



Nex Metals
Explorations Ltd

ACN 124 706 449

of Unit 2, 42-52 Terrace Road, East Perth WA 6004

Circular to Shareholders
including
NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

**Annual General Meeting of Nex Metals Explorations Ltd to be held at
the Goodearth Hotel, 195 Adelaide Terrace, Perth WA 6000
on Wednesday the 30th day of November 2011 commencing at 1.30 pm (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.

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Corporate Directory

Directors	Thomas Percy QC Kenneth Allen Hock Hoo Chua Kasit Phisitkul Raja Mohd Azmi bin Raja Razali	Chairman – Non-Executive Managing Director Director – Non-Executive Director – Non-Executive (Alternate Director)
Secretary	Kenneth Allen	
Head Office	Unit 2 42-52 Terrace Road EAST PERTH WESTERN AUSTRALIA 6004 Phone: (08) 9221 6813 Fax: (08) 9221 3091 Website: www.nexmetals.com	
Registered Office	Unit 2 42-52 Terrace Road EAST PERTH WESTERN AUSTRALIA 6004	
Auditors	RSM Bird Cameron 8 St Georges Terrace PERTH WESTERN AUSTRALIA 6000	
Lawyers	Lawton Gillon Level 11 16 St Georges Terrace PERTH WESTERN AUSTRALIA 6000	
Share Registry	Security Transfer Registrars Pty. Limited 770 Canning Highway APPLECROSS WESTERN AUSTRALIA 6153	
ASX Code	NME, NME0	

Notice of Annual General Meeting

NOTICE IS GIVEN THAT an Annual General Meeting of the Company will be held at the Goodearth Hotel, 195 Adelaide Terrace, Perth WA 6000 on Wednesday the 30th day of November 2011 commencing at 1.30 pm (WST).

Information on the proposals to which the resolutions set out below relates is contained in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

BUSINESS OF THE MEETING

ORDINARY BUSINESS

Financial statements

To receive and consider the financial statements of the Company for the year ended 30 June 2011 consisting of the annual financial report, the directors' report and auditor's report.

RESOLUTIONS

1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

“To adopt the Remuneration Report, which forms part of the Directors' Report, for the year ended 30 June 2011.”

The vote on this resolution is advisory only and does not bind the directors or the Company.

2. RESOLUTION 2 – RE-ELECTION OF KASIT PHISITKUL

To consider and, if thought fit, pass with or without amendment the following resolution as an **ordinary resolution**:

“That Mr Kasit Phisitkul, who retires by rotation and being eligible for re-election, is re-elected as a Director of the Company.”

3. RESOLUTION 3 - RATIFICATION OF ISSUE OF SECURITIES

To consider and, if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the issue of or agreement to issue 6,984,972 Shares on the dates and on the terms set in the Explanatory Statement be subsequently approved.”

Voting Exclusion

In accordance with Listing Rule 7.5.6, any votes cast on Resolution 3 by or on behalf of a person who participated in the placement and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of Shares, if Resolution 3 is passed, or any of the respective associates of such persons, will be disregarded.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

“Snap-Shot” Time

The Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all Shares of the Company that are quoted on ASX at 5.00 pm WST, 28 November 2011 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

DATED: 27 October 2011

BY ORDER OF THE BOARD



Company Secretary
Nex Metals Explorations Ltd

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EXPLANATORY STATEMENT

This Explanatory Statement is an important document. You should read the document. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, you should contact your stockbroker or other professional adviser.

General Information.

This Explanatory Statement has been prepared for the information of Shareholders of Nex Metals Explorations Ltd in connection with the business to be conducted at the Annual General Meeting to be held at the Goodearth Hotel, 195 Adelaide Terrace, Perth, Western Australia on the date set out in the notice of meeting.

The purpose of this Explanatory Statement is to provide Shareholders with information which is reasonably required by Shareholders to decide how to vote upon the resolution. This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2011 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than 5 business days before the meeting date to Mr Kenneth Allen, Company Secretary.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report of the Company for the financial year ending 30 June 2011 is set out in the Director's Report on pages 7 to 9 of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

Section 260R(4) of the Corporations Act prohibits a director from voting on this resolution and technically prohibits the chairman from voting undirected proxies on remuneration report resolutions. Therefore, if shareholders wish to appoint the chairman as their proxy to vote on Resolution 1, shareholders must put a tick in the box labelled "For", "Against" or "Abstain" for their vote to count. The chairman cannot vote on Resolution 1 and therefore any proxy forms received by the Company which appoint the chairman and do not indicate how the chairman is to vote will be invalid for Resolution 1 and the votes will not be counted for Resolution 1.

Due to recent corporate law changes from 1 July 2011, the shareholders of a company have the ability to spill a company's board of directors if 25 per cent or more of votes cast are against the resolution to approve the remuneration report at two successive annual general meetings of the Company. Whilst this cannot result in any board spill at the 2011 annual general meeting, a spill of the board could potentially happen at the 2012 annual general meeting if there are more than 25 per cent of votes from shareholders who vote "NO" to the remuneration report resolution in 2011 and 2012.

If you require more information about this new law, please contact the company secretary.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – KASIT PHISITKUL

Mr Kasit Phisitkul, a non-executive director, retire by rotation and is eligible for re-election at the Annual General Meeting. In accordance with the Company's constitution Mr Phisitkul has submitted himself for re-election at the Annual General Meeting as a non-executive director.

Recommendation

The Directors (other than Mr Phisitkul) unanimously recommend that shareholders vote in favour of Resolution 2.

RESOLUTION 3 - RATIFICATION OF ISSUE OF SECURITIES

Proposed subsequent shareholder approval

Listing Rule 7.1 imposes a 15% cap on the number of new securities that a company can issue over any 12 month period without shareholder approval. ASX Listing Rule 7.4 allows a company to seek the subsequent approval of shareholders for an issue of securities. Shareholder approval of securities issued under the Placement refreshes the Company's 15% annual capacity to raise additional capital without the need to obtain shareholder approval. This provides additional funding flexibility for the Company.

Effect of the proposal

If Resolution 3 is approved, the Company will not have to count the securities issued under the Placement towards the 15% limit of securities that may be issued by the Company in any 12 month period under Listing Rule 7.1. Accordingly, if Resolution 3 is passed, the Company's annual capacity to issue capital within the 15% limit under Listing Rule 7.1 (in respect of the Placement, being 6,984,972 Shares) will be refreshed. The Directors of the Company consider it prudent to maintain such funding flexibility as part of the Company's capital management strategy.

If Resolution 3 is not approved, it will have no effect upon the 6,984,972 Shares issued or agreed to be issued. Those Securities have already been either issued and quoted on the ASX or the Company has agreed to issue the Shares. However the Shares would be counted towards the 15% of additional securities that may be issued by the Company in any twelve month period under Listing Rule 7.1. The Shares which have been issued were issued to the following:

Allottee	No of Shares	Issue price
AH Tuang Hon	2,000,000	\$0.105
AH Kim Tan	833,333	\$0.12
Innoidea Limited	3,600,000	\$0.175
Brett Royle	551,639	\$0.1575
TOTAL No OF SHARES	6,984,972	

Use of funds raised

The funds raised from the Placement were used for general working capital purposes.

The Shares were issued on the same terms and conditions as the Company's existing ordinary Shares.

Recommendation

In order to ensure that the Company has adequate funding flexibility, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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In this Notice of Meeting and Explanatory Statement, the following terms have the following unless the context otherwise requires:

DEFINITIONS

“**ASIC**” means the Australian Securities & Investments Commission;

“**ASX**” means ASX Limited (ACN 008 624 691);

“**Board**” means the Directors of the Company from time to time;

“**Business Day**” has the meaning ascribed to that term by the Listing Rules;

“**Company**” means Nex Metals Explorations Ltd (ACN 124 706 449);

“**Directors**” means each of the persons who acts as directors of the Company;

“**Listing Rules**” means the official listing rules of ASX;

“**Meeting**” and “**Shareholders’ Meeting**” means the meeting of Shareholders convened by the Notice;

“**Notice**” means the notice of meeting to which this Explanatory Statement is attached;

“**Shares**” means ordinary fully paid Shares in the capital of the Company and “**Shareholders**” has a corresponding meaning;

“**WST**” means western standard Australian time.

NOTES

A shareholder who is entitled to attend and vote at a meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the company.

Where a voting exclusion applies, the company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the proxy form or it is cast by a person chairing the meeting as proxy for person who is entitled to vote in accordance with the direction of the proxy form to vote as the proxy decides. The directors of the company have set a snapshot date to determine the identity of those entitled to attend and vote at the meeting. The snapshot date is stated above.

A proxy form is attached. If required, it should be completed, signed and returned in accordance with the proxy instructions on that form. To be effective, the proxy form (and any power of attorney) must be lodged at the registered office of the company not less than 48 hours before the time of holding the meeting. The proxy may be lodged by facsimile transmission to Security Transfer Registrars Pty. Limited facsimile number:- (08) 9315 2233.

Proxy Form

NEX METALS EXPLORATIONS LTD

ABN 63124 706 449

All correspondence to:

Security Transfer Registrars Pty. Limited

PO Box 535

APPLECROSS WA 6953)

Enquiries (within Australia)

(08) 9315 2333

(outside Australia) 61 8 9315 2333

Facsimile 61 8 9315 2233

Shareholder

Name, address and daytime telephone number of shareholder.

Name.....

Address.....

.....

Daytime telephone no.....Email Address:.....

Appointment of Proxy

I/we being member/s of Nex Metals Explorations Ltd and entitled to attend and vote hereby appoint

The Chairman of
the Meeting
(mark with an "X")

OR

Write here the name of the
person you are appointing if
this person **is someone
other than** the Chairman of

the Meeting.

or, failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nex Metals Explorations Ltd to be held at the Goodearth Hotel, 195 Adelaide Terrace, Perth WA 6000 on Wednesday, the 30th day of November 2011 commencing at 1.30 pm WST).

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution other than Resolution 1, in which case undirected proxies cannot and will not be voted by the Chairman.

Voting directions to your proxy – please X to indicate your directions

PROXY'S VOTING INSTRUCTIONS

If you mark the Abstain box for a particular item, 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 countered in computing the required majority on a poll.

PROXY'S VOTING INSTRUCTIONS

(OPTIONAL)	⇒	FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION
1. Adoption of Remuneration Report		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Kasit Phisitkul		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of issue of securities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE

This section **MUST** be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Securityholder 1

Sole director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Daytime contact telephone

Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company.

3. Votes on Items of Business

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

4. 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 Reception on +61 8 9221 6813 or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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;

(b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry.

If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 1.30 pm on 30 November 2011.

Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged

by delivery, mail or facsimile to the Security Transfer Registrars Pty. Limited:

PO Box 535, APPECROSS WA 6953)

Enquiries (within Australia) **(08) 9315 2333**

(outside Australia) **61 8 9315 2333**

Facsimile **61 8 9315 2233**