

Nex Metals Explorations Ltd
ACN 124 706 449

Of 45 Guthrie Street, Osborne Park WA 6017

Notice of Annual General Meeting
Explanatory Statement
and
Proxy Form

Date of Meeting
31 March 2022

Time of Meeting
2.00 pm (AWST)

Place of Meeting
The AGM will be conducted as a virtual meeting, accessible online

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

IMPORTANT INFORMATION REGARDING COVID-19:

Due to the COVID-19 pandemic, the AGM will be held as a virtual meeting. If you wish to virtually attend the AGM, please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the meeting at www.advancedshare.com.au/virtual-meeting.

The Commonwealth Parliament has passed the *Treasury Laws Amendment (2021 Measures No.1) Act 2021* which has legislated temporary modifications to the Corporations Act to allow the Notice of Meeting and other information regarding the AGM to be provided electronically and to allow shareholders to participate in the AGM using the online facility which facilitates direct voting and questions.

This Notice of Meeting can be accessed on the Company's website at <https://www.nexmetals.com>

Shareholders are also strongly encouraged to lodge their completed Proxy Forms in accordance with the instructions in this Notice of Meeting.

For personal use only

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Important Information for Shareholders about the Company's 2021 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at the date of lodgement with the ASX.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.nexmetals.com.

Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to the guidelines and restrictions issued by the Australian state and federal governments, the Company considers that it is appropriate to hold the AGM as a virtual meeting, in a manner that is consistent with the temporary modifications to the Corporations Act set out in the *Treasury Laws Amendment (2021 Measures No.1) Act 2021*.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (AWST) on 31 March 2022 as a virtual meeting.

The Meeting will be accessible to all Shareholders via a live webinar, which will allow Shareholders to participate in the Meeting.

If you are a Shareholder and you wish to participate at the Meeting, please use the Meeting ID and Shareholder ID on the Proxy Form to login to the Meeting at www.advanceshare.com.au/virtual-meeting.

Please contact Advanced Share Registry on +61 (8) 9389 8033 if you have any queries or problems logging into the Meeting portal.

Voting virtually at the Meeting

To vote at the Meeting, you are encouraged to appoint a proxy, preferably the Chair of the Meeting (**Chair**), to vote on your behalf at the Meeting as this will simplify the voting procedures for the Meeting. Alternatively, you will be able to record your vote during the Meeting through an online poll.

Voting by poll

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting (such a poll to be taken electronically). Shareholders who wish to vote by poll during the Meeting will be able to submit their online poll votes immediately after the Chair calls for a vote on the Resolutions. Shareholders can do this by clicking the poll button on their screen. The outcome of each Resolution will not be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to check poll votes.

You may still attend the Meeting via the webinar if you have completed a Proxy Form but the person you have appointed as proxy will cast your vote on your behalf.

Voting by proxy

Shareholders can appoint the Chair as their proxy and provide specific instructions on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

Completed Proxy Forms should be returned to the address set out below as soon as possible, and in any event, must be received by no later than 2pm (AWST) on 29 March 2022, being no less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

Chair's voting intentions

The Chair intends to exercise all available proxies in favour of Resolutions 1-3 and against Resolutions 4-6 unless the Shareholder has expressly indicated a different voting intention. If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1 to 6 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Participation

Shareholders will be able to participate at the Meeting by using their personalised log-in on the Proxy Form. The Meeting portal will be open to ask questions prior to the Meeting from Tuesday, 29 March 2022. Shareholders can also submit any questions in advance of the Meeting by emailing questions to the Company Secretary at admin@nexmetals.com no later than 9am (AWST) on Tuesday, 29 March 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business, however it would be preferable for them to be submitted to the Company in advance of the Meeting. In order to ask a question during the Meeting, please follow the instructions from the Chair. The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at (www.advancedshare.com.au) by following the instructions: Login to the website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgment facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Advanced Share Registry Limited 110 Stirling Hwy Nedlands WA 6009 or PO Box 1156, Nedlands WA 6909
By hand	Advanced Share Registry Limited 110 Stirling Hwy Nedlands W A 6009

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given the Annual General Meeting of Shareholders of Nex Metals Explorations Ltd (**NME** or the **Company**) will be held on 31 March 2022 commencing at 2.00pm (AWST) and will be held entirely virtually via an online Meeting platform provided by the Company's share registry, Advanced Share Registry.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2021, together with the reports by directors and auditors thereon.

To consider and, if thought fit, pass the following Resolutions as ordinary Resolutions:

Resolution 1: Adoption of Remuneration Report

That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2021 Annual Report for the financial year ended 30 June 2021 be adopted.

Note: *The vote on this Resolution is advisory only and does not bind the Directors of the Company.*

Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member (together "**prohibited persons**").

However, a person (**voter**) described in subsection (4) of the Corporations Act may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in subsection (4) and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company or, if the company is part of a consolidated entity, for the entity.

Resolution 2: Re-election of Director

To consider and, if thought fit, to pass the following Resolution 2 as an **ordinary Resolution**:

That Thomas Francis Percy QC, being a Director of the Company who retires by rotation in accordance with Clause 16.4 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

SPECIAL BUSINESS

Resolution 3: Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following Resolution as a **special Resolution**:

That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder or ordinary securities) or any associates of those persons.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4: Election of non-board endorsed external nominee, Alexander James Neuling, as a Director of the Company

To consider and, if thought fit, to pass the following Resolution 4 as an **ordinary resolution**:

That Alexander James Neuling, having offered himself for election, be elected as a Director of the Company.

Resolution 5: Election of non-board endorsed external nominee, Justin Charles Barton, as a Director of the Company

To consider and, if thought fit, to pass the following Resolution 5 as an **ordinary resolution**:

That Justin Charles Barton, having offered himself for election, be elected as a Director of the Company.

Resolution 6: Election of non-board endorsed external nominee, Kevin David O’Sullivan, as a Director of the Company

To consider and, if thought fit, to pass the following Resolution 6 as an **ordinary resolution**:

That Kevin David O’Sullivan, having offered himself for election, be elected as a Director of the Company.

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5.00pm (AWST) on 25 March 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting.

BY ORDER OF THE BOARD

**Kenneth Malcolm Allen
Company Secretary
Nex Metals Explorations Ltd**

3 March 2022

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Nex Metals Explorations Ltd (“the Company”) in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held on 30 March 2022 at 2pm as a virtual meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

2. 2021 ANNUAL REPORT

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director’s Report, the Remuneration Report and the Auditor’s Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company’s Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company’s Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at (www.nexmetals.com).

No Resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company’s auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- conduct of the audit;
- preparation and content of the Auditor’s Report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

Written Questions of the Auditor

If you would like to submit a written question about the content of the Auditor’s Report or the conduct of the audit of the Annual Financial Report of the Company’s auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting. Please note that all written questions must be received at least five business days before the Meeting, which is by 23 March 2022.

3. ADOPTION OF REMUNERATION REPORT – RESOLUTION 1

3.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors Report for the year ended 30 June 2021 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3.2 Voting Consequences

If at least 25% of the votes cast on a remuneration report Resolution are voted against adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a Resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting, the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

4. RE-ELECTION OF DIRECTOR – RESOLUTION 2

Resolution 2 relates to the re-election of Thomas Francis Percy QC as a Director.

In accordance with the requirements of clause 16.4 of the Company's Constitution and the Corporations Act, one-third of the Directors of the Company retire from office at this Annual General Meeting of the Company. Thomas Francis Percy QC retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Thomas Francis Percy is provided in the Annual Report for the financial year ended 30 June 2021.

All the Directors, except for Thomas Francis Percy QC, recommend that Shareholders vote in favour of Resolution 2.

5. APPROVAL OF 10% PLACEMENT CAPACITY – RESOLUTION 3

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (10% Placement Capacity). If approved, Resolution 3 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An “eligible entity” means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1

Resolution 3 is a special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

5.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity’s 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (at the date of this Explanatory Statement) of less than \$300 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: NME).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
- less the number of fully-paid ordinary securities cancelled in the relevant period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

5.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in Section 5.3(a)(i), the date on which the Equity Securities are issued.

(b) Period for which the approval will be valid

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) Risk of Voting Dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the number of Equity Securities currently on issue.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.0195 (50% decrease in issue price)	Funds raised based on issue price of \$0.039 (Issue price)	Funds raised based on issue price of \$0.078 (100% increase in issue price)
267,014,768 (Current)	26,701,477	\$520,679	\$1,041,358	\$2,082,715
(400,522,152) (50% increase)	40,052,215	\$781,018	\$1,562,036	\$3,124,073
(534,029,536) (100% increase)	53,402,954	\$1,041,358	\$2,082,715	\$4,165,430

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at 28 February 2021.
2. The issue price set out above is the last closing price of the Shares on the ASX prior to the date of this Notice.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration only, and the Company intends to apply funds raised towards the exploration of the Company's mineral tenements in particular the Kookynie and Yundamindra Gold Projects, investments in other mineral tenements and assets as well as working capital (including corporate and administration costs).

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors, including:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial, and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not related parties or associates of a related party of the Company.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the 10% Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Capacity.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2019.

The Company did not make any issues pursuant to Listing Rule 7.1A in the 12 months prior to the Meeting.

5.4 Voting Exclusion Statement

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5.5 Directors Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3 as it will give the Company flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

6. ELECTION OF NON BOARD ENDORSED EXTERNAL NOMNEES AS DIRECTORS – RESOLUTIONS 4, 5 AND 6

In accordance with the Company's constitution and Listing Rule 3.13.1, on 27 January 2022 the Company lodged with the ASX a notice calling for nominations of director candidates from Shareholders.

On 11 February 2022 the Company received nominations from Metalicity Limited (**Metalicity**) for three external candidates to be appointed to the Board.

Resolutions 4, 5 and 6 will each be passed if approved by more than 50% of the total votes cast on the relevant resolution, by Shareholders present online or by proxy and entitled to vote.

THE BOARD DOES NOT ENDORSE THE APPOINTMENT OF ALEXANDER NEULING, JUSTIN BARTON AND KEVIN O'SULIVAN AND RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST RESOLUTIONS 4,5 AND 6.

6.1 Information Regarding the Candidates

Details of each candidate is set out below. The following information was provided by Metalicity and as such has not been independently verified by the Company.

Alexander James Neuling

Mr Neuling is a Chartered Accountant and Chartered Company Secretary with over 20 years corporate and financial experience, including more than 15 years as director, chief financial officer and/or secretary of various ASX-listed companies in the mining, energy, mineral exploration, biotechnology and mining services sectors. Alex has substantial experience and expertise in financial reporting, corporate governance, financing and corporate transaction matters.

Prior to establishing his Company Secretarial Practice, Alex worked at Deloitte as a Manager in the Audit division in London and Perth. He also holds an honours degree in Chemistry from the University of Leeds in the UK.

Justin Charles Barton

Mr Barton is a Chartered Accountant with over 25 years' experience in accounting, international finance, M&A and the mining industry. He worked for over 13 years in the Big 4 Accounting firms in Australia and Europe and advised many of the world's largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group Tax Manager.

More recently, he has worked as the CFO and has been a Board Member of a number of junior exploration companies. Mr Barton is currently Managing Director of Metalicity Limited and a director of Kimberley Mining Limited (a public unlisted Canadian company).

Kevin David O'Sullivan

Mr O'Sullivan is a Solicitor and Company Director with over 30 years legal, business and corporate experience. He has worked in Australia and overseas on significant corporate transactions and projects in a range of sectors, in particular mining, oil and gas, chemicals, electricity, and agribusiness. Whilst working in Europe he gained particular experience with mergers and acquisitions and joint ventures in a range of business sectors. He served as a Partner with two leading Australian law firms for 25 years, in the course of which he took on a range of transactional, client relationship and firm leadership roles.

Mr O'Sullivan brings to his engagements commercially practical legal reasoning, strong and ethical leadership, and a sound understanding of business issues. He has very strong family values and work and community ethics. He enjoys working in a team environment, and is equally comfortable in taking his own decisions.

Mr O'Sullivan has been a Director of the highly successful Simcoa Group of Companies, Australia's only silicon metal producer, for more than 20 years.

Mr O'Sullivan is a Fellow of the Australian Institute of Company Directors.

6.2 Directors Recommendation

The Board considers that Resolutions 4, 5 and 6 are **NOT** in the best interests of all Shareholders and recommends that Shareholders **VOTE AGAINST** Resolutions 4, 5 and 6.

The Board is concerned that the appointment of Metalicity nominees may lead to attempts to control, influence and seek concessions that will be inconsistent with or impact the rights of all Shareholders to receive full value for their investment. The Board is of the view that Shareholders are best served by considering the Company's target statement and making an informed decision on the adequacy (or otherwise) of Metalicity's takeover bid prior to Metalicity gaining Board control of the Company in circumstances where it holds only 32% of the Shares.

Whist Metalicity has not informed the Board of its intentions, the Board is concerned that through achieving multiple Board representation, Metalicity could seek to gain effective control of the Company despite only holding a 32% stake and in circumstances where the overwhelming majority of Shareholders have rejected the Metalicity takeover bid.

7. DEFINITIONS

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Chair means the Chairman of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or option, an option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this explanatory statement.

Key Management Personnel means has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of ASX.

Meeting means the meeting convened by the Notice of Meeting.

Nex or the Company means Nex Metals Explorations Ltd ACN 124 706 449.

Notice or Notice of Meeting means the notice of annual general meeting which forms part of this Explanatory Statement.

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Ordinary Securities has the meaning set out in the ASX Listing Rules.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolution means a Resolution contained in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

10% Placement Capacity has the meaning given in Section 7.1 of this Notice.



LODGE YOUR PROXY APPOINTMENT ONLINE

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **MOBILE DEVICE PROXY APPOINTMENT**
 Lodge your proxy by scanning the QR code below, and enter your registered postcode.
 It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the Meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Nex Metals Explorations Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting **OR**  **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 31 March 2022 at 2.00 pm (AWST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to exercise all available proxies in favour of Resolutions 1-3 and against Resolutions 4-6, unless the Shareholder has expressly indicated a different voting intention. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Thomas Francis Percy QC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of non-board endorsed external nominee, Alexander James Neuling, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of non-board endorsed external nominee, Justin Charles Barton, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Election of non-board endorsed external nominee, Kevin David O'Sullivan, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
 Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

only
 STEP 1
 STEP 2
 STEP 3

NEX METALS EXPLORATIONS LTD - ANNUAL GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the Meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form.

Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company.

A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2.00 pm (AWST) on 29 March 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **BY MAIL**
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909

 **BY FAX**
+61 8 6370 4203

 **BY EMAIL**
admin@advancedshare.com.au

 **IN PERSON**
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009

 **ALL ENQUIRIES TO**
Telephone: +61 8 9389 8033