work and to confirm historical intercepts.

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

"The intercepts returned from Altona are very encouraging. The variability observed in our assays is not uncommon in such high-grade areas given the nuggety gold seen here. The historical production averaged 30 g/t Au over the life of this mine and qualifying this grade in drilling is challenging as can be seen from the duplicate and sample analysis we have performed. Nevertheless, the tenure of the grades returned is incredibly encouraging and Altona looks to be a potential sister to the prolific Cosmopolitan God Mine some 1.5 kilometres west of Altona."

"The three drill holes drilled into Leipold were performed earlier in the programme to confirm historical drilling results and provide sample for us to start to look at the metallurgical attributes of Leipold. Whilst the intercepts appear to be lower in grade, this is exactly what we wanted and shows that our model is robust in predicting grade. The premise is to provide sample for bench scale test work on what we see to be the lower grading portions of Leipold, and what treatment options may be available as we head into the resource estimation and feasibility aspects of the Project. As we work with our farm in partner who is currently undertaking a pilot tailings retreatment exercise, exploring aspects of potentially adding components to their processing train may reveal benefits for pilot scale treatment of parcels from Leipold. These are early stages, but we look forward to articulating what could be done at the Kookynie Gold Project in 2021."

"We still have 21 drill holes from Cosmopolitan North, 15 drill holes from Orient Well East, 26 drill holes from Leipold North pending analysis, and subsequent to the announcement on the 9th December, have completed a further 7 off set holes at Altona, a further 10 holes at McTavish, a further 7 holes at Orient Well East and a single water bore into the old Cumberland Shaft. In total we have a further 87 holes pending assays. As frustrating as it is having such a volume of assays pending, we expect to have this back log cleared by the time we resume drilling in mid to late January 2021."

"As stated in the last announcement, 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 seven, significant prospects; Champion, McTavish, Leipold, Diamantina, Cosmopolitan and Cumberland (collectively known as the DCC Trend), and finally, the Altona Trend 1.5 kilometres east of the DCC Trend. The table below summarises the significant intercepts from the 24 returned drill holes from the Altona Prospect, and 3 drill holes from the Leipold Prospect. The Company has pending results for 87 drill holes from the Orient Well East, McTavish, Leipold North and further drilling from Altona and a single drill hole into Cumberland which will be reported in due course:

					MGA94 Zone 51S									
Prospect	Hole_ID	Tenement	Hole Type	EOH	East	North	RL	Dip	Mag Azi	From (m)	To (m)	Interval Width	Grade (g/t Au)	Comments
Altona	ALTRC0010	E40/332	RC	108	355,324	6,754,176	426	-60	300	34	40	6	2.03	6 m @ 2.03 g/t Au from 34 metres
	ALTRC0011			108	355,359	6,754,156	426	-60	300	66	67	1	1.42	1 metre @ 1.42 g/t Au from 66 metres
										84	85	1	1.7	1 metre @ 1.7 g/t Au from 84 metres
										89	90	1	8.36	1 metre @ 8.36 g/t Au from 89 metres
	ALTRC0012			108	355,391	6,754,137	426	-60	300	102	103	1	6.86	1 metre @ 6.86 g/t Au from 102 metres
	ALTRC0015			96	355,339	6,754,282	425	-60	300	29	33	4	2.63	4 metres @ 2.63 g/t Au from 29 metres
										37	38	1	1.28	1 metre @ 1.28 g/t Au from 37 metres
										57	58	1	14.82	*1 metre @ 14.82 g/t Au from 57 metres*
										82	83	1	1.18	1 metre @ 1.18 g/t Au from 82 metres
	ALTRC0016			102	355,373	6,754,264	425	-60	300	41	42	1	0.95	1 metre @ 0.95 g/t Au from 41 metres
										49	53	4	2.8	4 metres @ 2.8 g/t Au from 49 metres
	ALTRC0017			102	355,407	6,754,243	425	-60	300	92	94	2	1.34	2 metres @ 1.34 g/t Au from 92 metres
	ALTRC0020			96	355,354	6,754,390	424	-60	300	16	17	1	1.16	1 metre @ 1.16 g/t Au from 16 metres
										25	27	2	1.48	2 metres @ 2.11 g/t Au from 25 metres
	ALTRC0021			96	355,389	6,754,370	424	-60	300	34	35	1	1.48	1 metre @ 1.48 g/t Au from 34 metres
	ALTRC0023			96	355,458	6,754,330	425	-60	300	67	70	3	1.77	3 metres @ 1.77 g/t Au from 67 metres
										86	87	1	4.81	1 metre @ 4.81 g/t Au from 86 metres
Leipold	LPRC0094	M40/22	RC	60	350,734	6,752,161	430	-60	250	29	39	10	2.28	10 metres @ 2.28 g/t Au from 29 metres
										34	35	1	10.94	inc. 1 metre @ 10.94 g/t from 34 metres
	LPRC0095			60	350,744	6,752,114	430	-60	250	23	36	13	2.77	13 metres @ 2.77 g/t Au from 23 metres
										34	35	1	16.86	inc. 1 metre @ 16.86 g/t Au from 34 metres
	LPRC0096			60	350,752	6,752,095	430	-60	250	Assays pending				

Table 1 – Significant Drill Hole Intercepts

***Please refer to comments around the repeatability of ALTRC0015 – 1 metre @ 14.82 g/t Au from 57 metres.**

Intercepts were calculated based on a sample returning an assay value of greater than 0.5 g/t Au over an interval greater than 1 metre, but not including any more than 2 metres of internal material that graded less than 0.5 g/t Au.

The drilling programmes were designed to step out and continue to confirm and expand the mineralisation observed in our previous drilling programmes and from historical workings, this is the methodical approach we have adopted in our efforts to develop JORC 2012 compliant mineral resource estimates in the future. The full intercept list for completed drill holes is available in Appendix Two which also includes the collar details for the drill holes discussed in this announcement. Please refer to Figure 1 for Prospect and tenure locations within the greater Kookynie Gold Project.

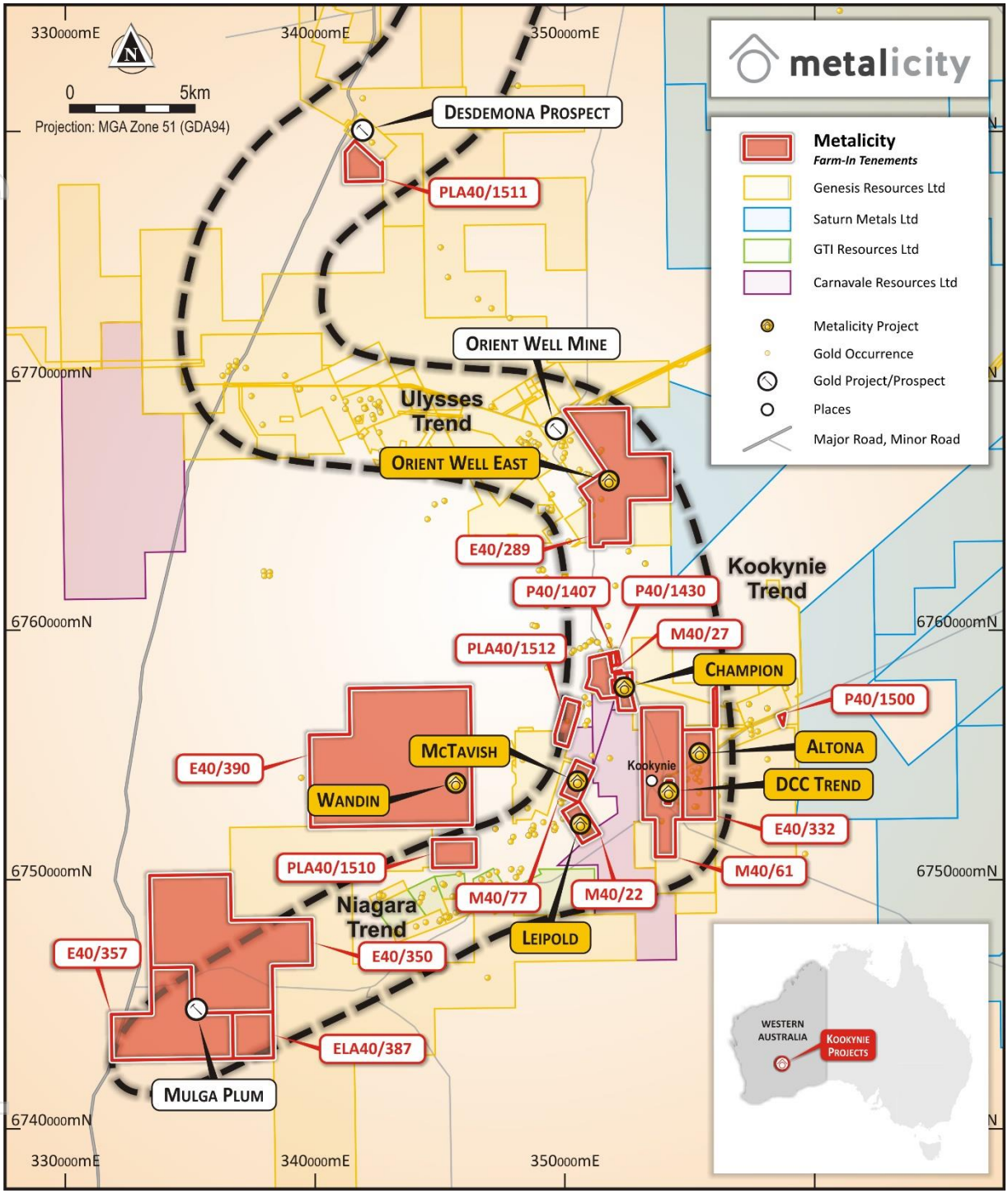

Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

Prospect Collar Plots

Below is a series of collar plots that illustrate the recent drill collars and discussion detailing the significance of the results to date at the Altona and Leipold Prospects. As noted earlier in this announcement, not all assays from the current drilling programme are available now, therefore, only assays received to date for an entire hole is being discussed to illustrate the strike extents of the mineralisation observed to date.

The Altona Prospect

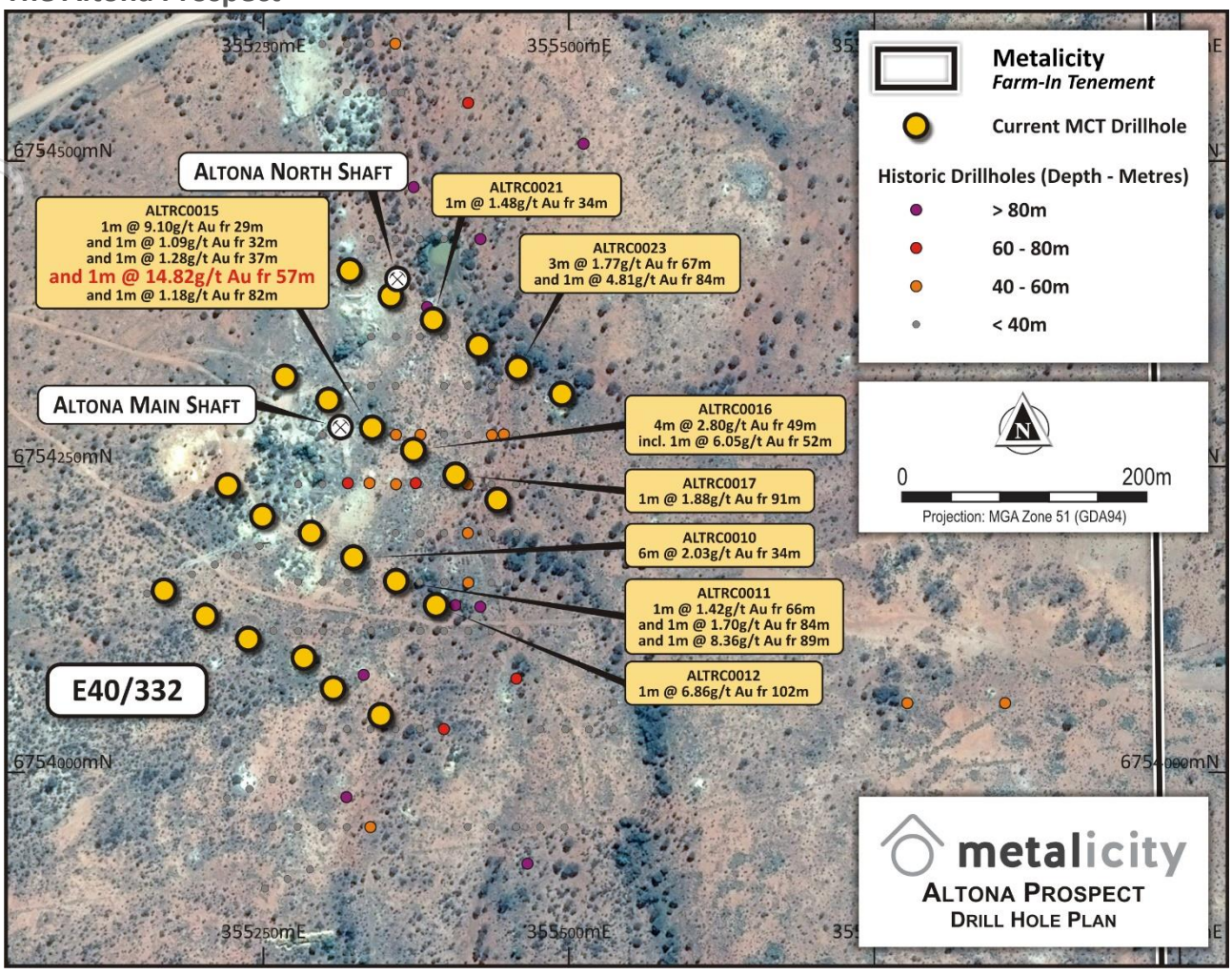

Figure 2 – Altona Collar Plot with recent drilling*.

*Please refer to ASX Announcement "*Drilling Progressing Strongly, Assays Pending for 86 Holes.*" dated 9 December 2020

With assays returned from the Altona Prospect first phase of drilling demonstrating that previously identified mineralisation continues at depth and along strike, plans are underway to continue the exploration and development programmes at Altona based on these results and observations and a further seven drill holes have already been performed. The drill holes that have returned significant intercepts continue to validate and confirm the down plunge extensions of previously drilled areas. This is encouraging and the Company is expediting plans to return to Altona in the new year to continue that extensional work.

However, the variability noted in repeated analysis of samples is not uncommon in high-grade gold environments, it does pose an issue of qualifying the grade for certain intercepts. As highlighted above, the sample that represents ALTRC0015 with 1 metre at 14.82 g/t Au from 57 metres was re-assayed a further 3 times to understand the gold content and its relation to the observed mineralisation. The repeated analysis returned values of 5.56 g/t Au, 60.34 g/t Au and 3.52 g/t Au indicating significant statistical variability within the mineralisation related to a term called the "nugget effect". This "nugget effect" is a principle that tries to explain that mineralisation, especially in a gold environment, is not homogeneous. Given the reported production from the Altona area historically, the variability in assays is

not uncommon and during mineral resource estimations, are dealt with via industry standard geostatistical measures.

Of further note for the Altona Prospect, the initial target area represents a small part of the overall anomaly that represents circa 2 kilometres of strike potential north and south of main Altona workings. Figure 3 below illustrates the area where the initial drilling programme has been undertaken and the anomaly north and south represents similar geophysical signatures with sporadic and intermittent historical workings dotted along this trend:

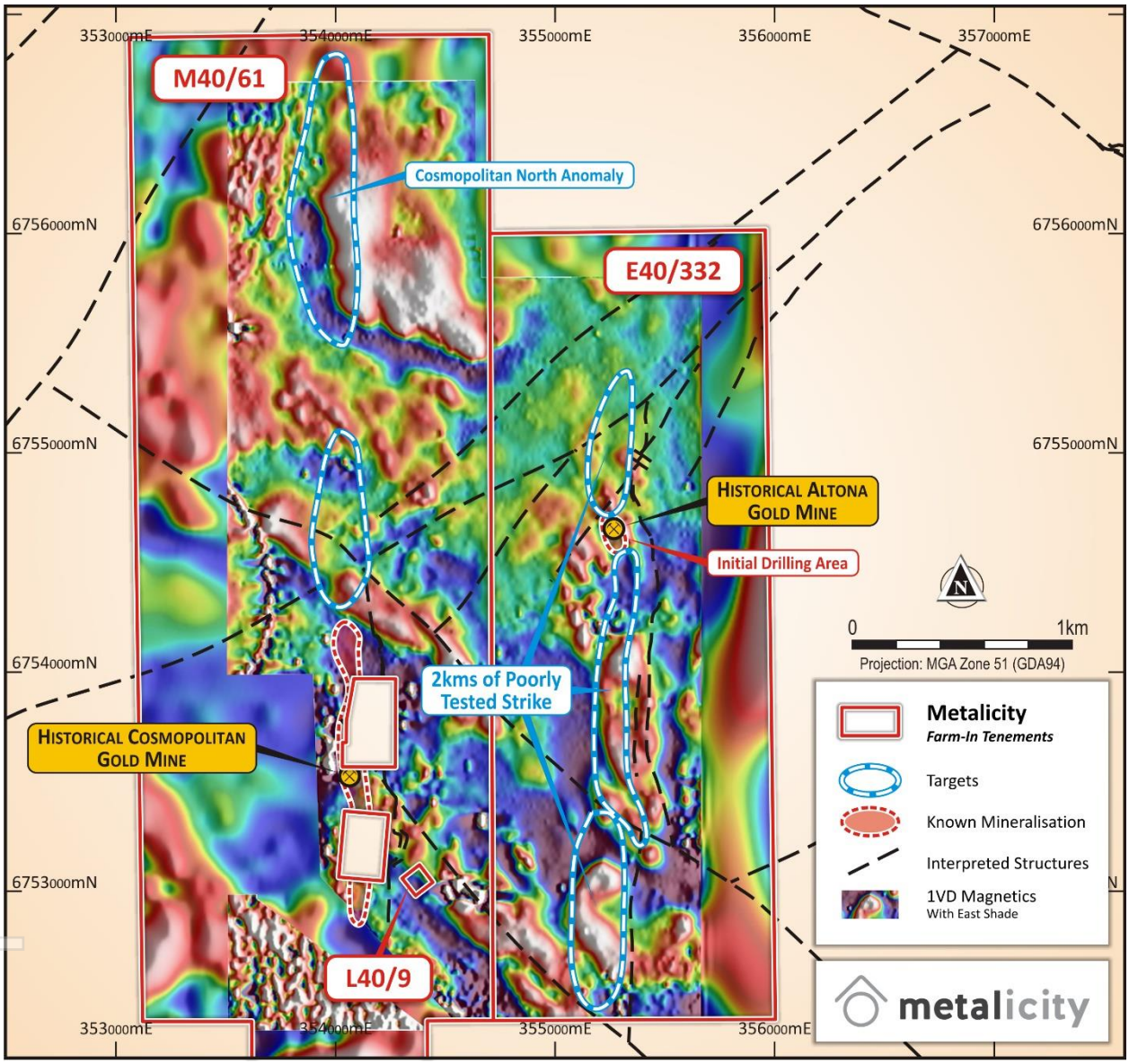

Figure 3 – The DCC & Altona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

*Please refer to ASX Announcement "*Drone Survey Demonstrates 21 Targets with Incredible Prospectivity for the Kookynie Gold Project*" dated 2nd September 2020.

The Company is evaluating the information on hand to ensure that future drilling within this large area of anomalism is systematically tested to illustrate the high-grade tenure of this locality. The historical Altona Gold Mine was incredibly prolific during its operation, and like Cosmopolitan, requires systematic exploration and development to make sure we are drilling in the right areas. The results so far illustrate

that Altona may be an incredibly well-endowed gold system with ineffective historical exploration completed to date. Historical drilling has been very shallow and wide spaced as evident from the collar plot in figure two whereby the majority of drilling over the main Altona workings is sub 40 metres in depth.

The Leipold Prospect

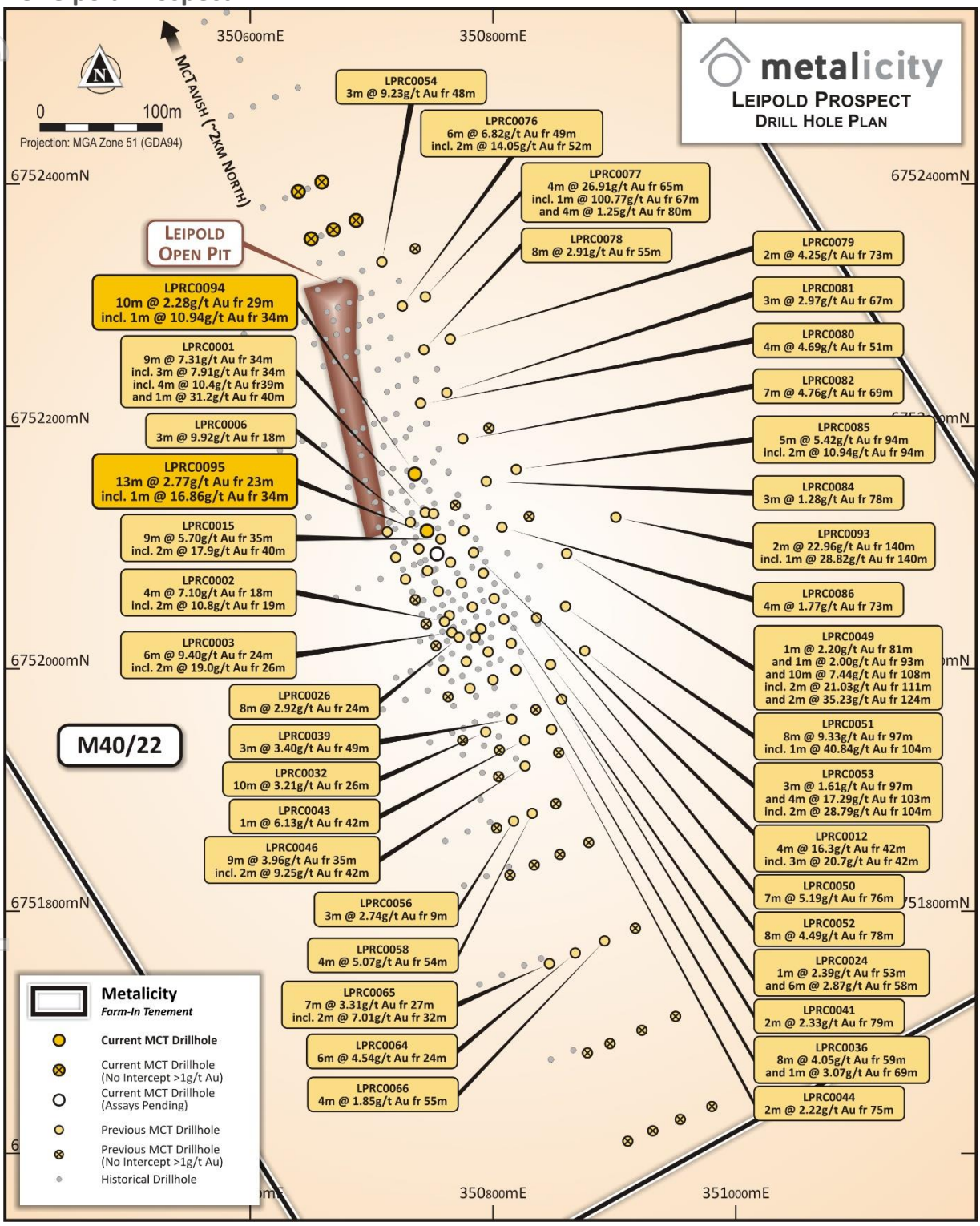

Figure 4 – Leipold Collar Plot with recent drilling*.

*Please refer to ASX Announcement "*Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project*" dated 15th September 2020.

The Company has received assays for 2 of the 3 metallurgical test drill holes of the Leipold Prospect (drill holes LPRC0094 and LPRC0095, LPRC0096 is pending). We are pleased that the results have confirmed previous mineralisation as these 3 drill holes were designed to twin historical drill holes immediately below the current and shallow Leipold pit. The premise was not only to assist in confirming historical intercepts, but also provide pilot metallurgical test work sample to explore options as we lead into resource estimation and possible feasibility work for this and other Prospects within the Kookynie Gold Project.

Coupled with this, as Nex Metals progresses their pilot tailings retreatment plant at Cosmopolitan, in conjunction with our farm-in partner, this test work may allow for modifications to their existing plant to possibly batch treat Leipold mineralisation. This is subject to metallurgical test work findings and requisite approvals being obtained but illustrates a prudent step as we move towards the mineral resource estimation and feasibility aspects of the development process.

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 pending results in a timely manner. Unfortunately, we will have to return next year to evaluate Mulga Plum as we stated we would try and schedule this area for this year. We do have the current RC drill rig scheduled to return to site in mid to late January, with the current staff rotation in place to ensure round the month drilling; however will continue to investigate diamond drilling opportunities along with reconnaissance type drilling like air core or rotary air blast to evaluate the more regional targets as defined by the drone magnetic survey*.

2020 has been an incredibly busy year for the Company. The 2020 field programme has 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.

*Please refer to ASX Announcement "*Drone Survey Demonstrates 21 Targets with Incredible Prospectivity for the Kookynie Gold Project*" dated 2 September 2020.

Geology

The Kookynie Project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south.

There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Kookynie (Niagara) areas. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation at Kookynie tends to be preferentially concentrated in magnetite dominated granitic fractions of the overall granite plutons observed within the Kookynie area.

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.

Appendix One – JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation (RC) sampling was conducted by the offsiders on the drill rig and checked at the end of each rod (6 metres) to ensure that the sample ID's matched the interval that was intended to be represented by that sample ID. No issues were seen or noted by the Competent person during the entire drilling campaign. These samples are kept onsite in a secure location available for further analysis if required. • All RC samples were sieved and washed to ensure samples were taken from the appropriate intervals. The presence of quartz veining +- sulphide presence +- alteration was used to determine if a zone was interpreted to be mineralised. If the sample was deemed to be potentially mineralised, the samples were submitted for screen fire assay. If no mineralisation was observed, the sample was submitted for check using fire assay. • All samples were submitted for analysis, no compositing took place. • The quality of the sampling is industry standard and was completed with the utmost care to ensure that the material being sampled, can be traced back to the interval taken from the drill hole for both RC and diamond core. • OREAS standards of 60 gram charges of OREAS 22F (Au grade range of <1ppb Au – this is a blank), OREAS 251 (Au grade range of 0.498ppm Au to 0.510ppm Au), OREAS 219 (Au grade range of 0.753ppm Au to 0.768ppm Au) and OREAS 229b (Au grade range of 11.86ppm Au to 12.04ppm Au) were used in alternating and sporadic patterns at a ratio of 1 QAQC sample in 20 samples submitted. The material used to make these standards was sourced from a West Australian, Eastern Goldfields orogenic gold deposits.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling used a bit size of 5 ¼ inch.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample*	• RC drilling sample recovery was excellent. • No relationship was displayed between recovery and grade nor loss/gain of fine/course material.

	recovery and ensure representative nature of the samples. ● *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	● *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* ● *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* ● *The total length and percentage of the relevant intersections logged.*	● All recovered sample from RC has been geologically logged to a level where it would support an appropriate Mineral Resource Estimate, mining studies and metallurgical test work. ● Logging was qualitative based on the 1 metre samples derived from the RC drilling.
Sub-sampling techniques and sample preparation	● *If core, whether cut or sawn and whether quarter, half or all core taken.* ● *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* ● *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ● *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* ● *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* ● *Whether sample sizes are appropriate to the grain size of the material being sampled.*	● RC samples were cone split from the rig. ● All RC samples were dry. All recoveries were >90%. ● Duplicates or a CRM standard were inserted every 20 samples. ● The Competent Person is of the opinion the sampling method is appropriate.
Quality of assay data and laboratory tests	● *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ● *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ● *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory*	● Fire assay has been selected for RC samples. The methodology employed in these analytical procedures are industry standard with appropriate checks and balances throughout their own processes. Selected intervals have been submitted for Screen Fire Analysis to understand the relationship between gold distribution and the influence of potential nuggety gold. ● The analytical method employed is appropriate for the style of mineralisation and target commodity present. However, selected entire intercepts with a returned weighted average assay above 5 g/t Au will be selected and analysed using the screen fire method to provide a statistical comparison between the two analytical methods in high grade zones. This is to ensure the high-grade nature

	checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	(nugget effect) is defined and articulated. ● No geophysical tools, spectrometers, handheld XRF instruments were used. ● A 1 in 20 standard or duplicate or blank was employed during this programme. QAQC analysis shows that the lab performed within the specifications of the QAQC protocols. The standards used were from OREAS and based on material sourced from with the Eastern Goldfields. Blanks were also sourced from OREAS as well.
Verification of sampling and assaying	● *The verification of significant intersections by either independent or alternative company personnel.* ● *The use of twinned holes.* ● *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ● *Discuss any adjustment to assay data.*	● No umpire analysis has been performed. ● No twinned holes have been completed. ● Data was collected on to standardised templates in the field and data entered at night. Cross checks were performed verifying field data ● No adjustment to the available assay data has been made.
Location of data points	● *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ● *Specification of the grid system used.* ● *Quality and adequacy of topographic control.*	● Drill hole collars will be surveyed using a DGPS. ● The RC holes were downhole surveyed using a "Champ Gyro multi-shot down hole survey camera". ● GDA94 Zone 51S was used, collars will be picked up by a qualified surveyor using a DGPS (Trimble S7). ● The surveyed collar coordinates appear to be sufficient, however, better definition is required of the topography to allow for a JORC 2012 compliant estimation. ● Appendix Two contains collar coordinates as drilled:
Data spacing and distribution	● *Data spacing for reporting of Exploration Results.* ● *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ● *Whether sample compositing has been applied.*	● The data spacing is sufficient to establish a relatively high confidence in geological and grade continuity, however, peripheral data to support the drill holes requires further work to ensure compliance with JORC 2012 guidelines. ● No sample compositing was applied beyond the calculation of down hole significant intercepts.
Orientation of data in relation to geological structure	● *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ● *If the relationship between the drilling orientation and the orientation of key mineralised*	● All drilling was perpendicular to the main structure that hosts mineralisation. Secondary structures oblique to the main structure may have influence hanging and foot wall intercepts. ● The author believes that the drilling orientation and the orientation of key mineralised structures has not introduced a bias.

	structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• The chain of supply from rig to the laboratory was overseen a contract geologist under the supervision of the Competent Person. At no stage has any person or entity outside of the Competent Person, the contract geologist, the drilling contractor, and the assay laboratory came into contact with the samples. • Samples dispatched to the laboratory were delivered to the laboratory by a contract geologist, no third-party courier used.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audit of the results, beyond the laboratory internal QAQC measures, has taken place.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Please refer to the tenement column below to where the drill holes were completed. • Nex Metals Explorations Ltd holds the tenure in question. Metalicity is currently performing an earn in option as part of our farm in agreement (please refer to ASX Announcement "*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*" dated 6th May 2019) • No impediments exist to obtaining a license to operate over the listed tenure.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Nex Metals Explorations Ltd have done a great job of collating the historical drilling completed over the previous 30 years. • The historical work completed requires further field verification via re-down hole surveying (if possible) of drill holes beyond 60 metres depth – it appears below this depth; hole deviation becomes a factor in establishing the location of mineralisation in 3D. Furthermore, collar pickups require verification. All laboratory certificates for the assays on file are collated, only recommendation is possibly more duplicate information in mineralised zones.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Kookynie: • The project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-

		sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south. ● There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Niagara area. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation tends to be preferentially concentrated in differentiated dolerite sills associated with pyrite/carbonate/silica/sericite wall rock alteration.
Drill hole Information	● *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* ● *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	● For Kookynie (and Yundramindra), please refer to the Company's announcement dated 6th May 2019, "*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*", for all historical drill collar information, and selected significant intercepts. ● For the drilling performed and subject to this announcement, please see Appendix Two in this announcement.
Data aggregation methods	● *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* ● *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be*	● All intercepts have been calculated using the weighted average method but are based on 1 metre samples from RC drilling. Specific intervals within an interval have been described as part of the overall intercept statement. ● Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 1 metre, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was

	stated and some typical examples of such aggregations should be shown in detail. ● *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	applied. ● No metal equivalents are discussed or reported.
Relationship between mineralisation widths and intercept lengths	● *These relationships are particularly important in the reporting of Exploration Results.* ● *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* ● *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	● Given the shallow dipping nature (approximately -45° on average) of the mineralisation observed at Kookynie, the nominal drilling inclination of -60° lends to close to truth width intercepts. ● However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.
Diagrams	● *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	● Please see main body of the announcement for the relevant figures.
Balanced reporting	● *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	● All results have been presented. Please refer to Appendix 2.
Other substantive exploration data	● *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	● The area has had significant historical production recorded and is accessible via the MINEDEX database. ● All stated mineral resources for the Kookynie (and Yundramindra) Projects are pre-JORC 2012. Considerable work around bulk density, QAQC, down hole surveys and metallurgy, coupled with the planned drilling will be required to ensure compliance with JORC 2012 guidelines.

Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Metalicity intends to drill the known and extend the mineralised occurrences within the Kookynie and Yundramindra Projects. The Yundramindra Project is currently under the plaint process, however Metalicity believes that Nex Metals is well advanced in defending those claims. The drilling will be designed to validate historical drilling with a view to making maiden JORC 2012 Mineral Resource Estimate statements. Metalicity has made the aspirational statement of developing "significant resource and reserve base on which to commence a sustainable mining operation focusing on grade and margin". • Diagrams pertinent to the area's in question are supplied in the body of this announcement.

Appendix Two – Drilling and Assay Information

Reverse Circulation Drilling and Assay Information

Collar & Intercept Information:

					MGA94 Zone 51S										
Prospect	Hole_ID	Tenement	Hole Type	EOH	East	North	RL	Dip	Mag Azi	From (m)	To (m)	Interval Width	Grade (g/t Au)	Comments
Altona	ALTRC0001	E40/332	RC	102	355,169	6,754,149	427	-60	300	No significant intercept				
	ALTRC0002			102	355,202	6,754,128	427	-60	300	No significant intercept				
	ALTRC0003			96	355,238	6,754,109	427	-60	300	No significant intercept				
	ALTRC0004			102	355,283	6,754,094	426	-60	300	No significant intercept				
	ALTRC0005			102	355,307	6,754,069	426	-60	300	No significant intercept				
	ALTRC0006			102	355,346	6,754,047	427	-60	300	No significant intercept				
	ALTRC0007			96	355,221	6,754,234	427	-60	300	No significant intercept				
	ALTRC0008			96	355,249	6,754,209	427	-60	300	No significant intercept				
	ALTRC0009			96	355,289	6,754,196	426	-60	300	No significant intercept				
	ALTRC0010			108	355,324	6,754,176	426	-60	300	34	40	6	2.03	6 m @ 2.03 g/t Au from 34 metres
	ALTRC0011			108	355,359	6,754,156	426	-60	300	66	67	1	1.42	1 metre @ 1.42 g/t Au from 66 metres
										84	85	1	1.7	1 metre @ 1.7 g/t Au from 84 metres
										89	90	1	8.36	1 metre @ 8.36 g/t Au from 89 metres
	ALTRC0012			108	355,391	6,754,137	426	-60	300	102	103	1	6.86	1 metre @ 6.86 g/t Au from 102 metres
	ALTRC0013			96	355,268	6,754,323	426	-60	300	No significant intercept				
	ALTRC0014			96	355,303	6,754,305	426	-60	300	No significant intercept				
	ALTRC0015			96	355,339	6,754,282	425	-60	300	29	33	4	2.63	4 metres @ 2.63 g/t Au from 29 metres
										37	38	1	1.28	1 metre @ 1.28 g/t Au from 37 metres
										57	58	1	14.82	*1 metre @ 14.82 g/t Au from 57 metres*
										82	83	1	1.18	1 metre @ 1.18 g/t Au from 82 metres
	ALTRC0016			102	355,373	6,754,264	425	-60	300	41	42	1	0.95	1 metre @ 0.95 g/t Au from 41 metres
										49	53	4	2.8	4 metres @ 2.8 g/t Au from 49 metres
	ALTRC0017			102	355,407	6,754,243	425	-60	300	92	94	2	1.34	2 metres @ 1.34 g/t Au from 92 metres
	ALTRC0018			96	355,442	6,754,223	425	-60	300	No significant intercept				
	ALTRC0019			96	355,321	6,754,410	424	-60	300	No significant intercept				
	ALTRC0020			96	355,354	6,754,390	424	-60	300	16	17	1	1.16	1 metre @ 1.16 g/t Au from 16 metres
										25	27	2	1.48	2 metres @ 2.11 g/t Au from 25 metres
	ALTRC0021			96	355,389	6,754,370	424	-60	300	34	35	1	1.48	1 metre @ 1.48 g/t Au from 34 metres
	ALTRC0022			96	355,426	6,754,349	424	-60	300	No significant intercept				
	ALTRC0023			96	355,458	6,754,330	425	-60	300	67	70	3	1.77	3 metres @ 1.77 g/t Au from 67 metres
										86	87	1	4.81	1 metre @ 4.81 g/t Au from 86 metres
	ALTRC0024			96	355,494	6,754,309	425	-60	300	No significant intercept				
Leipold	LPRC0094	M40/22	RC	60	350,734	6,752,161	430	-60	250	29	39	10	2.28	10 metres @ 2.28 g/t Au from 29 metres
										34	35	1	10.94	inc. 1 metre @ 10.94 g/t from 34 metres
	LPRC0095			60	350,744	6,752,114	430	-60	250	23	36	13	2.77	13 metres @ 2.77 g/t Au from 23 metres
										34	35	1	16.86	inc. 1 metre @ 16.86 g/t Au from 34 metres
	LPRC0096			60	350,752	6,752,095	430	-60	250	Assays pending				

Note:

Duplicates and CRM analysis was not used in the calculation of the significant intercepts.

A hole listed with “no significant intercept” means that no sample returned a value over 1 g/t Au.