

# **Nex Metals Explorations Ltd**

ACN 124 706 449

Of 45 Guthrie Street, Osborne Park WA 6017

**Circular to Shareholders**  
including  
**Notice of General Meeting**  
**Explanatory Statement**  
**Proxy Form**

The Annual General Meeting of Nex Metals Explorations Ltd will be held at  
2.00 pm on 30 August 2018 (WST)  
at Comfort Inn & Suites Goodearth Perth,  
195 Adelaide Terrace EAST PERTH WA 6004

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9221 6813.

For personal use only

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# NEX METALS EXPLORATIONS LTD

ACN 124 706 449

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Nex Metals Explorations Ltd (“Company”) will be held at 2.00pm on Thursday 30 August 2018 (WST) at Comfort Inn & Suites Goodearth Perth, 195 Adelaide Terrace, East Perth WA 6004 (“Meeting”).

The Proxy Form forms are part of this Notice of General Meeting (“Notice”).

Unless otherwise defined, capitalised terms used in this Notice are defined in the Glossary of the Explanatory Statement accompanying this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 2.00pm on Tuesday, 28 August 2018 (WST).

Please note that:

- a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- proxy need not be a member of the Company; and
- 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 or number 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.

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### 1. Approval to Issue Shares in lieu of Director’s Fees – Kenneth Allen

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

*"That for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 8,225,120 shares to Mr Allen (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Ken Allen; or
- (b) an associate of Ken Allen.

However, the Company need not disregard a vote if:

- (a) 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
- (b) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 2. Approval to Issue Shares in lieu of Director's Fees – Hock Hoo Chua

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

*"That for the purposes of Section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,685,420 shares to Mr Hock Hoo Chua (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Hock Hoo Chua; or
- (b) an associate of Hock Hoo Chua.

However, the Company need not disregard a vote if:

- (a) 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
- (b) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 3. Approval for the Future Placement of up to 50,000,000 Shares

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval and authorisation is given to the Directors to issue up to 50,000,000 Shares at an issue price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made, and otherwise on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) any person who may participate in the proposed issue; or
- (b) any associate of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 4. Ratification of Prior Issue of Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of 5,932,685 Shares to Goldlaw Pty Ltd on the dates and on the terms and conditions set out in the Explanatory Statement.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Goldlaw Pty Ltd; or
- (b) any associate of Goldlaw Pty Ltd.

However, the Company need not disregard a vote if:

- (a) 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
- (b) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 5. Ratification of Prior Issue of Shares

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify the issue of +17,000,000 Shares to B3 Prospecting Pty Ltd on the dates and on the terms and conditions set out in the Explanatory Statement.”*

### Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) B3 Prospecting Pty Ltd; or
- (b) an associate of B3 Prospecting Pty Ltd.

However, the Company need not disregard a vote if:

- (a) 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
- (b) if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**PROXIES**

Please note that:

- (a) a member of the Company entitled to attend and vote at the 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.

**BY ORDER OF THE BOARD**



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

26 July 2018

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# **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Memorandum 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 General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in the Explanatory Statement are defined in the Glossary.

## **Resolutions 1 & 2 – Approval to Issue Shares in lieu of Director’s Fees – Kenneth Allen and Hock Hoo Chua**

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### **1.1 General**

The Directors have elected to accrue a portion of their fees for services to the Company to allow the Company to allow the Company to apply those funds which would have been applied to Director’s remuneration to its exploration programs.

These fees have been treated as accrued expenses in the records of the Company and reported in the audited accounts of the Company. The Company is proposing that partial accrued director fees are converted into Shares in the Company.

The Shares are to be issued at \$0.05 per share and the Shares to be issued will be issued on the same terms and conditions as the Company’s fully paid ordinary shares.

Resolutions 1 and 2 seek Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Director Shares (**Director Securities**) to Messrs Kenneth Allen and Hock Hoo Chua in lieu of partial accrued fees as follows:

- (a) Director Shares to Mr Kenneth Allen (or his nominee) pursuant to Resolution 1; and
- (b) Director Shares to Mr Hock Hoo Chua (or his nominee) pursuant to Resolution 2.

### **1.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Securities constitutes giving a financial benefit and Messrs Allen and Chua are related parties of the Company by being Directors.

The Board has considered the application of Chapter 2E of the Corporations Act (Related party provisions) and has resolved that the arm’s length and reasonable remuneration exceptions provided by section 210 and 211 of the Corporations Act are relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Director Securities, pursuant to Section 208 of the Corporations Act.



The Shares the subject of these proposed placements represent approximately 26.22% of the Company's current issued share capital of 190,659,552 Shares (assuming that no other Shares are issued prior to the Meeting).

## **2.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in section 1.3 above.

## **2.3 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of securities to be issued pursuant to this Resolution 3 is 50,000,000 Shares;
- (b) the Shares the subject of Resolution 3 will be issued no later than three (3) months after the date of this Meeting;
- (c) the Shares will be issued at a price that is at least 80% of the volume weighted average market price of Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which any issue is made;
- (d) the Shares will be issued to professional and sophisticated investors or to other persons to whom disclosure is not required under Chapter 6D of the Corporations Act. The Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued progressively as subscribers are identified, however no Shares will be issued after the date which is three (3) months after the date of the Meeting; and
- (g) the Company intends to use the funds raised by these Placements for the continued exploration and development, including the Kookynie and Yundamindera Gold Project. Any surplus funds will be used for general working capital purposes.

## **2.4 Directors' recommendation**

None of the Directors have a material personal interest in the subject matter of Resolution 3. The Board recommends Shareholders vote in favour of Resolution 3 as it will provide additional working capital to the Company and means that the Shares the subject of this Resolution will not need to be counted as part of the Company's 15% placement capacity, giving the Company the flexibility to issue further securities representing up to 15% of the Company's share capital without Shareholder approval.

## **2.5 Voting Exclusion Statement**

A voting exclusion statement is included in the Notice.

# **Ordinary Resolutions 4-5 - Ratification of Prior Issues of Shares**

## **3.1 Background**

During the last 12 months, the Company issued 37,942,596 Shares without disclosure to investors under the exceptions provided in section 708 of the Corporations Act. The corporate and professional advisors were not related parties of the Company.

## **3.2 Corporations Act**

None of the allottees the subject of Resolutions 4 to 5 in conjunction with any of their associates, hold, either before, during, or after any of the issues the subject of Resolutions 4 to 5 more than 19.9% of the issued capital of the Company.



### 3.3 Listing Rule 7.4

Resolutions 4 to 5 seeks Shareholder ratification of these issues of Shares pursuant to ASX Listing Rule 7.4 and for all other purposes.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where, pursuant to ASX Listing Rule 7.4, a company in general meeting ratifies the previous issue of securities made (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the issue of the Shares the subject of Resolutions 4 to 5 the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

Unless otherwise stated, none of the Directors have a material personal interest in the subject matter of Resolutions 4 to 5. The Board believes that the ratification of the issues of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolutions 4 to 5 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

### 3.4 Technical information required by Listing Rule 7.4 for the Share Issues Ratifications

Resolution	Allottee	No of shares	Issue Price	Date Issued	Purpose of Issue
4	Goldlaw Pty Ltd	5,932,685	\$0.025	16/7/2018	Creditor Payment. The Company did not raise any funds from this issue of shares as they were issued to satisfy a payment to a creditor for services rendered
5	B3 Prospecting Pty Ltd	17,000,000	\$0.025	16/7/2018	The funds raised from the Placement were issued for general working capital purposes including exploration costs and to retire and pay borrowing costs.

## Glossary

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In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) and, where the context permits the Australian Securities Exchange operated by ASX Limited
<b>Board</b>	Board of Directors
<b>Company</b>	Nex Metals Explorations Ltd (ACN 124 706 449)
<b>Constitution</b>	constitution of the Company
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Director</b>	each of the persons who acts as directors of the Company
<b>Explanatory Statement</b>	the information attached to the Notice, which provides information to Shareholders about the resolutions contained in the Notice
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rule</b>	the listing rules of the ASX
<b>Meeting or General Meeting</b>	means the general meeting convened by the Notice
<b>Notice</b>	the notice of meeting which accompanies this Explanatory Statement
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	a holder of a Share
<b>WST</b>	Australian Western Standard Time

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### 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 Wednesday 15 August 2018 at 2.00pm.

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 Advanced Share Registry on (+61 8) 9262 3723.

# NEX METALS EXPLORATIONS LIMITED

## Appointment of proxy

If you propose to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

All Registry communication to:

**Advanced Share Registry Ltd**

110 Stirling Highway

Nedlands WA 6009

PO Box 1156

Nedlands WA 6909

Telephone: (08) 9389 8033

Facsimile: (08) 9262 3723

Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)



You can now vote online at

[www.advancedshare.com.au/investors.aspx](http://www.advancedshare.com.au/investors.aspx)

I/We being a member(s) of NEX METALS EXPLORATIONS LIMITED ACN 124 706 449 and entitled to attend and vote hereby appoint.

**A** the Chairman of the Meeting  
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate 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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2:00pm, 17 August 2018 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's registered office no later than 48 hours before the meeting.

If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies IN FAVOUR of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert  in the appropriate box below:

		For	Against	Abstain*
<b>Resolution 1</b>	Approval to issue Shares in lieu of Director fees – Kenneth Allen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Approval to issue Shares in lieu of Director fees – Hock Hoo Chua	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Approval for the future placement of up to 50,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Ratification of Prior Issue of Shares	<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.

**B PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Securityholder 1 (individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (individual)

Director

Contact Name

Contact Daytime Telephone or Email

Date

# Proxy Instructions

## Generally

A shareholder entitled to attend and vote at the Annual General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all annual general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

## Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

## Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: 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) 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 sign in the appropriate place to indicate the office held.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

## Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the Company so that it is received no later than 10:00am, 28 August 2018.

## Documents may be lodged:

IN PERSON Share Registry – Advanced Share Registry, 110 Stirling Highway Nedlands WA 6009, Australia  
Registered Office

BY MAIL Share Registry – Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia

BY FAX +61 8 9262 3723

## Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.