

7 December 2021

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

**Update – Various matters and MCT takeover bid – Shareholders recommended to
TAKE NO FURTHER ACTION**

Nex Metals Explorations Ltd (Nex or the Company) announces that it advises that shareholders **TAKE NO FURTHER ACTION** accepting the Metalicity Ltd (ASX:MCT) takeover bid.

1. Bonanza Grades Intercepted in a New Gold Zone Identified 200m to the east of the Main Leipold Lode

The Company is pleased with the results announced by MCT on 6 December 2021 concerning the findings east of the Main Leipold Lode (the parallel lode which was known of in historical reports)

The Company will pursue MCT to meet its obligations under the JVA.

The Company advises that shareholders **TAKE NO FURTHER ACTION** in accepting the MCT takeover bid until MCT has met its obligations under the JVA.

2. Unconditional Metalicity takeover bid

On Friday 3 December 2021, MCT announced a variation of its Bid offer to make it unconditional. Since the bid was formally made on 24 September 2021, the bid has been extended on multiple occasions, first to 6 December 2021 from 15 November 2021 and then to 15 December 2021. As of the variation date, MCT has had only 22.02% of Nex shareholders accepting the

bid offer. Irrespective of the bid being declared unconditional, the Board is of the view that MCT has not made a strong argument as to why NME shareholders should accept the MCT Bid. The basis for this view will be elaborated on in the Target Statement. Until the Target Statement is dispatched, the Board advises that shareholders **TAKE NO FURTHER ACTION**.

The Company is continuing to evaluate and assess the merits or otherwise of MCT offer, however, until such time as the Company is permitted to provide its Target Statement to shareholders, the Board advises that shareholders **TAKE NO FURTHER ACTION** in accepting the MCT offer.

3. Takeovers Panel applications and Review application

There are currently multiple applications and a review application before the Takeovers Panel. The Company is at this time precluded by the procedural rules of the Takeovers Panel from commenting in detail on such matters.

The Company's review application in relation to the alleged conduct of an agent of MCT involving a breach of sections 619(1) (offers to be the same) and 623 (collateral benefits) of the *Corporations Act 2001* (Cth) (**Act**) is yet to be determined by the Takeovers Panel.

The Company has also reported the alleged conduct of MCT's agent to the Australian Securities and Investments Commission (ASIC) who will undertake their own investigations.

Until further information is provided to shareholders, the Board advises that shareholders **TAKE NO FURTHER ACTION** in accepting the MCT bid.

4. Target Statement

The Company advises that shareholders should **TAKE NO FURTHER ACTION** concerning the MCT offer and should await the Target Statement to be issued by the Company.

The Company is liaising with ASIC in respect of the selection of an expert in accordance with an order made by the Takeovers Panel on 15 November 2021. To date, the experts are yet to be nominated by ASIC.

The Target Statement cannot be issued by the Company until such time as the expert is selected and appointed by the company (after nomination by ASIC) and the opinion received.

5. Action in the Supreme Court of Western Australia

On 15 November 2021, the Company announced that a writ was issued to KYM Mining Pty Ltd (KYM) (a wholly owned subsidiary of MCT) on the basis that KYM has allegedly breached the Joint Venture Agreement between the Company and KYM. This matter is being tried by way of Supreme Court proceedings with the Statement of Claim (CIV 2220 of 2021) lodged on 16 November 2021.

In respect of the Court action, the Statement of Claim (CIV 2220 of 2021) is listed for a trial hearing on 24 and 25 of January 2022. Accordingly, the Board advises that shareholders **TAKE NO FURTHER ACTION** in respect of the takeover bid or otherwise pending the outcome of the trial.

The action before the Supreme Court will also determine whether in fact the JV has commenced.

In any event and subject to the outcome of the above proceedings the Company is still the owner of at least 49% of the Kookynie and Yundamindra Gold projects.

6. Rights Issue

The Company is progressing the proposed rights issue in accordance with the orders of the Takeovers Panel.

The Company is seeking to raise approximately \$3,150,000 AUD and is working closely with its corporate strategic and financial advisor **Indian Ocean Capital** and ASIC.

As soon as final input from ASIC is on hand, the Company will immediately dispatch a notice of meeting seeking shareholder approval for the rights issue.

Until the notice of meeting has been dispatched and the meeting held, the Board advises that shareholders **TAKE NO FURTHER ACTION** in respect of the takeover bid.

This announcement is authorised by the Managing Director, Kenneth Allen.

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