

Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000
GPO Box 2799 Perth WA 6001
Telephone: +61 8 9321 4000
Facsimile: +61 8 9321 4333
Web: www.steinpag.com.au

Perth | Melbourne

7 December 2021

Your Ref:
Our Ref: RCS:AND:3515-06
Contact: Adrian Di Menna
Senior Associate
adimenna@steinpag.com.au

The Manager
Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**METALICITY LIMITED OFF-MARKET TAKEOVER BID FOR NEX METALS EXPLORATIONS LIMITED:
DISPATCH OF LETTER TO NEX METALS SHAREHOLDERS**

We act for Metalicity Limited (ACN 086 839 992) (**Metalicity**) in respect of its offers in relation to its off-market takeover bid for all of the fully paid ordinary shares in Nex Metals Explorations Limited (ACN 124 706 449) (**Nex Metals**) pursuant to its bidder's statement dated 24 September 2021 (as varied).

We refer to the media release of the Takeovers Panel dated 30 November 2021 and specifically, Annexure B of the media release setting out the orders of the Takeovers Panel made on 30 November 2021.

We are instructed that Metalicity has this week dispatched to Nex Metals shareholders:

1. a letter to Nex Metals shareholders for the purposes of order 7 made by the Takeovers Panel, together with a copy of Metalicity's bidder's statement dated 24 September 2021 and personalised transfer and acceptance form; and
2. a copy of the media release of the Takeovers Panel dated 30 November 2021.

We **enclose** a copy of the letter sent by Metalicity to Nex Metals shareholders for the purposes of order 7 made by the Takeovers Panel.

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This release has been authorised by the board of directors of Metalicity.

Yours faithfully



STEINEPREIS PAGANIN

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The Shareholders
Nex Metals Explorations Ltd

Dear Shareholder

**OFF-MARKET TAKEOVER BID BY METALICITY LTD FOR NEX METALS
EXPLORATIONS LTD**

We refer to the offers made by Metalicity Limited (ACN 086 839 992) (**Metalicity**) dated 14 October 2021 in relation to its off-market takeover bid for all of the fully paid ordinary shares in Nex Metals Explorations Limited (ACN 124 706 449) (**Nex**) pursuant to its bidder's statement dated 24 September 2021 (as varied) (**Bidder's Statement**).

We write to encourage you to consider accepting the bid made by Metalicity for your shares in Nex. You should read the Bidder's Statement carefully and consult your professional advisers before deciding whether to accept the bid. **If you have already submitted your acceptance of the bid, you do not need to take any further action.**

Importantly, Metalicity has now declared the bid unconditional. Accordingly, the bid is now not subject to conditions including the minimum acceptance condition. This means the bid is proceeding, and you will receive 4.81 new Metalicity shares in return for every 1 of your Nex shares as per the terms of the bid after acceptance.

Notwithstanding this, since Metalicity launched its bid:

1. Nex's target's statement lodged with ASIC on 29 October 2021 has been found by the Takeovers Panel to be misleading and to contain material information deficiencies. Accordingly, the Takeovers Panel has ordered (amongst other things) Nex to prepare a replacement target's statement in a form that ASIC does not object to and which is to be accompanied by an independent expert's report providing an opinion for Nex shareholders on whether Metalicity's bid is fair and reasonable; and
2. The Takeovers Panel has made 2 separate declarations of unacceptable circumstances in relation to conduct of Nex during the bid process.

Metalicity considers each of these circumstances should be taken into account when deciding whether to accept Metalicity's bid.

We enclose a copy of a media release issued by the Takeovers Panel dated 30 November 2021 which summarises the Takeover Panel's most recent decision.

Metalicity's bid is presently open for acceptance until **5:00pm (Perth time) on 15 December 2021** (unless withdrawn or extended), so you still have the opportunity to accept the bid if you

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wish to do so. If you wish to accept the bid then you should complete and return the acceptance form which accompanied the Bidder's Statement in accordance with the instructions set out in the Bidder's Statement and the acceptance form. Nex shareholders can also email their acceptances to capitalmarkets@linkmarketservices.com.au with the subject line "NME Takeover by MCT". If you have already submitted your acceptance of the bid, you do not need to take any further action.

If you have any queries either in relation to the bid or how to accept the offer, please call 08 6500 0202.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Daley', with a horizontal line underneath.

Andrew Daley
Chairman
Metalicity Limited

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